City Council Work Session
Tuesday, July 18, 2023 at 6:15 PM or Immediately Following a 6:00pm Optional Tour of Absolute Air (1305 40th Street NW)
Public Meeting Room

AGENDA

1. **Call to Order**
2. **Items for Discussion**
   A. Budget Work Session #3 - Personnel, Fee Schedule, Franchise Fees, and General Overview
      1. Preliminary 2024-2028 Capital Improvement Plan Discussion
   B. Update on the Pending Release of a Request for Proposal for Ground-Mounted Solar at the Public Works Facility
   C. Update on the Status of the City's Community Solar Garden Subscriptions
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 18, 2023
SUBJECT:	Budget Work Session #3 - Personnel, Fee Schedule, Franchise Fees, and General Overview

Discussion:

There are a number of budget work sessions scheduled over the next few months, along with two meetings open for public comment, that will ultimately be used to first, set the preliminary tax levy in September, and second, set the final tax levy as well as approve the overall 2024 budget and adopt the 5-year Capital Improvement Plan in December.

The first two work sessions consisted of goal setting, discussing the schedule and process, as well as seeking direction from the Council on initiatives and expectations for the 2024 budget, and review of the long-term financial management plan.

This work session will provide a general review of the various types of funds that comprise the City budget - these include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, and Internal Service Funds.

The early stages of the budget process focus primarily on those activities funded mainly through property taxes and Local Government Aid (LGA) and the information used to set the tax rate. Property taxes directly support the General Fund and Community and Economic Development Administration Fund, including tax abatements. Property taxes also support a Special PERA Levy and Debt Service. We will also be reviewing the 2024 Proposed Fee Schedule, and Franchise Fees, as these revenues have an indirect impact on the property tax levy.

We will review some of the preliminary numbers that are available at this time, to include the preliminary 2024 taxable market values for property in the City; historical data on the tax levy, tax rate, and LGA; and other known rates/quantities that will impact the budget and the levy.

General Overview
Preliminary numbers from the County include a taxable market value of $1,952,217,600 (2023 actual). The net tax capacity is projected at $25,955,443 without TIF. This is an increase of $2,381,899, or a 10.1% increase, of which $306,251 is from new construction. This would absorb a levy increase of $144,770, without an impact on the City tax rate.

The median home value has not been provided by the County as of yet.

Personnel
All departments were asked to continue to evaluate positions, and propose any organizational structure changes and/or reclassifications of positions. In addition, they were asked to provide: department/division budget impacts and service delivery changes from the revisions; what is not getting done now that will get done with additional staff; what are the impacts on department/division budget (including whether there would be a decrease in overtime and/or seasonal hires); will the added staff produce any increased revenues; and are there any increased costs due to the addition of personnel (vehicle, office space, etc.). There are a number of factors that have been considered and the following items have all met these criteria to be brought forth to Council for review.

Library - An increase in the wages for Library Processing/Mending Aide and Library Pages of $1/hour is included to become more competitive in the current labor market, so the Library can more easily recruit and retain employees in these positions. The increase will increase the pay range to $14-$17/hour. This would be an increase in the personnel budget of $7,049.

Fire & Code Services - An addition of one full-time firefighter with a base schedule of Monday-Friday 8-5 yet a flexible shift to cover scheduled over time, cover evening and weekend special events, and short shifts to not generate overtime so that there is less over time paid out. There is no additional revenue brought in by the addition of staff. This would be an increase in the personnel budget of $116,517.

Public Works – An upgrade of the Water/Sewer Operator III position to a Utilities Foreperson would align with the organizational structure found throughout Public Works and would assist with employee retention/succession planning. This would be an increase in the personnel budget of $1,694.

Other Personnel Costs - All other personnel costs are set through collective bargaining agreements and the non-union compensation agreement. Included are set COLA, step increases based on authorized labor agreements. An estimated rate increase of 7.5% for health insurance, and an estimated increase of 5% in workers' compensation

rates, as well as life & disability insurance rates are included. The total personnel increase for 2024 is $717,009, of which $584,086 is an impact to the levy, while the remaining $132,923 is in the enterprise funds. This is an overall 5.22% increase to the levy. Reclassifications, rate increases and new positions account for $343,159 of this increase.

Tax Levy Impacts

Other impacts on the tax levy is removing the reliance on the tax levy to support Special Revenue Funds. A reduction to the Community and Economic Development Administration Fund of $66,151 over a four-year period, ($61,151 each year for 2022-2025) is also included. At this point, $243,638 will need to come from fund balance to balance this budget. Utilization of fund balance is not sustainable for this fund, and increases in revenues, decreases in expenditures, or a combination of both will be necessary. Tax abatements are estimated to be $409,651 which is an increase of $7,675 due to the estimated market value changes and the addition of Tru Vue Inc.

The last item will be a review of debt service. The debt service levy of $1,323,409 is a decrease for 2024 of $58,695. Local Government Aid amounts are reflected at the current 2023 allotment. There is an estimated increase in the City's allotment of $869,384. The State will notify the City by July 31st of the actual allotment.

The total proposed impact to the levy preliminarily is an increase of $1,027,609, or 9.19%. The overall impact to the tax rate with estimated captured growth for 2024 would be a 0.394% decrease, estimated at 47.050% from 47.444% in 2023. These numbers are preliminary as there are several large assumptions still at this point.

Fee Schedule

Staff has recommended changes to the Fee Schedule for review and there will be an opportunity to discuss them, as well as whether or not there are any items that the Council would like to discuss and/or possibly revise for 2023.

The proposed changes include:

- *Chapter 7 - Building & Building Regulations* page 1 shows a new item of License Verification Fee. This is to more equally distribute this fee per permit versus the annual fee of $50/year on page 2. Partial Shingling Fee is being removed as it is not utilized. Siding Permits-Window Replacement increased to $90 for consistency with similar work in this category. Page 2 reflects the removal of the annual fee referenced and language clarification for Mechanical Permits.
- *Chapter 19 – Peddlers* increasing the fee to $50 per person and including Transient Merchant Permits.

- *Water/Sewer/Storm Water Fees.* Page 3 has an inflationary increase in the base rates for water and sewer included. A rate analysis is currently underway to review the necessary rates for Water, Sewer, and Storm Water. Increases are based on 2023 increases at this point.
- *Airport.* A 5% increase in Airport Hangar Rent as well as the Airport Fuel Flowage Fee is on page 4.
- *Utility Pole Rental* annual increases of 2% are shown on Page 5.
- *Police Department Fees.* Photo Printing is now printed on paper and is reduced to $0.25/photo, similar to copies. Contract off-Duty Police Work includes an increase to $85/hour.
- *Recreation.* Pages 6-8 include several Recreation Center increases, changes, additions, and deletions.

Franchise Fees

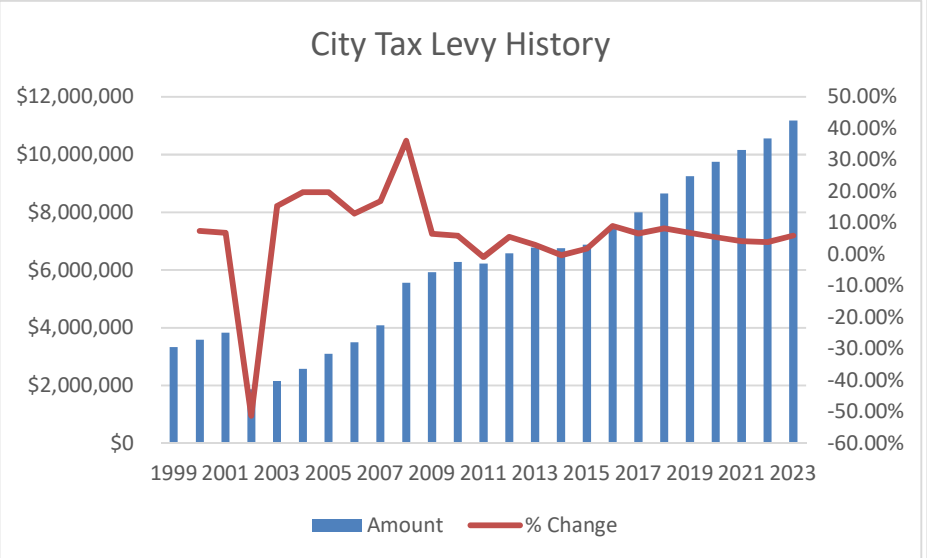
At this point, franchise fees historically allocated to the Street improvement Fund (404) of $650,000 were reallocated to the Park Improvement Fund (404) in 2023 and will remain there until the financing component for the downtown (viaduct area) park is determined. This allocation will need to be further reviewed as the project goes forward.

Attachments:

1. Property Tax Levy History 1999-2023
2. LGA History 1999-2023
3. Property Tax & LGA History 1999-2023
4. Property Tax Rate History 1999-2023
5. 2024 Organizational Chart
6. 2020-2024 Personnel Comparisons
7. 2023-2024 Debt Levy
8. 2024 Tax Levy Calculation
9. 2024 Fee Schedule
10. 2024 Franchise Fees -Revenues & Allocations
11. 2023 General Overview, Personnel, Fee Schedule, Franchise Fees Presentation

CITY OF FARIBAULT
Property Tax Levy
1999 - 2023

Year	Amount	% Change	Levy Amount Change
1999	$3,340,857		
2000	$3,588,986	7.43%	$ 248,129
2001	$3,833,922	6.82%	$ 244,936
2002	$1,870,390	-51.21%	$ (1,963,532)
2003	$2,159,574	15.46%	$ 289,184
2004	$2,586,705	19.78%	$ 427,131
2005	$3,097,046	19.73%	$ 510,341
2006	$3,499,656	13.00%	$ 402,610
2007	$4,091,580	16.91%	$ 591,924
2008	$5,566,255	36.04%	$ 1,474,675
2009	$5,929,257	6.52%	$ 363,002
2010	$6,284,984	6.00%	$ 355,727
2011	$6,231,469	-0.85%	$ (53,515)
2012	$6,577,969	5.56%	$ 346,500
2013	$6,775,308	3.00%	$ 197,339
2014	$6,758,722	-0.24%	$ (16,586)
2015	$6,880,685	1.80%	$ 121,963
2016	$7,503,833	9.06%	$ 623,148
2017	$7,999,280	6.60%	$ 495,447
2018	$8,658,704	8.24%	$ 659,424
2019	$9,250,896	6.84%	$ 592,192
2020	$9,752,651	5.42%	$ 501,755
2021	$10,162,266	4.20%	$ 409,615
2022	$10,559,078	3.90%	$ 396,812
2023	$11,184,332	5.92%	$ 625,254

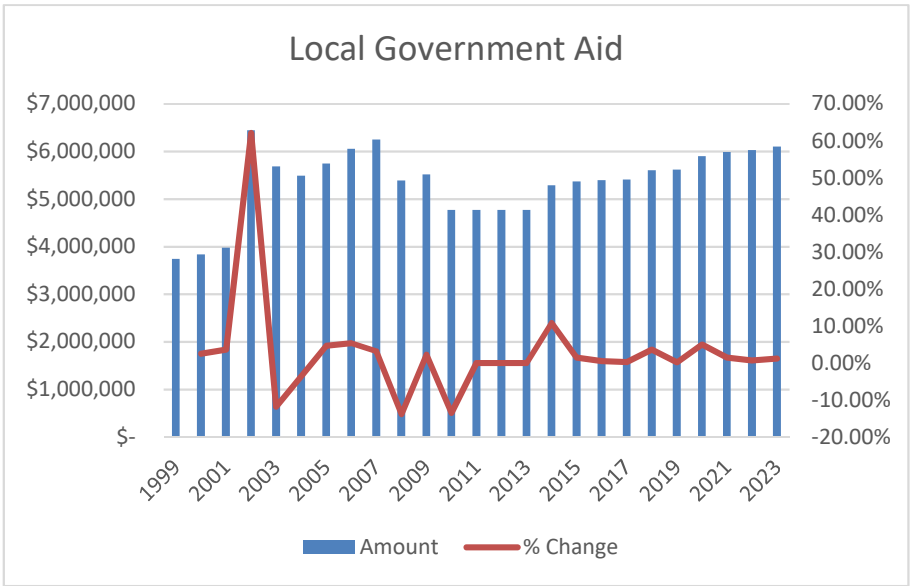


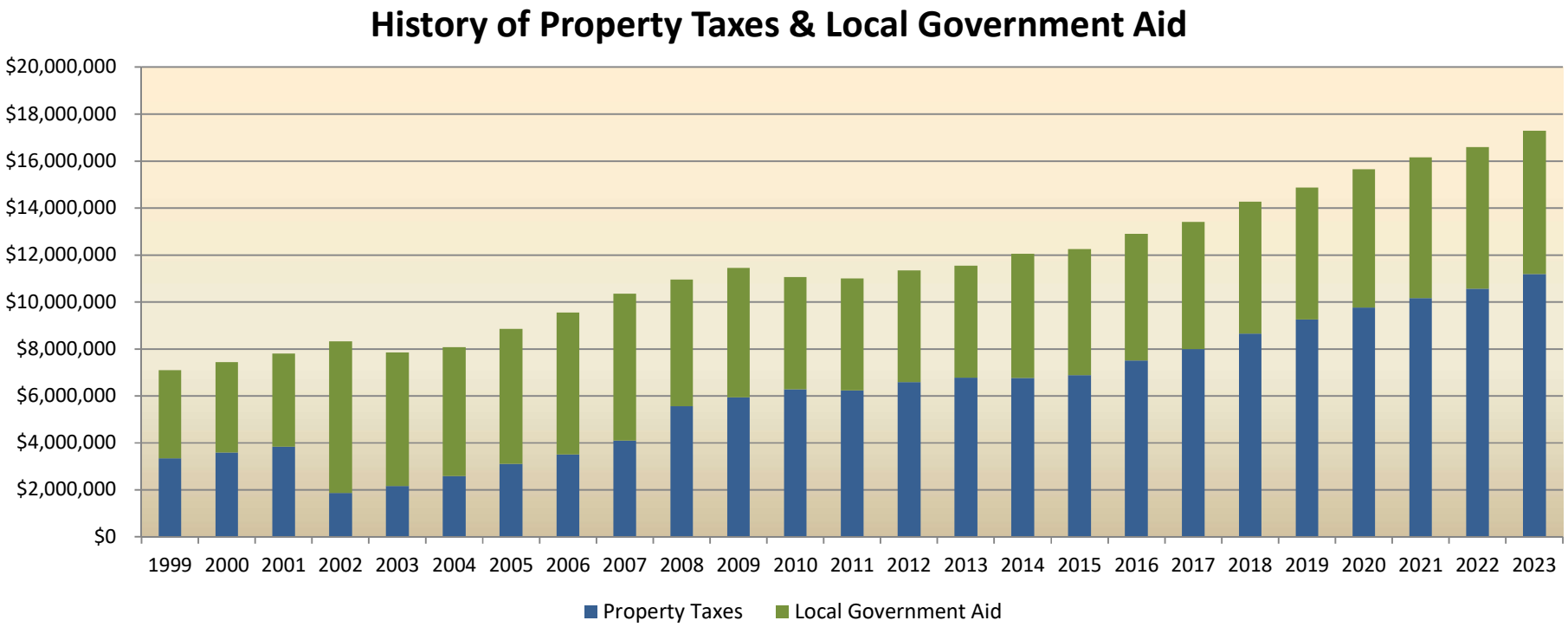
CITY OF FARIBAULT

Local Government Aid (LGA)

1999 - 2023

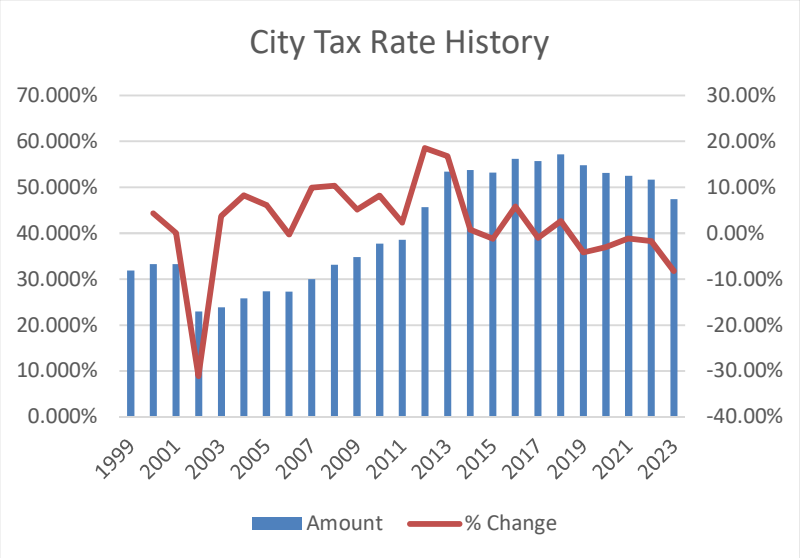
Year	Amount	% Change	$ Change
1999	$ 3,742,063		
2000	$ 3,835,317	2.49%	$ 93,254
2001	$ 3,975,347	3.65%	$ 140,030
2002	$ 6,446,015	62.15%	$ 2,470,668
2003	$ 5,684,738	-11.81%	$ (761,277)
2004	$ 5,486,574	-3.49%	$ (198,164)
2005	$ 5,745,241	4.71%	$ 258,667
2006	$ 6,054,954	5.39%	$ 309,713
2007	$ 6,251,586	3.25%	$ 196,632
2008	$ 5,389,217	-13.79%	$ (862,369)
2009	$ 5,513,289	2.30%	$ 124,072
2010	$ 4,772,748	-13.43%	$ (740,541)
2011	$ 4,772,748	0.00%	$ -
2012	$ 4,772,748	0.00%	$ -
2013	$ 4,772,748	0.00%	$ -
2014	$ 5,290,264	10.84%	$ 517,516
2015	$ 5,368,242	1.47%	$ 77,978
2016	$ 5,395,536	0.51%	$ 27,294
2017	$ 5,409,232	0.25%	$ 13,696
2018	$ 5,607,141	3.66%	$ 197,909
2019	$ 5,617,604	0.19%	$ 10,463
2020	$ 5,900,287	5.03%	$ 282,683
2021	$ 5,988,340	1.49%	$ 88,053
2022	$ 6,029,788	0.69%	$ 41,448
2023	$ 6,102,837	1.21%	$ 73,049

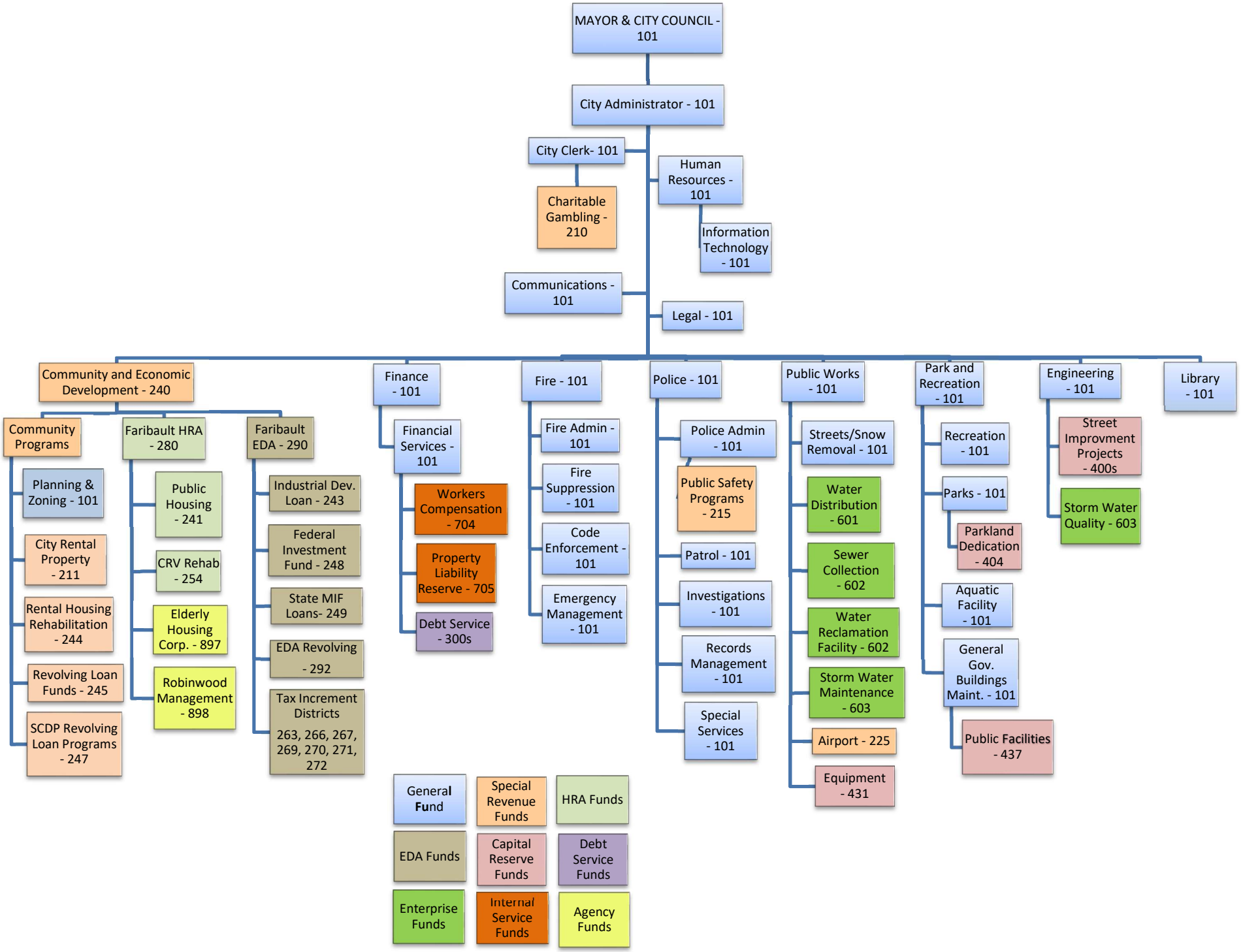



History of Property Taxes & Local Government Aid
$20,000,000
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023
Property Taxes
Local Government Aid

CITY OF FARIBAULT
Property Tax Rate
1999 - 2023

Year	Amount	% Change	Rate Change
1999	31.930%		
2000	33.310%	4.32%	0.01380
2001	33.340%	0.09%	0.00030
2002	22.978%	-31.08%	(0.10362)
2003	23.838%	3.74%	0.00860
2004	25.805%	8.25%	0.01967
2005	27.389%	6.14%	0.01584
2006	27.311%	-0.28%	(0.00078)
2007	30.026%	9.94%	0.02715
2008	33.134%	10.35%	0.03108
2009	34.843%	5.16%	0.01709
2010	37.697%	8.19%	0.02854
2011	38.566%	2.31%	0.00869
2012	45.727%	18.57%	0.07161
2013	53.390%	16.76%	0.07663
2014	53.814%	0.79%	0.00424
2015	53.168%	-1.20%	(0.00646)
2016	56.253%	5.80%	0.03085
2017	55.696%	-0.99%	(0.00557)
2018	57.182%	2.67%	0.01486
2019	54.803%	-4.16%	(0.02379)
2020	53.137%	-3.04%	(0.01666)
2021	52.547%	-1.11%	(0.00590)
2022	51.680%	-1.65%	(0.00867)
2023	47.444%	-8.20%	(0.04236)




MAYOR & CITY COUNCIL - 101
City Administrator - 101
City Clerk- 101
Charitable Gambling - 210
Human Resources - 101
Information Technology - 101
Communications - 101
Legal - 101
Community and Economic Development - 240
Community Programs
Planning & Zoning - 101
City Rental Property - 211
Rental Housing Rehabilitation - 244
Revolving Loan Funds - 245
SCDP Revolving Loan Programs - 247
Faribault HRA - 280
Public Housing - 241
CRV Rehab - 254
Elderly Housing Corp. - 897
Robinwood Management - 898
Faribault EDA - 290
Industrial Dev. Loan - 243
Federal Investment Fund - 248
State MIF Loans- 249
EDA Revolving - 292
Tax Increment Districts 263, 266, 267, 269, 270, 271, 272
Finance - 101
Financial Services - 101
Workers Compensation - 704
Property Liability Reserve - 705
Debt Service - 300s
Fire - 101
Fire Admin - 101
Fire Suppression - 101
Code Enforcement - 101
Emergency Management - 101
Police - 101
Police Admin - 101
Public Safety Programs - 215
Patrol - 101
Investigations - 101
Records Management - 101
Special Services - 101
Public Works - 101
Streets/Snow Removal - 101
Water Distribution - 601
Sewer Collection - 602
Water Reclamation Facility - 602
Storm Water Maintenance - 603
Airport - 225
Equipment - 431
Park and Recreation - 101
Recreation - 101
Parks - 101
Parkland Dedication - 404
Aquatic Facility - 101
General Gov. Buildings Maint. - 101
Public Facilities - 437
Engineering - 101
Street Improvment Projects - 400s
Storm Water Quality - 603
Library - 101
General Fund
Special Revenue Funds
HRA Funds
EDA Funds
Capital Reserve Funds
Debt Service Funds
Enterprise Funds
Internal Service Funds
Agency Funds

PERSONNEL COMPARISONS
(2019 - 2023 ADOPTED 2024 PROPOSED BUDGETS)

Position	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Proposed
ADMINISTRATION					
ADMINISTRATION (41320)					
City Administrator	1.00	1.00	1.00	1.00	1.00
City Clerk	0.00	0.00	1.00	1.00	1.00
Assistant to the City Administrator	1.00	1.00	0.00	0.00	0.00
Total Full-Time Employees	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
COMMUNICATIONS (41350)					
Communications Manager	0.00	0.00	0.00	1.00	1.00
Total Full-Time Employees	**0.00**	**0.00**	**0.00**	**1.00**	**1.00**
HUMAN RESOURCES (41800)					
Human Resources Director	0.00	0.00	0.00	1.00	1.00
Human Resources Assistant	0.00	0.00	0.00	1.00	1.00
Human Resources Manager	1.00	1.00	1.00	0.00	0.00
Payroll Benefit Specialist	0.50	0.50	1.00	0.00	0.00
Total Full-Time Employees	**1.50**	**1.50**	**2.00**	**2.00**	**2.00**
INFORMATION TECHNOLOGY (41580)					
IT Coordinator	1.00	1.00	1.00	1.00	1.00
IT Technician	1.00	1.00	1.00	1.00	1.00
Total Full-Time Employees	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
ELECTIONS (41410)					
Election Judges	70.00	0.00	60.00	0.00	60.00
Total Part-Time Employees	**70.00**	**0.00**	**60.00**	**0.00**	**60.00**
TOTAL EMPLOYEES SUPERVISED	**75.50**	**5.50**	**66.00**	**6.00**	**67.00**
FINANCE					
FINANCIAL ADMINISTRATION (41510)					
Finance Director	1.00	1.00	1.00	1.00	1.00
Assistant Finance Director	0.00	0.00	0.00	1.00	1.00
Accounting Supervisor	1.00	1.00	1.00	0.00	0.00
Senior Accountant	0.00	1.00	1.00	1.00	1.00
Account Technician	2.00	2.00	2.00	2.00	2.00

PERSONNEL COMPARISONS
(2019 - 2023 ADOPTED 2024 PROPOSED BUDGETS)

Position	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Proposed
Payroll Benefit Specialist	0.50	0.50	0.00	0.00	0.00
Administrative Assistant II	1.70	1.00	1.00	1.00	1.00
Total Full-Time Employees	**6.20**	**6.50**	**5.00**	**5.00**	**6.00**
Total Part-Time Employees	**0.00**	**0.00**	**1.00**	**1.00**	**0.00**
TOTAL EMPLOYEES SUPERVISED	**6.20**	**6.50**	**6.00**	**6.00**	**6.00**
COMMUNITY DEVELOPMENT					
PLANNING AND ZONING (41910)					
City Planner	1.00	1.00	1.00	1.00	1.00
Planning Coordinator/Zoning Administrator	1.00	1.00	1.00	1.00	1.00
Community Development Coordinator	0.00	0.00	0.00	1.00	1.00
Total Full-Time Employees	**2.00**	**2.00**	**2.00**	**3.00**	**3.00**
COMMUNITY DEVELOPMENT (240)					
Director	1.00	1.00	1.00	1.00	1.00
Community Development Coordinator	1.00	1.00	1.00	0.00	0.00
Department Specialist	1.00	1.00	1.00	1.00	1.00
Administrative Assistant II/Department Secretary	1.00	1.00	0.00	0.00	0.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00
Maintenance Specialist	1.00	1.00	1.00	1.00	1.00
Economic Development Coordinator	1.00	1.00	1.00	1.00	1.00
Housing Coordinator	0.00	0.00	0.00	1.00	1.00
Total Full-Time Employees	**7.00**	**7.00**	**6.00**	**6.00**	**6.00**
TOTAL EMPLOYEES SUPERVISED	**9.00**	**9.00**	**8.00**	**9.00**	**9.00**
POLICE					
POLICE ADMINISTRATION (42110)					
Chief of Police	1.00	1.00	1.00	1.00	1.00
Captain	3.00	3.00	3.00	2.00	2.00
Sergeant	0.00	0.00	0.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00
Total Full-Time Employees	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
CRIMINAL INVESTIGATION (42121)					
Sergeant	1.00	1.00	1.00	1.00	1.00
Police Officer	6.00	6.00	6.00	6.00	6.00

PERSONNEL COMPARISONS
(2019 - 2023 ADOPTED 2024 PROPOSED BUDGETS)

Position	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Proposed
Total Full-Time Employees	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**
UNIFORM PATROL (42123)					
Sergeant	4.00	4.00	4.00	4.00	4.00
Police Officer	20.00	20.00	20.00	20.00	20.00
Police Reserve Officers (Part-Time)	24.00	24.00	24.00	24.00	24.00
Total Full-Time Employees	**24.00**	**24.00**	**24.00**	**24.00**	**24.00**
Total Part-Time Employees	**24.00**	**24.00**	**24.00**	**24.00**	**24.00**
RECORDS (42124)					
Records Specialist (Full-Time)	3.00	3.00	3.00	2.00	2.00
Police Records Supervisor	1.00	1.00	1.00	1.00	1.00
Property Evidence Technician	1.00	1.00	1.00	1.00	1.00
Records Specialist (Part-Time)	1.00	1.00	0.00	0.00	0.00
Total Full-Time Employees	**5.00**	**5.00**	**5.00**	**4.00**	**4.00**
Total Part-Time Employees	**1.00**	**1.00**	**0.00**	**0.00**	**0.00**
COMMUNITY SERVICES (42700)					
CSO Supervisor	1.00	1.00	1.00	1.00	1.00
Community Services Officer II	1.00	1.00	1.00	1.00	1.00
Community Services Officer II (Part-Time)	2.00	2.00	2.00	2.00	2.00
Total Full-Time Employees	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Total Part-Time Employees	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
TOTAL EMPLOYEES SUPERVISED	**70.00**	**70.00**	**69.00**	**68.00**	**68.00**
FIRE					
FIRE ADMINISTRATION (42210)					
Director of Fire & Code Services	1.00	1.00	1.00	1.00	1.00
Administrative Assistant II (Part-Time)	0.30	1.00	1.00	1.00	1.00
Fire/Property Maintenance Inspector	0.50	0.50	0.00	0.00	0.00
Total Full-Time Employees	**1.80**	**1.50**	**1.00**	**1.00**	**1.00**
Total Part-Time Employees	**0.00**	**1.00**	**1.00**	**1.00**	**1.00**
FIRE SUPPRESSION (42220)					
Captain	3.00	3.00	3.00	3.00	3.00
Firefighter	6.00	6.00	6.00	6.00	6.00

PERSONNEL COMPARISONS
(2019 - 2023 ADOPTED 2024 PROPOSED BUDGETS)

Position	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Proposed
Firefighter Paid-On-Call (Part-Time)	24.00	24.00	24.00	24.00	24.00
Total Full-Time Employees	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**
Total Part-Time Employees	**24.00**	**24.00**	**24.00**	**24.00**	**24.00**
BUILDING CODE (42400)					
Building Official	1.00	1.00	1.00	1.00	1.00
Building Inspector I	1.00	1.00	1.00	1.00	1.00
Building Inspector II	0.00	0.00	0.00	1.00	1.00
Rental Housing Technician	1.00	1.00	1.00	0.00	1.00
Admnistrative Assistant I (Part-Time)	0.00	0.00	0.00	0.00	1.00
Building Permit Technician	0.00	0.00	1.00	0.00	0.00
Fire/Property Maintenance Inspector	0.50	0.50	0.00	0.00	0.00
Total Full-Time Employees	**3.50**	**3.50**	**4.00**	**3.00**	**4.00**
Total Part-Time Employees	**0.00**	**0.00**	**0.00**	**0.00**	**1.00**
TOTAL EMPLOYEES SUPERVISED	**38.30**	**39.00**	**39.00**	**38.00**	**40.00**
ENGINEERING					
ENGINEERING (43190)					
Director of Engineering/City Engineer	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	1.00	1.00	1.00
Engineering Technician III	2.00	2.00	3.00	3.00	3.00
GIS Coordinator	1.00	1.00	1.00	1.00	1.00
Total Full-Time Employees	**5.00**	**5.00**	**6.00**	**6.00**	**6.00**
TOTAL EMPLOYEES SUPERVISED	**5.00**	**5.00**	**6.00**	**6.00**	**6.00**
PARKS AND RECREATION					
GENERAL GOVERNMENT BUILDING MAINTENANCE (41940)					
Maintenance Engineer	1.00	1.00	1.00	1.00	1.00
Total Full-Time Employees	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
RECREATION ADMINISTRATION (45110 & 45124)					
Director	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator	1.00	1.00	1.00	1.00	1.00
Administrative Coordinator	0.00	0.00	0.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	0.00	0.00
Administrative Assistant I	0.00	0.00	0.00	1.00	1.00

PERSONNEL COMPARISONS
(2019 - 2023 ADOPTED 2024 PROPOSED BUDGETS)

Position	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Proposed
Communications Coordinator	1.00	1.00	1.00	0.00	0.00
Recreation Coordinator (Part-Time)	1.00	1.00	1.00	1.00	1.00
Receptionists (Part-Time)	2.00	2.00	2.00	2.00	2.00
Total Full-Time Employees	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**
Total Part-Time Employees	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
COMMUNITY CENTER-BUILDING (45122)					
Light Custodian (Full-Time)	2.00	2.00	2.00	2.00	2.00
Light Custodian (Part-Time)	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator	1.00	1.00	1.00	1.00	0.00
Recreation Superintendent	0.00	0.00	0.00	0.00	1.00
Fitness Coordinator (Part-Time)	1.00	1.00	1.00	1.00	1.00
Receptionist	0.00	0.00	0.00	1.00	1.00
Total Full-Time Employees	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
Total Part-Time Employees	**2.00**	**2.00**	**2.00**	**3.00**	**3.00**
PARKS (45200)					
Superintendent	1.00	1.00	1.00	1.00	1.00
Foreperson	1.00	1.00	1.00	1.00	1.00
Light Equipment Operator	4.00	4.00	4.00	4.00	4.00
Light Equipment Operator (Part-Time)	0.00	0.00	0.00	1.00	1.00
Total Full-Time Employees	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**
Total Part-Time Employees	**0.00**	**0.00**	**0.00**	**1.00**	**1.00**
TOTAL EMPLOYEES SUPERVISED	**19.00**	**19.00**	**19.00**	**21.00**	**21.00**
LIBRARY					
LIBRARY (45500)					
Library Director	1.00	1.00	1.00	1.00	1.00
Librarian/Program Coordinator	2.00	2.00	2.00	2.00	2.00
Library Technician	2.00	2.00	2.00	2.00	2.00
Library Technician (Part-Time)	2.00	2.00	2.00	2.00	2.00
Receptionist (Part-Time)	5.00	5.00	5.00	5.00	5.00
Circulation Desk Aid (Part-Time)	4.00	4.00	4.00	4.00	4.00
Page (Part-Time)	4.00	4.00	4.00	4.00	4.00
Mending Aide (Part-Time)	1.00	1.00	1.00	1.00	1.00
Total Full-Time Employees	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Total Part-Time Employees	**16.00**	**16.00**	**16.00**	**16.00**	**16.00**

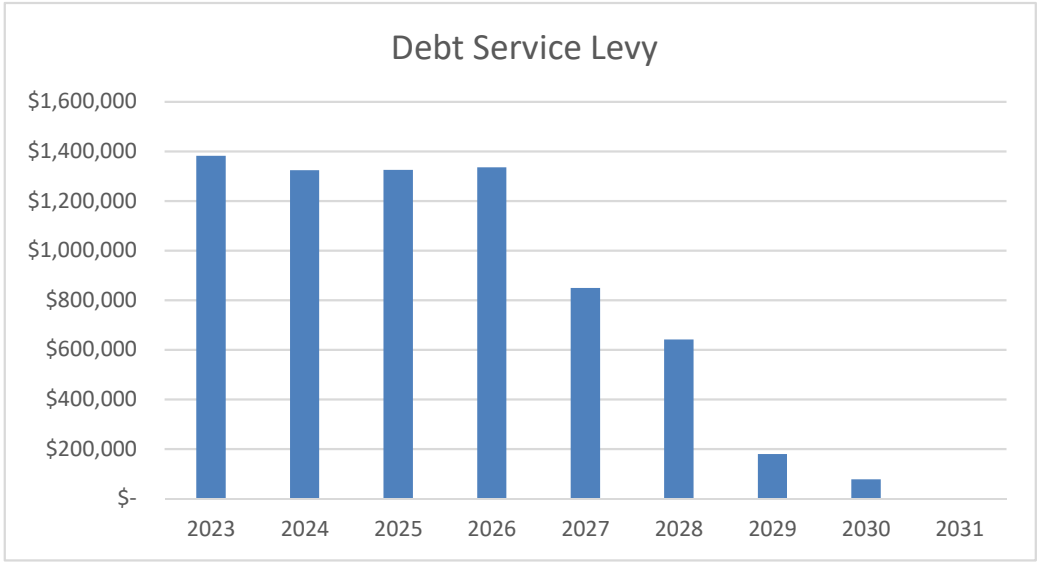
PERSONNEL COMPARISONS
(2019 - 2023 ADOPTED 2024 PROPOSED BUDGETS)

Position	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Proposed
TOTAL EMPLOYEES SUPERVISED	**21.00**	**21.00**	**21.00**	**21.00**	**21.00**
PUBLIC WORKS					
PUBLIC WORKS ADMINISTRATION (43110)					
Director of Public Works	1.00	1.00	1.00	1.00	1.00
Administrative Coordinator	0.00	0.00	0.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	0.00	0.00
Total Full-Time Employees	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
STREET MAINTENANCE (43121)					
Superintendent	1.00	1.00	1.00	1.00	1.00
Foreperson	1.00	1.00	1.00	1.00	1.00
Heavy Equipment Operator	4.00	4.00	4.00	4.00	4.00
Light Equipment Operator	3.00	3.00	3.00	3.00	3.00
Total Full-Time Employees	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**
EQUIPMENT MAINTENANCE (43126)					
Foreperson	1.00	1.00	1.00	1.00	1.00
Mechanic	2.00	2.00	2.00	2.00	2.00
Total Full-Time Employees	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
TOTAL EMPLOYEES SUPERVISED	**14.00**	**14.00**	**14.00**	**14.00**	**14.00**
UTILITIES					
WATER DISTRIBUTION (601-49430)					
Foreperson	1.00	1.00	1.00	1.00	1.00
Water/Sewer Operator	2.00	2.00	2.00	2.00	2.00
Total Full-Time Employees	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
SEWER COLLECTION (602-49450)					
Superintendent	1.00	1.00	1.00	1.00	1.00
Water/Sewer Operator	3.50	3.50	3.50	3.50	3.50
Total Full-Time Employees	**4.50**	**4.50**	**4.50**	**4.50**	**4.50**
TREATMENT PLANT (602-49480)					
Superintendent	1.00	1.00	1.00	1.00	1.00

PERSONNEL COMPARISONS
(2019 - 2023 ADOPTED 2024 PROPOSED BUDGETS)

Position	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Proposed
Foreperson	1.00	1.00	1.00	1.00	1.00
Treatment Plant Operator	4.00	4.00	4.00	4.00	4.00
Total Full-Time Employees	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**
STORM WATER (603-49500)					
Engineering Technician III	1.00	1.00	0.00	0.00	0.00
Water/Sewer Operator II	0.50	0.50	0.50	0.50	0.50
Total Full-Time Employees	**1.50**	**1.50**	**0.50**	**0.50**	**0.50**
TOTAL EMPLOYEES SUPERVISED	**15.00**	**15.00**	**14.00**	**14.00**	**14.00**
GRAND TOTALS					
TOTAL PERMANENT FULL-TIME	130.00	130.00	128.00	128.00	131.00
TOTAL PERMANENT PART-TIME	72.00	73.00	73.00	75.00	75.00
TOTAL PERMANENT EMPLOYEES	**202.00**	**203.00**	**201.00**	**203.00**	**206.00**

Bond Issue	Purpose	2022 Levy Pay 2023	2023 Levy Pay 2024	Maturity Date
G.O. Crossover Refunding Bonds 2021B-2012A-2006B	Public Works Facility	$ 555,450	$ 553,613	2026
G.O. Crossover Refunding Bonds 2021B-2012A-2008A	Public Safety Facility	397,898	393,435	2028
G.O. Crossover Refunding Bonds 2015A-2007A	Improvements	188,016	182,976	2027
G.O. Refunding Improvement Bonds, 2021B-2014A	Improvements	128,688	117,401	2029
G.O. Improvement Bonds, 2015A	Improvements	78,977	75,985	2030
Equipment Certificate 2014A	Equipment	33,075	0	2023
Total General Obligation Bonds		$ 1,382,104	$ 1,323,409	



CITY OF FARIBAULT
2024 Tax Levy

MARKET AND TAX CAPACITY VALUES						
Tax Years Payable	**2020**	**2021**	**2022**	**2023**	**2024**	**Change**
Taxable Market Value	**1,474,959,900**	**1,554,252,000**	**1,661,037,400**	**1,952,217,600**	**1,952,217,600**	**0.00%**
Tax Capacity:						
Gross Tax Capacity	18,540,886	19,538,157	20,686,820	23,879,474	26,261,373	**9.97%**
Less: Captured Tax Increment	(187,152)	(208,810)	(254,980)	(305,930)	(305,930)	**0.00%**
Net Tax Capacity	**18,353,734**	**19,329,347**	**20,431,840**	**23,573,544**	**25,955,443**	**10.10%**
Operating Tax Levies						
General (101)	6,538,071	8,134,852	8,675,211	9,255,408	10,400,188	**1,144,780**
Airport (225)	30,000	20,000	10,000	-	-	**-**
Buckham Memorial Library (224)	907,426	-	-	-	-	**-**
Street Improvement Fund (401)	500,000	-	-			**-**
Park Improvement Fund (404)	100,000	-	-	-	-	**-**
Capital Replacement Fund (431)	150,000	-	-	-	-	**-**
Public Facilities Fund (437)	150,000	-	-	-	-	**-**
Community Development (240)	164,602	264,602	198,451	132,300	66,149	**(66,151)**
Tax Abatement Projects (240)	130,008	354,939	426,275	401,976	409,651	**7,675**
Property Tax Levy	**8,670,107**	**8,774,393**	**9,309,937**	**9,789,684**	**10,875,988**	**1,086,304**
Special PERA Levy (101)	12,544	12,544	12,544	12,544	12,544	**-**
Bond Principal & Interest (300's)	1,070,000	1,375,329	1,236,597	1,382,104	1,323,409	**(58,695)**
Net Tax Levy (Actual Levy)	**9,752,651**	**10,162,266**	**10,559,078**	**11,184,332**	**12,211,941**	**9.19%**
Special Tax Levies						
HRA (280)	**251,907**	**295,900**	**309,820**	**328,850**	**380,253**	**51,403**
EDA (290)	**246,869**	**289,982**	**303,623**	**322,273**	**372,648**	**50,375**
Total Tax Rate Special Levies	**0.0272**	**0.0303**	**0.0300**	**0.0276**	**0.0290**	**0.0502**
Net Tax Levy - All City Levies	**10,251,427**	**10,748,148**	**11,172,521**	**11,835,455**	**12,964,842**	
Local Government Aid (LGA)	5,900,287	5,988,340	6,029,788	6,102,837	6,972,221	**14.25%**
Local Government Aid Change	282,683	88,053	41,448	114,497	869,384	

EXHIBIT A - Resolution 2023-XXX

2024 FEES, CHARGES AND UTILITY RATES

		2023	2024
CHAPTER 4 - ALCOHOLIC BEVERAGES			
Intoxicating			
4-15	**On-sale Liquor*** (Code Sec 4-15 (a) (2)) (MS 340A.408 Subd. 2)	$3,896	$3,896
	Low Volume Liquor (Res. 2009-210)	$2,000	$2,000
	Sunday On-Sale (MS 340A.504) (cannot prorate)	$200	$200
	Theater On-Sale (Ord. 2009-04) (License includes Sundays)	$500	$500
	Limited Culinary On-Sale (Ord. 2009-05) (License does not include Sundays)	$300	$300
	Club On Sale** (MS 340A.408 2b)		
	Membership of 200 or less	$300	$300
	Membership between 201 & 500	$500	$500
	Membership between 501 & 1,000	$650	$650
	Membership between 1,001 & 2,000	$800	$800
	Membership between 2,001 & 4,000	$1,000	$1,000
	Membership between 4,001 & 6,000	$2,000	$2,000
	Membership of 6,001 or more	$3,000	$3,000
	Off-Sale Liquor** (MS 340A.408,Subd.3a(2) & Subd.3c.	$560; ($100 refunded if conditions set out in SS met)	$560; ($100 refunded if conditions set out in SS met)
	Wine Sale*** (MS 340A.408 2c)	$1,671	$1,671
	Theater Wine (Ord. 2009-04)	$200	$200
	Temporary On-Sale Intoxicating Liquor		
	(City Code Sec 4-15 a. (9) - up to 4 days)	$35/day	$35/day
	Consumption & display permits (Setup) ****		
	(MS 340A.414 Subd. 6)	$300 (plus $150 State fee)	$300 (plus $150 State fee)
	One-day consumption and display permit (Setup) *****		
	(MSA 340A.414 Subd. 9) (Limit 10/year)	$25	$25
Malt Liquor (3.2%)			
	On-Sale License (3.2 Beer) Can pro-rate		
4-15	Annual fee - set by City Code (Sec. 4-15 (a) (1))	$200	$200
	Theater On-Sale Malt Liquor-3.2% Beer (Ord. 2009-04)	$100	$100
	Off-Sale License (3.2 Beer) Can pro-rate		
	Annual fee - set by City Code (Sec. 4-15 (a) (1))	$100	$100
	Temporary On-Sale License (3.2 Beer)		
	City Code Sec. 4-15 (a) (9)	$50/day up to 7 days	$50/day up to 7 days
	Address Change Fee for 3.2 Licenses	$20	$20
Brewery and Taproom			
4-25	**Brewer Taproom License** (Res. 2014-036)	$600	$600
	Small Brewer License (Res. 2014-036)	$200	$200
Micro-Distillery			
4-25	**Distiller and Cocktail Room License**	$600	$600
	Small Distiller License	$200	$200
Investigation Fee City Code 4-15 (f) (MS 340A. 412, subd 2 limits to $500)			
	Investigation Fee - In State (Liquor, Wine, Beer)	$500	$500
	Investigation Fee - Out of State (Liquor, Wine, Beer)	Actual Cost Not to Exceed $10,000	Actual Cost Not to Exceed $10,000
Renewal Application late fee		$100	$100

* Public Hearing required to increase non-state regulated Liquor License Fees according to MS 340A.408 Subd. 3a; fee set by City but subject to limits; fee intended to cover costs of issuing, inspecting, and other directly related costs of enforcement.

** Off-Sale and Club Licenses are State regulated, fees set by 340A.408.

*** Wine fee cannot exceed 1/2 On-Sale Liquor Lic fee or $2,000, whichever is less.

**** Consumption/Display Permits cannot exceed $300 by state regulation.

***** One-day Consumption/Display Permits cannot exceed $25 by state regulation.

CHAPTER 5 - AMUSEMENTS			
Dances			
5-57	Temporary Public Dance License	$25	$25
	License transfer fee	$20	$20
CHAPTER 6 - ANIMALS AND FOWL			
Animals			
6-49	Board fee	$35/day	$35/day
6-24	Voluntary Disposal of Dog	$50	$50
6-36	Kennel License	$150	$150
Prescribed Grazing & Beekeeping		See Zoning Compliance Certificate	See Zoning Compliance Certificate
CHAPTER 7 - BUILDINGS AND BUILDING REGULATIONS			
Building Permits			
7-16	~~1997~~ Uniform Building Code Permit Plan		
	Checking for Commercial Building Plan Review	65% of permit fee	65% of permit fee
	Residential Plan Check	50% of permit fee	50% of permit fee
	Reinspection Fee		
	Additional Visits (second reinspection and thereafter)	$54	$54
	License Verification Fee		$1
	Special Inspection	$54	$54
	In Ground Pool	$120	$120
	Above Ground Pool	$60	$60
	Demolition Permit ($1,500 escrow for land restoration)	$54	$54
	Building without permit	Double fee	Double fee
	Solar Installations	$110	$110
	State Surcharge (per State Statute 326B.148)	$1 Minimum	$1 Minimum
	Manufactured Home Set-up	$112	$112
Rental License			
7-39	Rental Property license fees		
	Single Family	$110	$110
	Multi-Family	$110/building + $20 per unit	$110/building + $20 per unit
	Re-Inspection fee	$100 (1-3 units), $50/unit (4+units)	$100 (1-3 units), $50/unit (4+units)
	Rental Compliance Appeal Fee	$50	$50
	Re-Instatement Fee	$50	$50
	Delinquent Penalty (Sec 7-39, 1. License Fees, City Ordinances)	15% of the amount of the license fee	15% of the amount of the license fee
7-14	Moving Structures - Moving permit per structure	$100	$100
	State Surcharge (per State Statute 326B.148)	$1	$1
Shingling/ Roofing Permit			
	One & Two Family Residences	$90	$90
	Partial Shingling	$54	Eliminate not used
	All Other Uses	Valuation x 1997 FS	Valuation x 1997 FS
	State Surcharge (per State Statute 326B.148)	$1	$1
Siding Permit			
	One & Two Family Residences	$90	$90
	Window Replace.	$80	$90 for consisitency with similar work in this catergory
	All Other Uses	Valuation x 1997 FS	Valuation x 1997 FS

(BUILDINGS AND BUILDING REGULATIONS CONTINUED)				
	State Surcharge (per State Statute 326B.148)		$1	$1
7-68	Electrical Permits, Inspections, and Fees			
Residential				
	Temporary Electrical Service		$55	$55
	Electrical - New Construction		$210	$210
	Panel Service Charge		$125	$125
	Lower Level (Basement Finish)		$100	$100
	One Trip/One Outlet Fee		$55	$55
	Additional Inspections		$45	$45
	Pool		$100	$100
	Hot tub/spa		$55	$55
	Sub Panel		$85	$85
	Solar Arrays		$100	$100
	Service Lateral (Conversion to underground/trench inspection)		$55	$55
	Off Peak Car Charger		$55	$55
	State Surcharge (per State Statute 326B.148)			
Commercial				
	Electrical*		Valuation x 1.5% up to $10,000, 1% above $10,000	Valuation x 1.5% up to $10,000, 1% above $10,000
	State Surcharge (per State Statute 326B.148)		Project valuation x 326B.148 Fee Schedule	Project valuation x 326B.148 Fee Schedule
	*If contract cost x 1.5% is less than $40 (one trip) or $70 (two trips) then minimums must be paid.			
	Commercial Fee Minimums:			
	One Trip		$40 + State Surcharge	$40 + State Surcharge
	Two Trips		$70 + State Surcharge	$70 + State Surcharge
	Annual permit or audit for incidental electrical work done throughout year by master of record employed by a business entity		$600	$600
	Annual Permit State Surcharge		$1	$1
Plumbing Permits				
	~~License verification fee~~		$50/yr	Elimnate, replace above
	Residential dwelling		$99	$99
	Alteration or additional fixtures		$66	$66
	Apartments/per unit		$66	$66
	Commercial/Industrial - New		$155	$155
	Additional plumbing fixture		$5 each	$5 each
	State Surcharge (per State Statute 326B.148)		$1	$1
Mechanical Permits				
	Residential dwelling (per furnace)		$90	$90
	~~Heating~~ HVAC Alteration/Change Out		$54	$54
	Apartments		$75	$75
	Commercial/Industrial		Valuation x 1997 FS	Valuation x 1997 FS
	State Surcharge (per State Statute 326B.148)		$1 or Project valuation x 326B.148 Fee Schedule	$1 or Project valuation x 326B.148 Fee Schedule
CHAPTER 10 - FIRE PREVENTION/PROTECTION				
Fire prevention-Sprinkler review				
	New construction		$.015 x value of project	$.015 x value of project
	Existing/retrofit		$.015 x value of project; minimum of $54	$.015 x value of project; minimum of $54
	State Surcharge (per State Statute 326B.148)		Project valuation x 326B.148 Fee Schedule	Project valuation x 326B.148 Fee Schedule
Police & Fire Alarm Charges				
False alarm charge				
	Each false alarm in excess of 2		$58	$58
	Each false alarm in excess of 5		$112	$112
	Each false alarm in excess of 10		$224	$224
CHAPTER 11 - GARBAGE AND REFUSE				
11-3	License fee		$70	$70
	Inspection fee for each vehicle (under 2 tons)		$40	$40
	Inspection fee for each vehicle (over 2 tons)		$75	$75
CHAPTER 14 - LICENSE AND BUSINESS REGULATIONS				
Tobacco				
14-27	License fee (can not be prorated)		$200	$200
	Name or address change fee		$20	$20
Salvage Dealers				
14-30	Pawn Shop/Pawnbroker License		$500	$500
	Pawn transaction fee		$1.15/transaction	$1.15/transaction
14-45	License fee		$60	$60
Massage Establishments				
14-56	License fee-Massage therapist (Can Prorate)		$55	$55
Charitable Gambling				
14-100	Gambling license exemptions		$45	$45
	(MS 349.213 Subd. 1a) (Gambling license can not exceed $100 by state regulation.)			
Fireworks				
14-112	Fireworks Display License Fee (Res 2010-162)		$25	$25
14-116	Fireworks-Sale of (Fee limits set by State Statute 624.20 Subd.1 (d))			
	Retailers selling only fireworks		$350/yr	$350/yr
	Retailers selling fireworks in addition to other items		$100/yr	$100/yr
CHAPTER 15 -MOTOR VEHICLES AND TRAFFIC				
15-40	Parking Fine - 18 hr/specialty vehicles/trailers		$50	$50
15-44	Parking Fine - Snow Emergency Parking		$50	$50
15-60	Downtown 14-day Residential Parking Permit (Res. 2018-247)		$100/yr	$100/yr
15-61	Parking Fine - All Other		$25	$25
15-82	Golf Cart Permits		$150	$150
	Golf Cart Permits (Physical Disability Qualification)		$75	$75
	Mini Truck Permits		$75	$75
CHAPTER 17 - OFFENSES				
17-52.	Repeat Nuisance Calls			
	Petty misdemeanors & misdemeanors offenses	3rd call	$250	$250
		4th call	$350	$350
		5th call	$450	$450
	Gross misdemeanors and felonies	2nd call	$1,000	$1,000
		3rd call	$2,500	$2,500
		4th call	$5,000	$5,000
CHAPTER 18 - PARKS AND RECREATION				
18-10	Keg permit		$30	$30
18-11	Liquor in parks (Beer)		$20	$20
CHAPTER 19 - PEDDLERS				
Peddlers License			$35 per person	$50 per person
Transient Merchant Permit				$50 per person
19-10	Mobile Food Unit (Food Truck) Registration - Annual		$50	$50

CHAPTER 27 - TAXI			
27-31	License fee	$65	$65
	Vehicle Fee - per vehicle	$10 first, $20 each additional	$10 first, $20 each additional
CHAPTER 28 - WATER, SEWER, & STORM WATER			
Water Rates			
	Monthly fixed water service access charge (based on meter size):		
	5/8" - 3/4"	$13.00	$13.50
	1"	$14.25	$14.80
	1 1/2"	$24.00	$24.95
	2"	$27.50	$28.60
	3"	$74.50	$77.50
	4"	$86.50	$89.95
	6"	$114.50	$119.10
	Consumption:		
	Residential/Multi-Family		
	0-12,000 gallons/month	$0.002010/gal	$0.002090/gal
	12,001-24,000 gallons/month	$0.002255/gal	$0.002345/gal
	>24,000 gallons/month	$0.002569/gal	$0.002672/gal
	Commercial		
	0-50,000 gallons/month	$0.002157/gal	$0.002243/gal
	50,001-300,000 gallons/month	$0.002229/gal	$0.002318/gal
	>300,000 gallons/month	$0.002494/gal	$0.002594/gal
	Industrial		
	0-300,000 gallons/month	$0.001593/gal	$0.001657/gal
	300,001-500,000 gallons/month	$0.001832/gal	$0.001905/gal
	>500,000 gallons/month	$0.002057/gal	$0.002139/gal
	Water via Fill Station	$0.007800/gal	$0.008112/gal
	Bulk Water Fob Deposit	$25.00	$25.00
	Water Meter	City cost rounded up to nearest dollar	City cost rounded up to nearest dollar
	Water Meter Testing Fee	$150	$175
	Water Disconnection Processing Fee	$65	$70
	Water Irrigation Meter Reshelving Fee	$65	$70
	Water Disconnection/Reconnect Fee for service request	$65	$70
	Water Meter/System Tampering Fee	$100	$125
	Hydrant Connection Fee	$100	$100
	Water Restriction Violation Fines		
	1st Offense	Warning	Warning
	2nd Offense	$25	$25
	3rd Offense	$50	$50
	4th Offense	$100	$100
	5th Offense	Place restrictive device on sprinkler system and outside water tap	Place restrictive device on sprinkler system and outside water tap
	Lawn Watering Permit	No Charge	No Charge
	NOTE: Required to register newly sodded or planted lawns with Public Works Department		
	Water Availability Charge		
	Standard	$1,500	$1,500
	Non-standard	$5,665	$5,665
	Late Payment Fee	A penalty of ten (10) percent of the amount of the consumer's water bill for water supplied by the municipal water system may be imposed on to any such bills that are delinquent.	A penalty of ten (10) percent of the amount of the consumer's water bill for water supplied by the municipal water system may be imposed on to any such bills that are delinquent.
	Service Call Fee (Section 28-82)	$100	$100
Sewer Rates			
	Residential		
	Monthly Base Sewerage User Fee ($/month)	$10.00	$10.20
	Flow Charge	$0.003682/gal	$0.003756/gal
	There are no sewer charges for a designated irrigation meter.		
	Late Payment Fee	A penalty of ten percent (10%) of the amount of the consumer's sewer bill may be imposed onto any such bills that are delinquent.	A penalty of ten percent (10%) of the amount of the consumer's sewer bill may be imposed onto any such bills that are delinquent.
	Significant Industrial User (SIU)		
	Monthly Fixed Charge	$10.00	$10.20
	Flow Charge	*Flow Charge is per individual SIU contract	*Flow Charge is per individual SIU contract
	Surcharge/Credit Coefficients:		
	CBOD5	$0.2652/lb	$0.2705/lb
	TSS	$0.306/lb	$0.3121/lb
	NH3	$0.0918/lb	$0.0936/lb
	TP	$0.3672/lb	$0.3745/lb
	Penalties:		
	Daily Limit per SIU contract	$500.00	$500.00
	Monthly Limit per SIU contract	$1,000.00	$1,000.00
	pH	$100.00/incident	$100.00/incident
	*SIUs who do not renew their contracts within 90 days of the expiration date will automatically and retroactively		
	revert to the residential flow charge, plus any surcharges and penalties as outlined above.		
	Sewer Availability Charge		
	Standard	$1,500	$1,500
	Non-standard	$5,865	$5,865
Storm Water Rates			
	Residential Lot Equivalent (RLE)	$7.48/RLE	$8.56/RLE
	Late Payment Fee	A penalty of ten percent (10%) of the amount of the consumer's storm water bill may be imposed onto any such bills that are delinquent.	A penalty of ten percent (10%) of the amount of the consumer's storm water bill may be imposed onto any such bills that are delinquent.
	Residential Lot Equivalent (RLE) equals 3,500 square feet of impervious surface. Each single family residential property		
	is considered to be one RLE. The Other Developed Properties will be individually assigned a certain number of RLEs		
	based on property size, impervious surface, and calculated storm water run-off.		
Water Availability Charge (WAC) Units & Sewer Availability Charge (SAC) Units			
	The City will adopt and use the Met-Council WAC & SAC schedule to determine the units for calculation of fees, excluding residential multifamily. Residential multifamily per unit (duplex, fourplex, apartments, etc.) 2 units=1 WAC/SAC.	https://metrocouncil.org/Wastewater-Water/Publications-And-Resources/Appendix-A-SAC-Criteria-for-Commercial-Properties.aspx	https://metrocouncil.org/Wastewater-Water/Publications-And-Resources/Appendix-A-SAC-Criteria-for-Commercial-Properties.aspx
Water Reclamation Facility			
	Hauled Waste	$40/1,000 gallons	$40.80/1,000 gallons
	Hauled Waste - Annual Registration	$300	$300
ADMINISTRATIVE FEES			
Copy fees (100 pages or fewer)		$.25/copy; $.50/2-sided	$.25/copy; $.50/2-sided
Special requests from public for information requiring more than 100 pages		Charge hourly wage of lowest paid employee able to retreive/copy data plus materials and mailing costs.	Charge hourly wage of lowest paid employee able to retreive/copy data plus materials and mailing costs.
City Council packet	(Available on website)	$30	$30
Copy of meeting DVD		$10	$10
Board/Commission packets			
	Heritage Preservation Commission	$20	$20
	Faribault HRA	$25	$25
	Faribault EDA	$25	$25

(ADMINISTRATIVE FEES CONTINUED)

Planning Commission	$25	$25
Ad Hoc Committee	$15	$15
Filing Fee for Mayor's Office & City Council (MS 205.13 Subd.3(b)	$5	$5
Maps	$5	$5
Color map (42 x 60)	$30	$30
Color map (24x36)	$20	$20
Color map (11x17)	$5	$5
Color map (8.5x11)	$2	$2
Custom made maps	$25-$50	$25-$50
Project plans and specifications		
Project costs < $50,000	$10/set	$10/set
Project costs < $50,000 - $250,000	$25/set	$25/set
Project costs > $250,000 - $1,000,000	$50/set	$50/set
Project costs> $1,000,000	$75/set	$75/set
Residential Lot Inventory (new document-multiple color pages)	$20	$20
Returned Payment Fee *(per MN Statute 604.113)*	$30	$30
Late payment fee charge for monthly recurring accounts receivable with delinquent balances.	A penalty of ten (10) percent of the amount of the customer's bill may be imposed onto any such bills that are delinquent.	A penalty of ten (10) percent of the amount of the customer's bill may be imposed onto any such bills that are delinquent.
Assessment Searches		
2 day response	$22	$22
less than 2 day response	$33	$33
Copies		
Adopted Budget Book	$30	$30
Capital Improvement Plan	$50	$50
Annual Comprehensive Financial Report	$30	$30
City Code Book (Available online)		
Code supplements	Actual cost	Actual cost
New Code Book	$150	$150
Currency Exchange License application approval	$110	$110
Airport Hangar Rent (based on 1 year lease-monthly lease add $15 per month)		
Building 2	$196/Month	$206/Month
Building 3	$196/month	$206/month
Building 4	$220/month	$231/month
Building 5 - Heated	$409/month	$509/month
Building 5 - Unheated	$303/month	$318/month
Private hangar land lease (One time charge of $100 linear front ft at start of lease)	$0.1804/mpnth	$0.1894/mpnth
Glider Trailer Storage Fee	$250.00/Season	$275.00/Season
Airport Fuel Flowage Fee	$0.0565/month	$0.0593/month
Engineering Fees		
1. Full engineering services - design, bidding, construction management including inter-agency coordination and permits as well as project inspection and staking.	15%	15%
2. Bidding and construction management including inter-agency coordination and permits as well as project inspections and staking.	9%	9%
3. General project administration, overview and limited inspection to insure compliance to City Standards and project acceptance by the City.	5%	5%
Right-Of-Way Management		
1. Registration Fees	$60	$60
2. Excavation Permit Fees		
A. Hole - Paved Surface	$90	$90
B. Hole - Unpaved Surface	$60	$60
C. Hole - Emergency	$60	$60
D. Trenching or Directional Boring	$10/100 l.f. + holes	$10/100 l.f. + holes
3. Obstruction Permit Fee	$45 + $5/day	$45 + $5/day
4. Permit Extension Fee	$25 + $10/day	$25 + $10/day
5. Driveway/Second curbcut	$30	$30
Utility Restoration Administrative Charge	$300/hr. - 2 hour minimum	$300/hr. - 2 hour minimum
Grading Permit Fee	$25 without recorded Stormwater Operations and Maintenance Agreement $70 with recorded Stormwater Operations and Maintenance Agreement	$50 without recorded Stormwater Operations and Maintenance Agreement $100 with recorded Stormwater Operations and Maintenance Agreement

Antenna Tower/Utility Pole Rental

Lease agreements are negotiated purusant to rates, but subject to circumstances, technology, available space, etc.		
Tenant's leasing space on City elevated tower or monopole.		
1. One to three PCS or Cellular, Community, Repeater, RCC, Multi-User, or Single User Antennas at same elevation.	$5,500/year	$5,500/year
2. Four to nine PCS or Cellular, Community, Repeater, RCC, Multi-User, or Single User Antennas at same elevation.	$16,500/year	$16,500/year
a. Additional antenna	$1,850/year	$1,850/year
3. Additional Fees and Requirements		
a. Microwave or Sat. Dish < 2' additional fee	$500/year	$500/year
b. Microwave or Sat. dish 2-3' additional fee	$750/year	$750/year
c. Microwave or Sat. dish > 3' additional fee	$950/year	$950/year
d. Small Cell/Can Antenna/Antenna Tower/Utility Pole Rental	Up to $150 per year rent	Up to $150 per year rent
(1) Maintenance Fee	$25 per year	$25 per year
(2) Electrical Service for nodes <= 100 watts	$73 per radio node	$73 per radio node
(3) Electrical Service for nodes > 100 watts	$182 per radio node	$182 per radio node
e. Limit one coaxial line per antenna, or add per additional coaxial line.	$950/year	$950/year
f. Initial consulting fee for review, mapping, study, etc. paid prior to review.	$2,500	$2,500
g. Initial landscape and restoration fee paid prior to construction	$1,500	$1,500
4. Utility Pole Rental (increase 2% per year)	$1,910.17	$1,948.37

Subdivision Fees and Vacation Application Fees

Minor Subdivision	$100*	$100*
Preliminary plat	$200+$10/parcel*	$200+$10/parcel*
Final plat	$300+$15/parcel*	$300+$15/parcel*
Extend Deadline to Report Approved Plat	$150	$150
Minor Subdivision/Plat Escrow	$1,500 - $10,000	$1,500 - $10,000
Vacation of street, easement, or other public reservation	$350*	$350*
*Applicant shall pay the County recording fees and all City Attorney and City Consultant Costs.		

Zoning Application Fees

Conditional Use Permit (single-family residential)	$300*	$300*
Conditional Use Permit (all other uses)	$500*	$500*
Conditional Use Permit Amendement (All Uses)	$300*	$300*
Interim Use Permit (All Uses)	$500*	$500*
Interim Use Permit Amendment (All Uses)	$300*	$300*
Ordinance Amendment	$350*	$350*
PUD (Residential)	$600*	$600*
PUD (All other uses; 0-5 acres)	$750*	$750*
PUD (All other uses; 5-20 acres)	$1,500*	$1,500*
PUD (All other uses; 20+ acres)	$3,000*	$3,000*
PUD Amendment	$300*	$300*
Rezoning of Property	$350*	$350*

(ADMINISTRATIVE FEES CONTINUED)		
Site Plan Review	$100	$100
Site Plan Security (may be cash, certified check, performance bond, or irrevocable letter of credit-subject to approval of the City)	110% of improvements	110% of improvements
Site Plan Escrow - for Required Driveway associated with Construction of or Replacement of Garage	$1,000	$1,000
Variance (Single-Family Residential)	$300+$50 each additional*	$300+$50 each additional*
Variance (All other uses)	$350+$50 each additional*	$350+$50 each additional*
*Applicant shall pay the County recording fees and all City Attorney and City Consultant Costs.		
Administrative Zoning Permit Fees		
Home Occupation Permit (Original Application)	$40 for first two years	$40 for first two years
Home Occupation Permit (Renewel)	$25 for every two years after the first two years	$25 for every two years after the first two years
Natural Landscape Permit	No Charge	No Charge
Sign Permit (Under 100 sq. ft.)	$60*	$60*
Sign Permit (100 sq. ft or more)	$85*	$85*
Sign Permit, Structural Plan Review & Inspection Fee	$100	$100
Sign Permit, Sign Face Replacement (non-structural) Fee	$25	$25
Sign Permit (state surcharge for footing or electrical)	$1	$1
Sign Permit (Penalty for installation without a permit)	Double the Sign Permit	Double the Sign Permit
Zoning Certificate	$25	$25
Zoning Compliance Letter	$30	$30
Zoning Compliance Letter (Rush within two business days)	$50	$50
*Plus electical inspection fees for lighted signs when applicable		
*When there is more than one sign per wall or leased area frontage, each sign is charged seperately		
Other Planning and Zoning Fees		
Address change request from property owner	$200	$200
Annexation Petition	$200+$5/acre*	$200+$5/acre*
Annexation Escrow	$10,000*	$10,000*
Comprehensive Plan Amendment	400*	400*
EAW or EIS	300*	300*
EAW or EIS Escrow	$10,000+	$10,000+
Extension to record documents or start construction	$150	$150
*Applicant shall pay the County recording fees and all City Attorney and City Consultant Costs.		
Police Department Fees		
Pictures (i.e. accident, burglary, etc.)	$6/printed photo	$0.25/printed photo
Copies of police reports	$.25/pg for first 100 pgs	$.25/pg for first 100 pgs
Over 100 copies	Charge hourly wage of lowest paid employee able to retreive/copy the data plus materials/mailing costs.	Charge hourly wage of lowest paid employee able to retreive/copy the data plus materials/mailing costs.
Copy of items put onto media file	$12	$12
Contract Off-Duty Work	$75 per hour	$85 per hour
Library Fees		
Micro film copies	$.15/sheet	$.15/sheet
Double sided	$.30/sheet	$.30/sheet
Meeting Room (Non-profit groups - no charge)	$30/4 hours	$30/4 hours
Photo copies	$.15/sheet	$.15/sheet
3D Printing	$0.10/gram of filament	$0.10/gram of filament
Non-Residential Card Fee (Set by State)	$40	$40
Replacement cards	$2	$2
Payment for lost and damaged materials	Replacement cost	Replacement cost
Obituary research	$10/obituary	$10/obituary
Headphones	$1	$1
Flash Drives	$10	$10
Private Activity (Tax Exempt) Bonds Issuance		
Administrative Fee	1/2 of 1% of the face amount of bond	1/2 of 1% of the face amount of bond
Point of Sale Inspection		
Inspector license	$113	$113
Inspection fee		
Inspection fee	$35	$35
Additional visits	$35	$35
Commercial and Industrial Development Program Application		
Application Fee		
Special Program Application Fee	$150	$150
Industrial Development Loan	$350	$350
Minnesota Investment Fund	$350	$350
Economic Development Revolving Fund	$350	$350
Micro Loan Program	$100	$100
Tax Abatement Program		
Application fee	$500	$500
Tax Abatement escrow	$10,000*	$10,000*
* Note: Applicants pay City's legal costs and consultant costs	Balance returned after City costs are recovered*	Balance returned after City costs are recovered*
Tax Increment Financing		
Application fee	$500	$500
Tax Increment Financing escrow	$20,000*	$20,000*
* Note: Applicants pay City's legal costs and consultant costs	Balance returned after City costs are recovered*	Balance returned after City costs are recovered*
Recreation Center (periodically allows discounts up to 20% on programs for promotional purposes)		
Aquatics		
Lap swim punchcard (14 times)	$48	$50
Lap swim	$5	$5
Open swim-Ages 3 and up	$4	$4
Open swim family	$14	$14
Open swim punch card	$42	$48
3 month lap swim unlimited-Individual	$85	$85
Annual lap swim unlimited-Individual (Jan - Dec 31)	$300	$300
Pool rental-One hour	$68	$68
Birthday Party Rental (Room and Pool)	$87	$90
Swim lessons	$38	$40
Private swimming lessons		
1 ~~Person~~ Lesson	$30	$30
3 ~~Person~~ Lessons	$72	$72
5 ~~Person~~ Lessons	$110	$110
Semi-Private Lessons per one half hour (2 Students)		
1 Session	$45	$45
3 Session	$120	$120
5 Session	$185	$185
Water Fitness		

(ADMINISTRATIVE FEES CONTINUED)

14 classes/punchcard	$48			$50				
Pay each time	$5			$5				
Fitness Room								
Weight room passes	Individual	Couples	Family (5 Memebrs + $10/member/month)	Individual	Couples	Family (5 Memebrs + $10/member/month)		
3 month	$78	$125	$140	$78	$125	$140		
1 month	$36	$55	$62	$36	$55	$62		
6 month	$140	$235	$250	$140	$235	$250		
12 month	$255	$350	$400	$255	$350	$400		
Daily	$5			$5				
Punchcard (14 Punches)	$48			$50				
Personal Training	varies			varies				
All Around Pass	Individual	Couples	Family (5 Members + $10/member/month)	Individual	Couples	Family (5 Members + $10/member/month)		
1 month	$42	$69	$80	$44	$75	$82		
3 month	$110	$185	$155	$115	$195	$215		
6 month	$207	$344	$380	$2015	$355	$380		
12 month	$370	$570	$630	$380	$590	$630		
Aerobics	Individual			Individual				
Punch Card (14 times)	$48			$50				
Daily rate	$5			$5				
Locker Rooms								
Daily lock rental	$0			$0				
1 Month - Small Locker	$6			$7				
1 Month - Large Locker	$7			$8				
2 Months - Small Locker	$8			$9				
3 Months - Small Locker	$11			$12				
3 Months - Large Locker	$13			$14				
4 Months - Small Locker	$13			$14				
4 Months - Large Locker	$15			$16				
5 Months - Small Locker	$17			$18				
5 Months - Large Locker	$19			$20				
6 Months - Small Locker	$22			$23				
6 Months - Large Locker	$24			$25				
Miscellaneous fees and charges								
Noon time adult basketball-Daily fee	$4			$4				
Open Gym	$4			$4				
Open Gym Punchcard (14 Punches)	$44			$48				
Sauna Punchcard (14 punches)	$48			$48				
Sauna Only	$5			$5				
Pickle Ball Punchcard (14 punches)	$44			$48				
Pickleball - Daily	$4			$5				
Youth programs								
Youth Sports (indoor soccer, bitty basketball, youth basketball, floor hockey)								
4 sessions	$28			$28				
6 sessions	$35			$35				
8 sessions	$42			$42				
Flag football	$42			$42				
Cub football	$52			$52				
Summer Ball (includes all youth summer ball programs)	$40			$40				
Baseball	$50			$50				
Hershey track	$25			$25				
Safety Camp	$42 3-day camp; $48 4-day camp			$50				
Youth Camps - 3 1/2 to 8 years								
4 Sessions	$30			$30				
6 Sessions	$42			$42				
Science Camp	$34			$34				
Fun Center ~~2 Days~~ Drop In	$24			$10				
2 weeks Morning	$34			$34				
Afternooon	$42			$42				
Full Day	$65			$65				
3 Week Morning				$46				
Afternoon				$58				
Evening				$92				
Tennis	$45			$45				
Youth volleyball	$38			$40				
Spirit Team	$32			$32				
Adult Programs								
TKD (Taekwondo) (10 punchcard)	$40			$50				
20 Punchcard	$70			$90				
40 Punchcard	$120			$140				
3 on 3 basketball	$185			$185				
Racquetball league	$40			$40				
Racquetball								
Daily	$5 PP/Hr			$5 PP/Hr				
1 Month	$32			$32				
Punchcard (14 Punches)	$48			$50				
Adult volleyball	$35/game			$35/game				
Adult volleyball double headers	$35/game			$35/game				
Beginner golf	$60			$60				
Softball (team fee)								
Plus men 20 games	$35/game			$35/game				
Plus other leagues 12G	$35/game			$35/game				
Fall Softball (10 games)								
Team	$35/game			$35/game				
Teen softball league	$300			$300				
Drop-In Programs								
Ice Arena								
Public skating								
Individual	$5			$5				
Family	$18			$18				
Punchcard (14 Punches)	$48			$50				
Ice skating lessons	negotiable			negotiable				
Faribault Family Aquatic Center								
General Admission at Entrance	$7 w/tax			$7 w/tax				
Active Military Rate	$5 w/tax			$5 w/tax				
Admission After 5:00 pm	$5/tax			$5/tax				
Resident Discount Passes								
10 passes	$60 + tax			$60 + tax				
20 passes	$115 + tax			$115 + tax				
30 passes	$150 + tax			$150 + tax				
Non-Resident Discount Passes								

(ADMINISTRATIVE FEES CONTINUED)		
10 passes	$60 + tax	$60 + tax
Season Passes		
Individual	$80 + tax	$80 + tax
Family (2A, 2Y Plus $20 any extra immediate family members)	$175 + tax + addtl members	$175 + tax + addtl members
Preseason sale - 10% discount until May 15 for season tickets and discount tickets		
Pool Rental (Before or After hours) per hour rates	$300 per hour + tax	$300 per hour + tax
Free Day on 3rd Wednesday in June		
Park Shelter Reservation Fee		
Full day	$50	$55
Entire park (Not North or South Alexander)	$300	$300
Facility Rent		
Regular Hours		
Class rooms	$22/hour	$25/hour
Gymnasium	$37/hour	$40/hour
After or Before hours		
Class rooms	$36/hour	$40/hour
Gymnasium	$50/hour	$55/hour
Washington Center		
Hourly rental - full facility	$60/hour	$70/hour
Community Center (includes 2 hrs pool)		
1 hour	$85	$85
Over night	$500	$500
Armory Building		
Class rooms	$30	$30
Gymnasium - 1 court = 1/2 gym	$30	$30
Gymnasium - 2 courts = full gym	$60	$60
Buckham West		
Dining Hall and Activity Room - during regular hours	$25/hour	$25/hour
Dining Hall and Activity Room - before or after regular hours	$35/hour	$35/hour
Conference Room - during regular hours	$50/hour	$50/hour
Conference Room - before or after regular hours	$65/hour	$65/hour
Commons Area - during regular hours	$50/hour	$50/hour
Commons Area - before or after regular hours	$60/hour	$60/hour
Small Offices - during regular hours	$15/hour	$15/hour
Small Offices - before or after regular hours	$20/hour	$20/hour
Rental Deposit(Refundable)		$100
Military Discount (~~Active de~~ Families)	10%	10%

CITY OF FARIBAULT
FRANCHISE FEE HISTORY

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Budget 2023	Budget 2024 Est.
REVENUE						
Cable Television (General fund & Street Improveme	$ 266,877	$ 250,579	$ 237,281	**$ 239,270**	**$ 225,000**	**$ 230,000**
Gas & Electric (split below)	$ 850,933	$ 940,998	$ 926,150	**$ 2,010,134**	**$ 2,720,000**	**$ 2,500,000**
Water	$ 78,858	$ 94,630	$ 94,630	**$ 94,630**	**$ 94,630**	**$ 94,630**
Sewer	$ 171,142	$ 205,370	$ 205,370	**$ 205,370**	**$ 205,370**	**$ 205,370**
TOTAL	$ 1,367,811	$ 1,491,577	$ 1,463,431	**$ 2,549,404**	**$ 3,245,000**	**$ 3,030,000**
DESIGNATIONS (Cable Television)						
General Fund - 101	$ 266,877	$ 250,579	$ 217,281	**$ 239,270**	**$ 225,000**	**$ 230,000**
Street Improvement Fund - 401	$ -	$ -	$ 20,000	**$ -**	**$ -**	**$ -**
TOTAL	$ 266,877	$ 250,579	$ 237,281	**$ 239,270**	**$ 225,000**	**$ 230,000**
DESIGNATIONS (Gas & Electric)						
General Fund - 101	$ 354,000	$ 405,000			**$ 80,000**	**$ 62,500**
Street Improvement Fund - 401	$ 100,000	$ 75,000	$ 380,000	**$ 1,470,134**	**$ 1,700,000**	**$ 1,536,000**
Public Facility Projects - 437	$ 112,000	$ 87,000	$ 162,000	**$ 162,000**	**$ 262,000**	**$ 162,000**
Public Works Bond - 349 (old ~~344~~ old ~~342~~)	$ 51,500	$ 51,500	$ 51,500	**$ 51,500**	**$ 51,500**	**$ 51,500**
Downtown Park Bonds - 350						
Economic Development Projects (240)	$ 50,000					
Community & Economic Development (240)		$ 100,000				
Capital Equipment Fund (431)			$ 75,000	**$ 75,000**	**$ 75,000**	**$ 58,000**
Park Improvements Fund (404)	$ 183,433	$ 222,498	$ 257,650	**$ 251,500**	**$ 551,500**	**$ 630,000**
TOTAL	$ 850,933	$ 940,998	$ 926,150	**$ 2,010,134**	**$ 2,720,000**	**$ 2,500,000**
DESIGNATIONS (Water & Sewer)						
General Fund - 101	$ 125,000	$ 200,000				
Street Improvement Fund - 401	$ 62,500	$ 50,000	$ 250,000	**$ 250,000**		**$ 164,000**
Public Works Bond - 344 (old ~~342~~)	$ 25,000	$ 25,000	$ 25,000	**$ 25,000**	**$ 25,000**	**$ 25,000**
Park Improvements Fund (404)					**$ 250,000**	**$ 86,000**
Public Facility Projects - 437	$ 37,500	$ 25,000	$ 25,000	**$ 25,000**	**$ 25,000**	**$ 25,000**
TOTAL	$ 250,000	$ 300,000	$ 300,000	**$ 300,000**	**$ 300,000**	**$ 300,000**
DESIGNATIONS (Overall)						
General Fund - 101	$ 745,877	$ 855,579	$ 217,281	**$ 239,270**	**$ 305,000**	**$ 292,500**
Street Improvement Fund - 401	$ 162,500	$ 125,000	$ 650,000	**$ 1,720,134**	**$ 1,700,000**	**$ 1,700,000**
Public Works Bond - 349 (old ~~344~~ old ~~342~~)	$ 76,500	$ 76,500	$ 76,500	**$ 76,500**	**$ 76,500**	**$ 76,500**
Downtown Park Bonds - 350						**$ -**
Public Facility Projects - 437	$ 149,500	$ 112,000	$ 187,000	**$ 187,000**	**$ 287,000**	**$ 187,000**
Economic Development Projects (240)*	$ 50,000					
**EDA would no longer pay Cost Allocation charges to Community Development Dept. beginning in 2020*						
Community & Economic Development (240)		$ 100,000				
Capital Equipment Fund (431)			$ 75,000	**$ 75,000**	**$ 75,000**	**$ 58,000**
Park Improvements Fund (404)	$ 183,433	$ 222,498	$ 257,650	**$ 251,500**	**$ 801,500**	**$ 716,000**
TOTAL	$ 1,367,810	$ 1,491,577	$ 1,463,431	**$ 2,549,404**	**$ 3,245,000**	**$ 3,030,000**

NOTES:
Ordinances 2005-20 and 2005-21 established the electric and gas franchise fees effective January 1, 2006.
Hickory Tech was granted a cable television franchise in 2006.
Greater Minnesota Gas was granted a natural gas franchise in 2018.
10%/year increases on electric and natural gas franchise fees in 2019 and 2020 adopted per Ord. 2018-09
2021 Consolidation of Franchise Fees and Operating Levy
2022 Increase in Electric & Gas Franchise Fee for Street Improvement Fund to eliminate road maintenance special assessments.
2023 Increase in Electric Franchise Fee for Xcel didn't begin January 1, began May 1.

2024 Budget Work Session #3

General Overview
Personnel
Fee Schedule
Franchise Fees

JULY 18, 2023

2024 Budget Overview

Taxable Market Value (2023)

$1,952,217,600

Net Tax Capacity

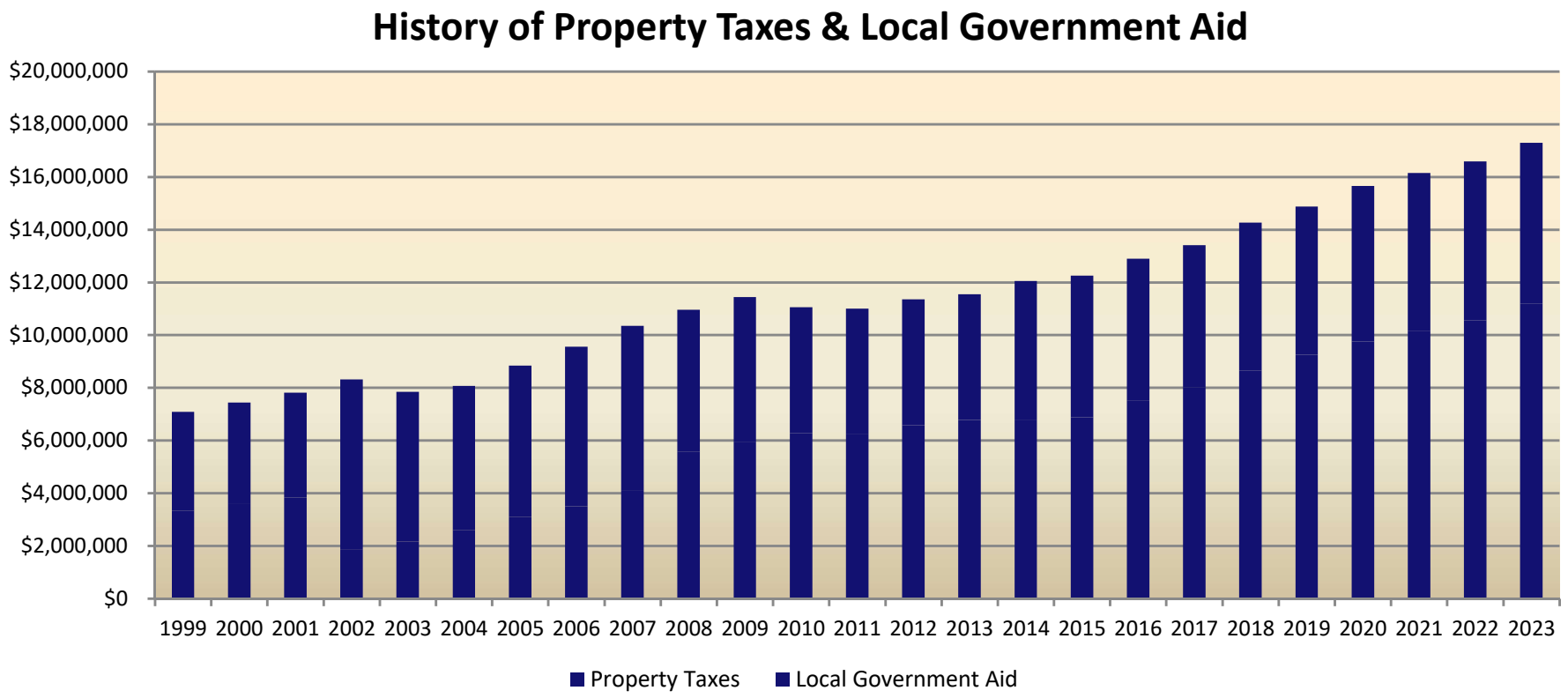
$25,955,443 10.1%

New Growth

$306,251

($84,700 Levy)

PROPERTY TAXES & LGA



General Overview

- Property Tax & LGA Support
  - General Fund
    - Special PERA Levy
  - Community Development Administration
    - Tax Abatements
  - Debt Service

General Overview

Airport

$0 (2021-2023)

Shortfall ($60,253)

Community Development

($61,151) (2022-2025)

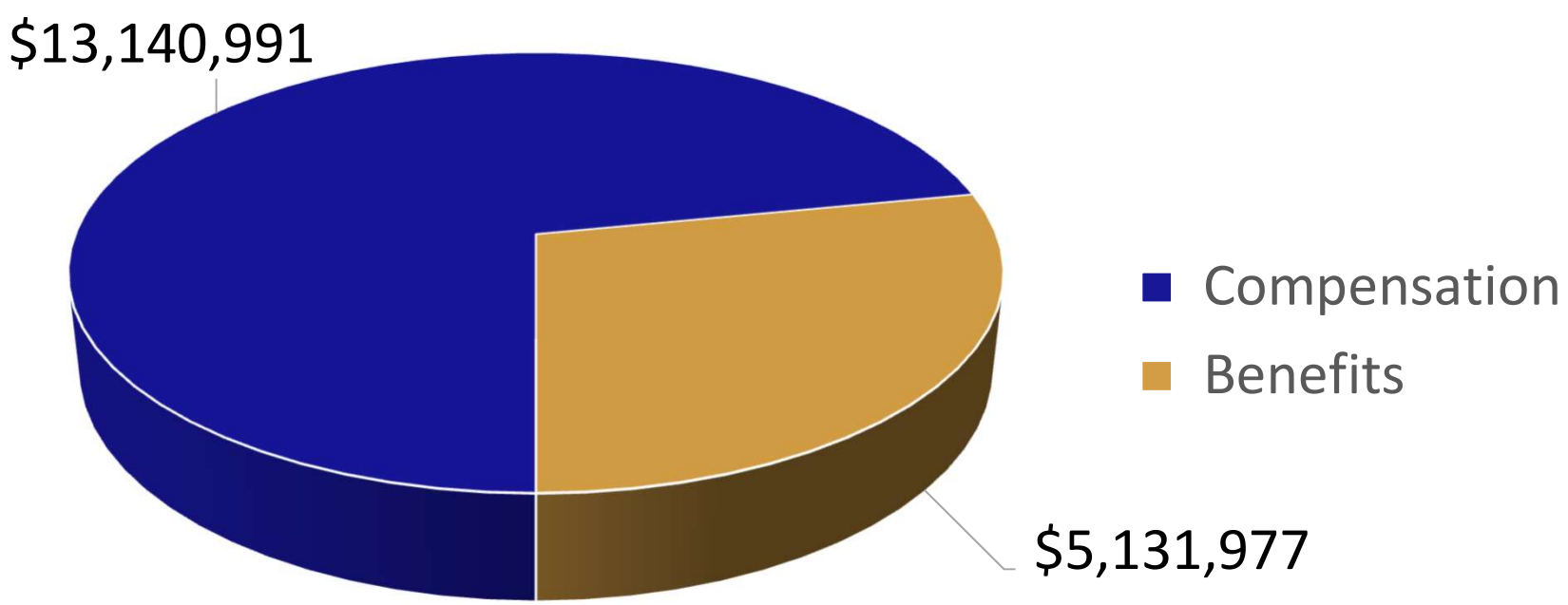
Tax Abatements

Increase $7,675

Debt Service

Decrease ($58,695)

2024 Personnel Budget



2024 Personnel Budget

Library
$1/hour
($7,049)

Fire & Code Services
Fire Fighter ($116,517)

Public Works
Water/Sewer Operator III
Utility Foreperson ($1,694)

Compensation & Benefits
($18,272,967)

2024 Personnel Budget

Overall Personnel Impact $717,009

- COLA/Step Increases
  - $373,850
- Benefit Changes
  - $164,399
- Reclass/New Positions
  - $146,760
- Elections
  - $32,000

Fee Schedule

- Chapter 7 Building & Building Regulations
  - License Verification Fee $1/Permit vs. $50/Year
  - Window Replacement $90 consistency
- Chapter 19 Peddlers
  - $50/Person
  - Transient Merchant Permits
- Chapter 28 Water, Sewer, Storm Water
  - Inflationary
  - Rate Analysis

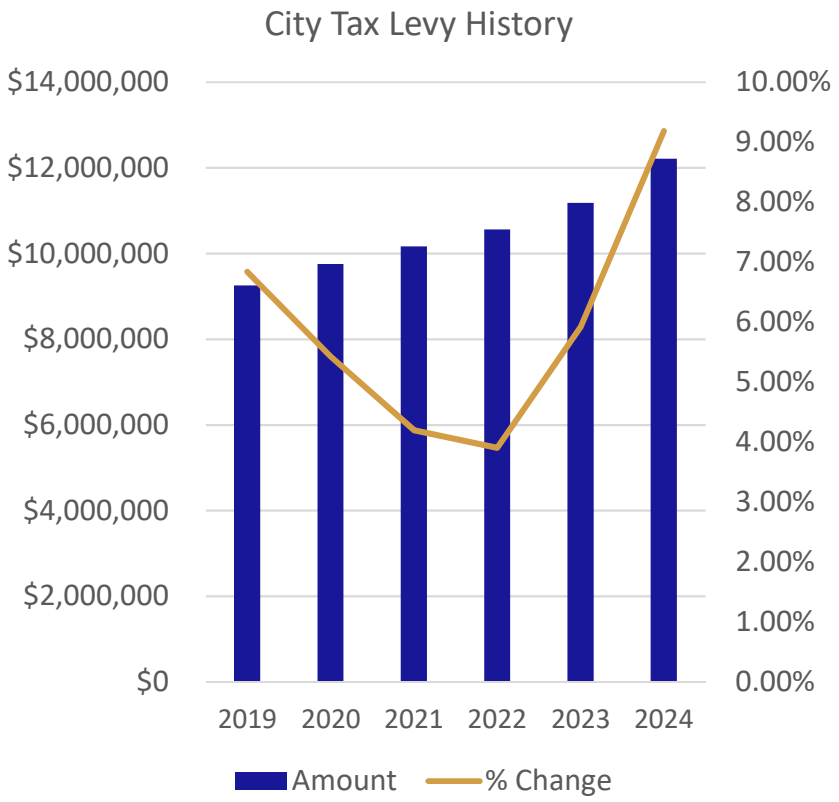
Fee Schedule

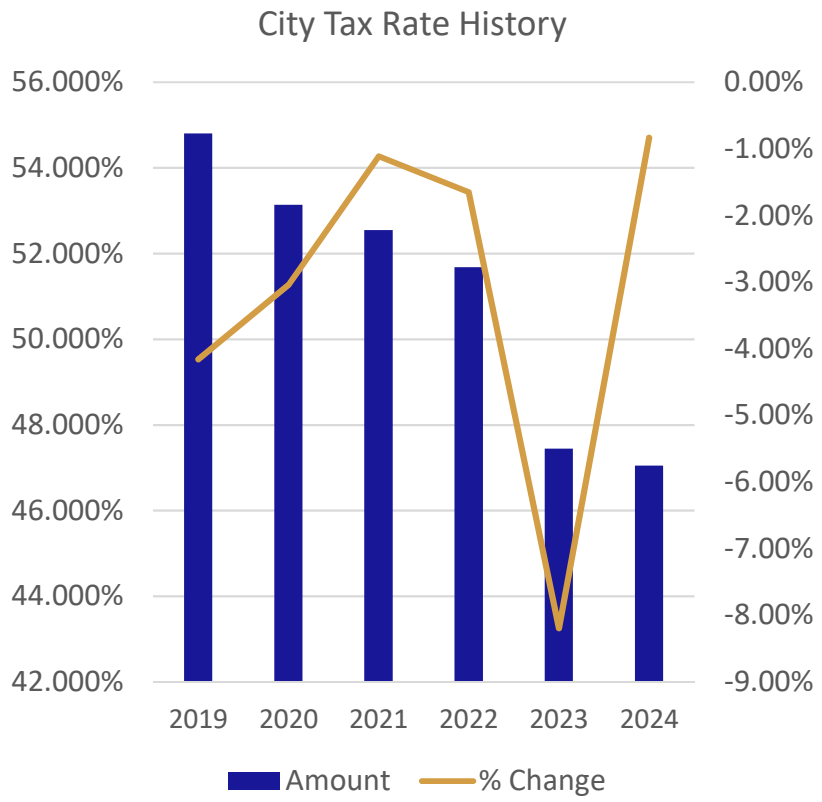
- Airport
  - 5% increase Hangar Rent & Fuel Flowage
- Utility Pole Rental
  - Annual 2% increase
- Police
  - Photos $0.25/photo
  - Contract Off-Duty $85/hour

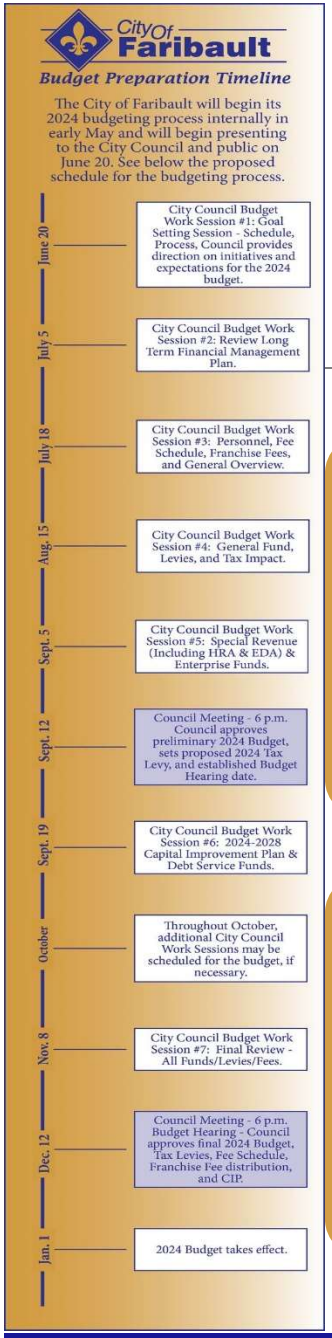
Franchise Fees

- Cable
  - $230,000
- Gas & Electric
  - $2,500,000
- Water & Sewer
  - $300,000

Tax Levy


City Tax Levy History
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
10.00%
9.00%
8.00%
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
2019
2020
2021
2022
2023
2024
Amount
% Change


City Tax Rate History
56.000%
54.000%
52.000%
50.000%
48.000%
46.000%
44.000%
42.000%
0.00%
-1.00%
-2.00%
-3.00%
-4.00%
-5.00%
-6.00%
-7.00%
-8.00%
-9.00%
2019
2020
2021
2022
2023
2024
Amount
% Change



City Of Faribault

2024 Budget Schedule

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

September 19

2025-2029 CIP
Debt Service

Budget Work Session #3

Questions?

General Overview
Personnel
Fee Schedule
Franchise Fees

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Tim Murray, City Administrator
FROM:	Mark DuChene, City Engineer
MEETING DATE:	July 18, 2023
SUBJECT:	Preliminary 2024-2028 Capital Improvement Plan Discussion

Discussion:

Staff is beginning to assemble the first draft of the 2024-2028 Capital Improvement Plan (CIP) and is looking for City Council input on any projects not currently in the CIP or projects in the CIP that council feels should be modified/deleted/moved. A copy of the current CIP can be found here: 2023-2027 CIP

While the CIP includes equipment and facilities and staff will take feedback on those items, the focus of this preliminary discussion will be more centered on public infrastructure projects (streets, sidewalks, trails, utilities) which start on page 89 of the current CIP (link above). Input from the Council will be used to guide the development of the 2024-2028 CIP to be presented in September.

Attachments:

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Tim Murray, City Administrator
FROM:	David Wanberg, Community and Economic Development Director
MEETING DATE:	July 18, 2023
SUBJECT:	Update on the Pending Release of a Request for Proposal for Ground-Mounted Solar at the Public Works Facility

Discussion:

At its December 13, 2022, meeting, the City Council approved releasing a Request for Proposals (RFP) for ground-mounted solar at the City's Public Works Facility at 1200 Belview Trail. However, City Staff delayed the RFP's release until the City could reassign the facility's community solar garden credits to other City property, thereby allowing the City to install its own ground-mounted solar at the facility. We recently completed that work, and the City can now proceed with its own solar project.

Given seven months have passed since the Council's authorization to release the RFP, City Staff is simply updating the Council on the process. There is no need for Council action at this time. After Staff receives the proposals, we will schedule another work session to discuss the proposals. The attached RFP is for Council reference. Again, there is no need for Council action at this time.

Attachments:

1. RFP for Ground-Mounted Solar at the Public Works Facility

REQUEST FOR PROPOSALS

Date of Issue: XX/XX/202X
Proposal Due Date: XX/XX/202X

I. Contents

II. OBJECTIVE 2
III. OVERVIEW 2
IV. RFP SCHEDULE 2
V. SITE INFORMATION 3
VI. EXAMINATION OF SITE PRIOR TO SUBMITTING PROPOSAL 3
VII. PROVIDER QUALIFICATIONS 4
VIII. PERSONNEL QUALIFICATIONS AND ABILITIES 4
IX. PROJECT SCOPE AND STANDARDS 4
X. CONTENT OF PROPOSAL 5
XI. TECHNICAL SPECIFICATIONS 7
XII. OPERATIONS AND MAINTENANCE 8
XIII. PROJECT SCHEDULE 8
XIV. FINANCIAL STATEMENTS 8
XV. SELECTION COMMITTEE 8
XVI. City RESPONSIBILITY 8
XVII. PROVIDER(S) SELECTION CRITERIA 9
XVIII. RIGHT TO REJECT PROPOSALS 9
XIX. RFP EXHIBITS 10

ATTACHMENT A: MN Solar Suitability App report
ATTACHMENT B: PVWatts Report
ATTACHMENT C: Electrical information – one-line, 24 Months of Utility Bills, Hourly electrical consumption data
ATTACHMENT D: Site information – site plan with solar areas
ATTACHMENT E: Solar Electric Industry Association's Model Power Purchase Agreement for Commercial Customers

II. OBJECTIVE

The City of Faribault, hereinafter referred to as the City is soliciting competitive sealed proposals from qualified contractors to design, build, own and operate, finance and maintain a ground-mounted solar installation on City of Faribault property and provide power to Faribault facilities.

The City of Faribault is open to receiving proposals to either directly purchase a solar array or enter into a Power Purchase Agreement (PPA) with a third-party owner. The City of Faribault is willing to review other financing and ownership models including a prepaid PPA, a lease, or any other structured proposal. Responses shall be submitted no later than 4:00 p.m. on DATE. Late responses will not be considered. Each response shall be treated as confidential until this deadline, after which each response shall become public.

Proposers may submit pricing for one pricing model or multiple pricing models. By reviewing multiple pricing models, the City hopes to determine the arrangement that best suits the needs of the City.

III. OVERVIEW

The City of Faribault is seeking proposals from interested firms that are capable of designing, engineering, installing, financing and maintaining a ground-mounted solar PV project limited to one site, located at 1200 Belview Ave, Faribault, MN 55021, the City's Public Works facility.

In the long-term, the City may be interested in developing solar energy for other sites, and results of this RFP may be used for future projects as deemed appropriate by the City. However, for purposes of this RFP, respondents should limit their responses to only this site.

The City believes on-site PV power generation will provide a long-term financial benefit by reducing energy costs through reduction of peak demand loads and daily energy consumption at the site. The program will provide high quality power with minimal environmental impact. Through on-site PV solar generation, the City hopes to:

- Reap the financial benefits of more affordable electricity at minimal cost.
- Reduce environmental impact.
- Provide an example of successful renewable energy generation and showcase the City as a leader in development of renewable energy sources.

Through this RFP process, the City intends to select only one proposer for the solar project, and is looking for the "best value" proposal based on the selection criteria stated within this RFP.

IV. RFP SCHEDULE

The following schedule and deadlines apply to this solicitation:

Pre-Bid Conference
[DATE/TIME/LOCATION]

Date for Final Submittal of Questions
[DATE] no later than 4:00 PM EST

Submit questions to:
Mathias Hughey
Community Development Coordinator
mhuhgey@ci.faribault.mn.us
507-209-0100

Request for Proposal Due [Date] no later than 4:00 PM CST
Electronic Emailed to:
Mathias Hughey
Community Development Coordinator
mhughey@ci.faribault.mn.us
"RFP for Solar PV"

Firms for the Shortlist will be named by [Date]
Interviews will be held on [Date]
Selection of contractor will made on [Date]

V. SITE INFORMATION

The City Public Works facility currently uses approximately 36,491 kilowatt-hours (kWh) per month, with an average monthly demand of approximately 97.6 kilowatts (kW) and with an average monthly electric bill of approximately $4,800. The City has determined that photovoltaic systems can be successfully installed at the following facilities, with emphasis in providing ground-mounted solar on an approximately 2.5-acre area of the site. The area in question is located on the northeast portion of the property, and has been recently cleared and graded.

Public Works – 1200 Belview Ave, Faribault, MN 55021
Average Monthly Energy Use: 36,491 kWh
Average Monthly Demand: 97.6 kW

VI. EXAMINATION OF SITE PRIOR TO SUBMITTING PROPOSAL

Each provider must inform themselves fully of the conditions relating to the project and the employment of labor thereon. Failure to do so will not relieve a successful bidder of the obligation to carry out the provisions of the contract.

The provider will design, install and maintain a solar photovoltaic system to maximize the solar resources at the above listed site, taking into account the facilities' electrical demand and load patterns, proposed installation sites, available solar resources, applicable zoning ordinances, installation costs and other relevant factors, which shall be discussed in the provider's proposal. The provider should make every effort to visit each site and determine the best course of action for each facility.

Before submitting a proposal, providers will have the ability to tour the sites as part of the Pre-bid Conference. Additional re-visits of the installation site may be schedule by contacting Mathias Hughey, Community Development Coordinator, mhuhgey@ci.faribault.mn.us 507-209-0100 to re-visit the installation site if needed. The provider will be responsible for determining load characteristics for any roof installation to ensure that warranties remain in place and to avoid damage to existing roofs. Roof-top installation will not be considered as an alternative to ground-mounted solar for the purposes of this RFP.

VII. PROVIDER QUALIFICATIONS

To qualify as the provider for award of this agreement, the prime provider or joint venture must either individually or collectively demonstrate extensive training, relevant expertise and a thorough knowledge of the professional services, functions, activities and related responsibilities to successfully perform their role in this solar photovoltaic installation.

VIII. PERSONNEL QUALIFICATIONS AND ABILITIES

Specialized experience is required of the proposed project personnel to undertake the work assignments. Proposals must clearly demonstrate the capability, academic background, training, certifications and experience of the proposed personnel. The availability of the proposed staff is also of crucial importance and must be demonstrated. Specific project responsibility of staff to be assigned to the project must be included, as well as professional background and caliber of previous experience of key persons and of each consultant to be assigned to the project. If sub-consultants will be employed, similar information must be provided and the portions to be sub-consulted must be identified. (There is no penalty for use of sub-consultants; the qualifications of the entire team will be evaluated).

Provider(s) shall possess:

- Valid and pertinent State of Minnesota contractor construction licenses.
- Minnesota Professional Engineering (PE) registration for photovoltaic/electrical, structural, civil, and fire protection work.
- North American Board of Certified Energy Practitioners (NABCEP) certification.

IX. PROJECT SCOPE AND STANDARDS

The provider will design, provide, install, and maintain the solar photovoltaic systems. The City may purchase the array directly or purchase electricity produced by the photovoltaic system through a Power Purchase Agreement. The scope of this project is all inclusive and includes planning, engineering, labor, materials, delivery, installation and commissioning, as well as all warranties and maintenance. This includes all structural and utility modifications that are required. The provider shall include in its proposal all elements necessary for a turn-key project including rebate applications, grid connection agreement, all permits and approvals from governing agencies and all labor, taxes, services and equipment. Provider shall apply for and obtain all necessary required approvals and permits. All fees required shall be the responsibility of the applicant.

If the project scope includes multiple electrical services, net metering will be located, at each electrical service; however, the provider shall make the decision on the best location for metering and the numbers of meters required.

Ownership of Solar Renewable Energy Credits (RECS) or Certificates should be assumed to be owned by the City for the life of the agreement unless otherwise specified by the Proposer as part of the proposal. If ownership of the Solar RECs changes the pricing, Provider shall provide separate pricing dependent on control of Solar RECs

.

Connection to the local Utility – the Proposer is responsible for all connections and agreements with the utility.

All equipment shall be UL listed. All installations shall comply with current local government approved building and electrical codes. Guaranteed minimum output from the system shall be 85% of the expected performance output from the system.

The provider must demonstrate the availability of all required equipment, components, parts, etc. including but not limited to inverters, panels, supports, trained personnel, etc. necessary to complete the installation and provide a timeline for project completion. The timeline should accurately reflect any ongoing, anticipated, or potential supply chain disruptions that may delay completion of the project.

X. CONTENT OF PROPOSAL

Proposals shall be on 8 1/2" & 11" paper and limited to twenty- (20) pages (excluding resumes and PPA, but including the materials necessary to address project understanding, general information, organizational chart, photos, tables, graphs, and diagrams). Text shall be a minimum of eleven-point Times New Roman font. In order to maintain uniformity with all proposals furnished by provider, proposals shall include the following:

- Overview of Principal Elements. A project understanding summary that includes an overview of the principal elements of the proposal, demonstration of an understanding of the project objectives, and a description of your approach to solar systems. Include any suggestions or special concerns that the City should be made aware of, the proposed configuration of equipment and any additional scope of work tasks you feel are necessary for the successful completion of the project. Include a discussion of work assignments between the provider and subcontractors used, if any. Include a timeline for completion of the project including the potential for any supply chain disruptions, equipment or component shortages to delay full completion of the proposed project.

- Schematic Design Layout. Provider shall provide a system schematic design layout for the systems, including photovoltaic model type and model no., wattage, number of modules, year 1 production, degradation percentage, inverter type and model, mounting system type, azimuth, tilt, system size AC and DC, and the impact on the utility rates and demand charges.

- Minimum Qualifications. Sufficient information to evaluate the provider's ability to successfully complete the scope of work and to meet the following minimum qualifications:
    - Appropriate business and contracting licenses in good standing
    - Appropriate other licensing in good standing
    - Company's bond rating

- A list of personnel who will work on the project, including resumes of proposed project team members that delineates education, current licenses and certificates, prior employment and titles
- Project Team Structure: An organizational chart describing the roles and responsibilities of each person

- References. A list of similar projects which your firm completed within the last 5 years. To be considered, respondents are required to have financed, designed, installed, operated, maintained, and completed a minimum of five (5) solar PV projects in the United States that are commercial grid-connected solar PV systems. If you are proposing a Power Purchase Agreement, at least two (2) of the references must be using a Power Purchase Agreement. Two (2) of the referenced projects must be with local governments, schools, state or tribal government and one must be of a similar scale and type. All five (5) PV projects must be currently providing the full/rated solar generation capability.

  Project information should include project description, agency or client name along with the person to contact, telephone number(s) and e-mail addresses, year completed and project construction and design cost.

- Proposal submittal and signature. Proposal shall be signed by a company official with the power to bind the company in its proposal. All proposals must be completely responsive to the RFP.

- Power Purchase Agreement. If a Power Purchase Agreement is being proposed, the proposed PPA must accompany your proposal. A separate cost proposal is to be submitted that includes the financial terms of a power purchase agreement. A model PPA is included as an attachment. Provider may request amendments to the model PPA. A variety of pricing models may be proposed, and the City is interested in exploring how federal reimbursement funds may be incorporated in a PPA; for example, could the city use federal reimbursement funds to buy down the price of electrical energy.

  The provider should bid the lowest cost of electrical energy (price per kWh) they are willing to provide for each year of the Power Purchase Agreement. The Price Proposal also shall include guaranteed minimum energy to be produced in each year at each site proposed to be developed.

  Provider shall identify the warranties to be transferred, if the City purchases the PV systems. At the end of the PPA or renewal term, and should the City choose not to purchase the system, the proposer shall remove the photovoltaic systems(s) and return the sites to preexisting conditions at their expense.

- Warranties/Guarantees. The Respondent shall provide the following minimum warranties/guarantees:
  • Any warranty required to qualify a system for available rebates or incentives;
  • 10 year complete system warranty;
  • 20 year PV panel warranty, with a maximum of 20% degradation; and

- Local Economic Development. The City believes that solar energy development can contribute to economic development and job creation/job retention in our area. The bidder must demonstrate its ability to contribute to the local economy including the use of local businesses and workers.

XI. TECHNICAL SPECIFICATIONS

The following technical information should be discussed in this section.

- Major equipment manufacturers
- Description of technology and configuration
- Summary of the commercial operating experience of the equipment used or to be chosen
- Solar system layout of equipment and characteristics
- Electrical interconnection and metering/net-metering
- Foundation of PV support system
- Level of efficiency
- DC and AC capacity rating
- Expected annual energy production in kWh by month
- Communications, control and instrumentation
- Facility limitations that may constrain operation
- Project Management plan
- Quality assurance plans
- Start-up and testing
- Factory and performance tests
- Design life loading (wind, seismic, etc.)
- Description of frequency and duration of scheduled maintenance
- Provide any information that could impact the cost, construction schedule or output capability of the project
- Proposals shall demonstrate a proven, comprehensive data acquisition system with current and historical data available remotely through a real-time internet site capable of tracking, but not be limited, to the following:
    - Site-specific actual kWh production (average and cumulative totals)
    - Site-specific instantaneous maximum kWh production
- Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed safety and interconnection standards. All equipment components must be listed or recognized by an appropriate safety laboratory (e.g., Underwriter's Laboratory [UL]), and meet existing facility structural and fire safety requirements.
- Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed environmental standards.
- Proposals shall provide evidence that the proposed technology and equipment are designed for normal operation in the Minnesota climate.
- Proposals shall provide evidence that the proposed technology does not incorporate proprietary components and that the system design allows for multiple sources of supply and/or repair.
- Proposals shall describe reusability or recyclability of proposed technology and equipment.
- The proposed seeding mix and establishment schedule for the associated area.

XII. OPERATIONS AND MAINTENANCE

Provide a description of the basic philosophy for performing O&M and include a discussion of contracting for outside services, if applicable. The successful respondent shall provide three (3) copies of the complete O&M manuals for all components of the system upon system commissioning. The O&M manuals should include, but not be limited to, all information required for operation, including equipment specification, maintenance schedules, suppliers information, warranty information, etc.

O&M plan shall include recycling for any solar module or inverter that needs to be replaced for any reason over the life of the system. At the time of any project level work order execution, the Contractor shall use solar PV system components that are readily reusable or recyclable. Contractor shall track solar system equipment that ceases to function as intended and report on an annual basis the recycling of any modules or inverters to the Minnesota Pollution Control Agency.

The City is interested in the establishment of a pollinator-friendly native plant community in the area of the solar installation. The O&M plan shall include a discussion of maintenance and establishment of such a plant community, including any proposed sub-contractors, and the maintenance tasks and schedules proposed.

XIII. PROJECT SCHEDULE

All proposals must include a project schedule that includes the following milestones:

1. Permitting begins
2. Final design plans complete
3. Equipment ordered
4. Construction begins
5. Electrical generation begins
6. The provider must discuss the availability of all required equipment, components, parts, staff, etc. including any ongoing, anticipated, or potential supply chain disruptions that may delay completion of the project.

XIV. FINANCIAL STATEMENTS

Please submit a detailed financial report prepared in accordance with generally accepted accounting principles (GAAP) reflecting the current (as of the most recent financial statement date) financial condition of the provider. Such report must include a balance sheet, income statement and statement of cash flows, along with applicable footnotes, dated concurrently for at least each of the last preceding three years ending on the most recent fiscal quarter such statements were prepared. Public entities or subsidiaries should attach SEC Form 10-K along with, as applicable, detailed unaudited statements for the provider. Non-public entities may attach either unaudited financial statements or copies of tax forms and schedules that are filed with the Internal Revenue Service where applicable.

XV. SELECTION COMMITTEE

The City has established a Selection Committee to evaluate provider proposals. The evaluation of each proposal will be based on technical criteria and qualifications, reference checks, and other information which will be gathered independently.

XVI. CITY RESPONSIBILITY

The City will be responsible for the following:

- Providing all available existing relevant plans and records.
- Coordinating access to the site for provider review prior to submittal of proposal.

XVII. PROVIDER SELECTION CRITERIA

The City based on the requirements of this RFP has designated the following items as selection criteria for the successful provider(s). Each item will be individually and separately scored by Selection Committee members. The scores of each rater will be tabulated and summarized in a single total score for each of the providers.

A. Proposal Completeness (10 points): The measure for which the provider has provided all the requested information in a clear non-ambiguous way to the City as request in this RFP.
B. Cost/Best Value to the City (20 points): Cost information provided by the provider detailing the cost to the owner and potential savings over a 25-year period.
C. Targeted Group (5 points): Utilize certified Women, Minority, or Disabled Owned Businesses to supply materials or services.
D. Financial Strength and Stability (10 points): Provide information indicating the provider financial strength in terms of capital and liquid assets sufficient to successfully complete the projects listed in this RFP; and the stability of the provider in terms of length of service, professional capabilities, construction experience and capabilities over time.
E. Photovoltaic engineering, project and construction experience, including a minimum of five successfully photovoltaic projects within the scope of this RFP (20 points).
F. Photovoltaic safety record. Specific example of a professional safety track records including any OSHA major safety violations (5 points).
G. Project engineering analysis (10 points). Information provided by the provider detailing the estimated KWh generated by the proposed photovoltaic systems in this RFP; including all necessary assumptions for example sunlight availability, dark time, maintenance down time, MTBF (mean time between failures), efficiency of the systems proposed, efficiency losses, net metering, etc.
H. Photovoltaic performance monitoring (5 points). The provider capabilities of monitoring photovoltaic generating systems, for example, how many systems does the provider monitor in centralized stations, etc.
I. Provider customer service, maintenance capabilities (5 points). The ability of the provider to respond quickly, efficiently and cost effectively to service calls so the photovoltaic systems are operating at optimum output.
J. Power purchase experience (10 points). Provide actual experience in photovoltaic systems in which the provider explains how many projects it has completed and the track record of these projects.
K. Proposed Timeline (10 points) Provide estimated timeline until system is operational accounting for known and potential supply-chain related delays.

XVIII. RIGHT TO REJECT PROPOSALS

Bid proposals shall remain valid for 60 days after opening of the proposals.

The City reserves the right to reject any or all proposals submitted and no representation made herein that any contract will be awarded pursuant to this RFP or otherwise.

All costs incurred in the preparation of the proposal, the submission of additional information and/or any aspect of a proposal prior to award of a written contract will be borne by the provider.

The City will provide only the staff assistance and documentation specifically referred to herein and will not be responsible for any other cost or obligation of any kind which may be incurred by the respondent. All proposals submitted become the property of the City.

XIX. RFP EXHIBITS

ATTACHMENT A:	MN Solar Suitability App report
ATTACHMENT B:	PVWatts Report
ATTACHMENT C:	Electrical information – one-line, 24 Months of Utility Bills, Hourly electrical consumption data
ATTACHMENT D:	Site information – site plan with solar areas
ATTACHMENT E:	Solar Electric Industry Association's Model Power Purchase Agreement for Commercial Customers [https://www.seia.org/sites/default/files/inline-files/SEIA%20C%2BI%20PPA%20v2.0.pdf]

ATTACHMENT A: MN Solar Suitability App Report

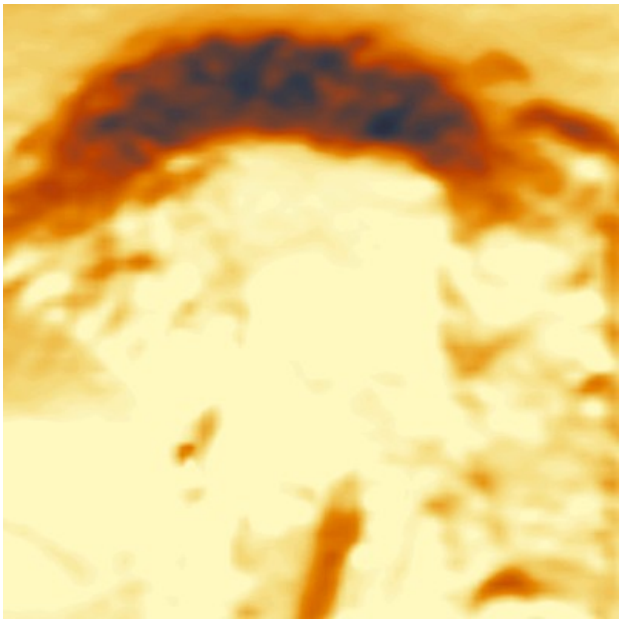
Solar Suitability Report

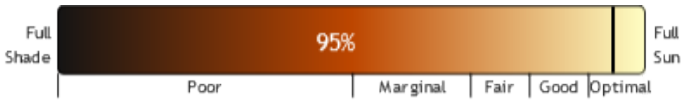
Latitude: 44.304335 Longitude: -93.310702

mn.gov/solarapp

Mon Nov 28, 2022

City of Faribault Public Works
1200 Belview Ave, Faribault, MN 55021
Site has been re-graded, additional re-grading is possible.



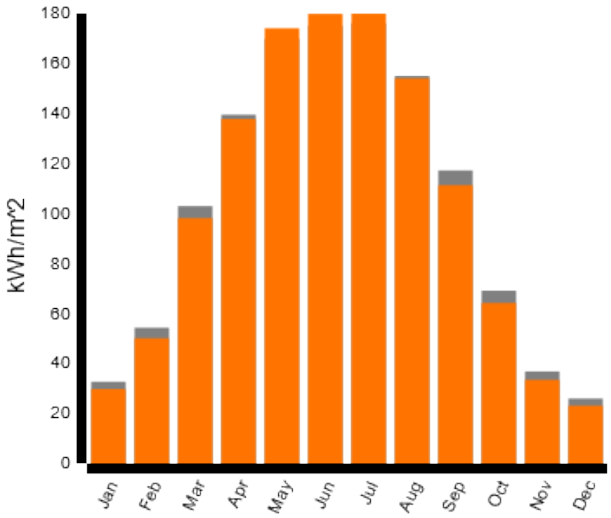


This site is **Optimal**. It would need a **4.52 kW** system to generate **50%** of average household use. This system would cost approximately **$16,953**. With *Xcel Solar Rewards* and other incentives estimated system payback is **7.3 years**.

Utility Service Provider:
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401
(612) 330-5500
www.xcelenergy.com

Site Details:
Total Annual Insolation: 1236.45 kWh/m^2
Avg Insolation per Day: 3.39 kWh/m^2
Source Data: 2007

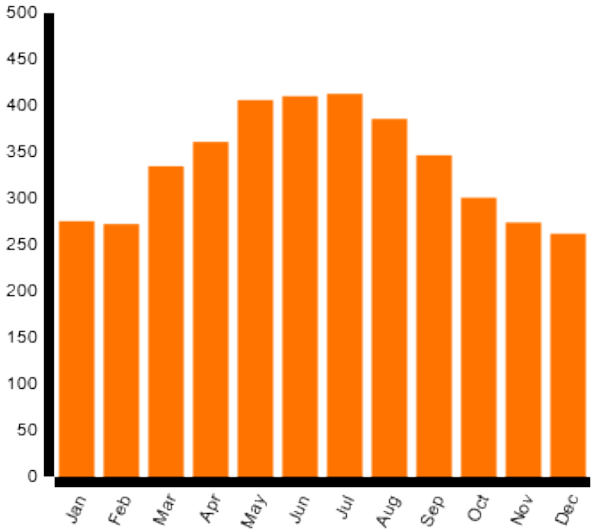
Amount Actual Sun



Month	Actual % Sun**	Total kWh/m2	Duration (Hrs)
January	91%	29.75	275.6
February	92%	50.08	272.7
March	95%	98.11	334.8
April	99%	137.73	361.3
May	100%	174.11	406.1
June	100%	179.87	410.3
July	100%	179.99	413.0
August	99%	153.99	385.9
September	95%	111.27	346.6
October	93%	64.20	300.9
November	91%	33.45	274.1
December	89%	23.10	262.1

**These percentages should be used as the monthly shading derate factors % on the Xcel Solar Rewards application

Duration of Direct Sun (Hrs)



This service made possible by:

COMMERCE DEPARTMENT
ENERGY RESOURCES

NREL
NATIONAL RENEWABLE ENERGY LABORATORY

Caution: Photovoltaic sy stem performance predictions calculated by PVWatts® include many inherent assumptions and uncertainties and do not reflect variations between PV technologies nor site-specific characteristics except as represented by PVWatts® inputs. For example, PV modules with better performance are not differentiated within PVWatts® from lesser performing modules. Both NREL and private companies provide more sophisticated PV modeling tools (such as the Sy stem Advisor Model at https://sam.nrel.gov) that allow for more precise and complex modeling of PV systems.

The expected range is based on 30 years of actual weather data at the given location and is intended to provide an indication of the variation you might see. For more information, please refer to this NREL report: The Error Report.

Disclaimer: The PVWatts® Model ("Model") is provided by the National Renewable Energy Laboratory ("NREL"), which is operated by the Alliance for Sustainable Energy, LLC ("Alliance") for the U.S. Department Of Energy ("DOE") and may be used for any purpose whatsoever.

The names DOE/NREL/ALLIANCE shall not be used in any representation, advertising, publicity or other manner whatsoever to endorse or promote any entity that adopts or uses the Model. DOE/NREL/ALLIANCE shall not provide any support, consulting, training or assistance of any kind with regard to the use of the Model or any updates, revisions or new versions of the Model.

YOU AGREE TO INDEMNIFY DOE/NREL /ALLIANCE, AND ITS AFFILIATES, OFFICERS, AGENTS, AND EMPLOYEES AGAINST ANY CLAIM OR DEMAND, INCLUDING REASONABLE ATTORNEYS' FEES, RELATED TO YOUR USE, RELIANCE, OR ADOPTION OF THE MODEL FOR ANY PURPOSE W HATSOEVER. THE MODEL IS PROVIDED BY DOE/NREL/ALLIANCE 'AS IS' AND ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED. IN NO EVENT SHALL DOE/NREL/ALLIANCE BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES W HATSOEVER, INCLUDING BUT NOT LIMITED TO CLAIMS ASSOCIATED W ITH THE LOSS OF DATA OR PROFITS, W HICH MAY RESULT FROM ANY ACTION IN CONTRACT, NEGLIGENCE OR OTHER TORTIOUS CLAIM THAT ARISES OUT OF OR IN CONNECTION W ITH THE USE OR PERFORMANCE OF THE MODEL.

The energy output range is based on analy sis of 30 years of historical weather data, and is intended to provide an indication of the possible interannual variability in generation for a Fixed (open rack) PV sy stem at this location.

RESULTS

540,647 kWh/Year*

System output may range from 513,182 to 552,974 kWh per year near this location.

Month	Solar Radiation (kWh / m^2 / day)	AC Energy (kWh)
January	2.71	30,452
February	3.32	32,891
March	4.38	47,326
April	5.30	52,503
May	5.64	56,267
June	6.26	59,638
July	6.79	65,302
August	5.88	57,499
September	5.05	48,573
October	3.55	37,251
November	2.71	28,322
December	2.17	24,623
Annual	4.48	540,647

Location and Station Identification

Requested Location	1200 Belview Ave, Faribault, MN
Weather Data Source	Lat, Lng: 44.29, -93.3 0.9 mi
Latitude	44.29° N
Longitude	93.30° W

PV System Specifications

DC System Size	413 kW
Module Type	Standard
Array Type	Fixed (open rack)
System Losses	14.08%
Array Tilt	20°
Array Azimuth	180°
DC to AC Size Ratio	1.2
Inverter Efficiency	96%
Ground Coverage Ratio	0.4%
Albedo	*From weather file*
Bifacial	No (0)

Monthly Irradiance Loss	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Performance Metrics

DC Capacity Factor	14.9%

ATTACHMENT C: Electrical Information

2021

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
KWh	44800	37760	39680	36960	33600	33760	40640	35840	37280	39520	33920	35840
Demand	97.6	100.8	96	94.4	99.2	92.8	102.4	105.6	100.8	99.2	97.6	92.8

2021	MAX	AVG
KWh	44800	37466.67
KW	105.6	98.26667

2022

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
KWh	40800	33600	35520	31840	32160	35040	35940	37920	33920	36480		
Demand	100.8	94.4	91.2	91.2	92.8	102.4	102.4	96	96	100.8		

2022	MAX	AVG
KWh	40800	35322
KW	102.4	96.8

Total	MAX	AVG
KWh	44800	36491.82
KWh	105.6	97.6

ATTACHMENT D: Site Plan

ATTCHMENT E: Solar Electric Industry Association's Model Power Purchase Agreement for Commercial Customers

Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this "**Agreement**") is entered into by the parties listed below (each a "**Party**" and collectively the "**Parties**") as of the date signed by Seller below (the "**Effective Date**").

Purchaser:		Seller:	
Name and Address	Purchaser Name [_____] Street Name City, State 00000-000 Attention: Customer Contact	Name and Address	Seller Name [_____] Street Name City, State 00000-0000 Attention: Seller Contact
Phone	( ) -	Phone	( ) -
Fax	None	Fax	( ) -
E-mail	@	E-mail	@
Premises Ownership	Purchaser [ ] owns [ ] leases the Premises. List Premises Owner, if different from Purchaser:_____	Additional Seller Information	Contractor's License Number
Tax Status			
Project Name			

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electricity from the solar panel system described in **Exhibit 2** (the "**System**") and installed on the real property comprising Purchaser's premises described or depicted in Schedule A to **Exhibit 2** (the "**Premises**"), including any buildings and other improvements on the Premises other than the System (the "Improvements").

The exhibits listed below are incorporated by reference and made part of this Agreement.

Exhibit 1	Pricing
Exhibit 2	System Description, Delivery Point and Premises
Exhibit 3	General Terms and Conditions
Exhibit 4	Performance Guaranty (optional)

Purchaser: [Purchaser Name]	Seller: [Seller Name]
Signature: _____	Signature: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit 1

Pricing

1. **Initial Term**: Twenty (20) years, beginning on the Commercial Operation Date (the "**Initial Term**").

2. **Additional Terms**: Up to three (3) terms of five (5) years each beginning on the expiration of the Initial Term (each an "**Additional Term**").

3. Contract Price:

Contract Year	$/kWh
1	[$_____]
2	[$_____]
3	[$_____]
4	[$_____]
5	[$_____]
6	[$_____]
7	[$_____]
8	[$_____]
9	[$_____]
10	[$_____]
11	[$_____]
12	[$_____]
13	[$_____]
14	[$_____]
15	[$_____]
16	[$_____]
17	[$_____]
18	[$_____]
19	[$_____]
20	[$_____]

The first Contract Year shall commence on the Commercial Operation Date, and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

4. **Contract Price Assumptions**. The Contract Price is based on the following assumptions:

a. A payment or performance bond is_____is not _____being issued to Purchaser under this Agreement.

b. Interconnection costs for the System will not exceed $[ ] in the aggregate.

c. Statutory prevailing wage rates (e.g., Davis-Bacon) do_____ do not _____apply.

d. A Performance Guaranty is _____is not_____being provided.

____ **e.** All prices in this Agreement are calculated based on an upfront rebate of $[ ].

f. The Contract Price is inclusive of Seller's Taxes (as defined in Section 3(d) of **Exhibit 3**) at the rates in effect as of the Effective Date (to the extent that such rates are known or knowable by Seller on ~~the Effec~~tive Date).

5. **Contract Price Exclusions**. Unless Seller and Purchaser have agreed otherwise in writing, and except as otherwise provided in Section 2(c) of Exhibit 3, the Contract Price excludes the following:

a. Unforeseen groundwork (including excavation and circumvention of underground obstacles). Upgrades or repair to customer or utility electrical infrastructure (including: client or utility service, transformers, substations, poles, breakers, reclosers, and disconnects).

b. Snow removal, tree removal, tree trimming, mowing and any landscape improvements.

c. Decorative fencing and/or any visual screening materials, decorative enhancements to solar support structures (including: painting, paint matching, masonry/stone work, and any lighting not required to meet the minimum code compliance).

d. Removal of existing lighting, light poles, or concrete light post bases.

e. Roof membrane maintenance or reroofing work.

f. Structural upgrades to the Improvements, including ADA upgrades.

g. Installation of public information screen or kiosk (including accompanying internet connection, power supply, technical support and ADA access).

h. Changes in System design caused by any inaccuracy or ambiguity in information provided by Purchaser, including information regarding Purchaser's energy use, the Premises and the Improvements, including building plans and specifications.

6. Termination Payment Schedule (Exhibit 3, Section 11(b)):

Contract Year	Termination Payment ($)
1	[$]
2	[$]
3	[$]
4	[$]
5	[$]
6	[$]
7	[$]
8	[$]
9	[$]
10	[$]
11	[$]
12	[$]
13	[$]
14	[$]
15	[$]
16	[$]
17	[$]
18	[$]
19	[$]
20	[$]

Exhibit 2

System Description, Delivery Point and Premises

1. System Location:

2. System Size (DC kW):

3. System Description (Expected Structure, Etc.):

4. **Delivery Point and Premises:** Schedule A to this **Exhibit 2** contains one or more drawings or images depicting:

a. Premises, including the Improvements (as applicable);

b. Proposed System location;

c. Delivery point for electricity generated by the **System** (the "**Delivery Point**");

d. Access points needed for Seller to install and service the System (building. access, electrical room, stairs etc.); and

e. Construction assumptions (if any).

Schedule A

Exhibit 3: Table of Contents

		Page
1.	Purchase and Sale of Electricity	1
2.	Term and Termination	1
3.	Billing and Payment; Taxes	1
4.	RECs and Incentives	2
5.	Project Completion	2
6.	Installation, Operation and Maintenance	3
7.	Miscellaneous Rights and Obligations of the Parties	4
8.	Relocation of System	5
9.	Removal of System upon Termination or Expiration	5
10.	Measurement	6
11.	Default, Remedies and Damages	6
12.	Representations and Warranties	7
13.	Insurance	9
14.	Ownership; Option to Purchase	9
15.	Indemnification and Limitations of Liability	10
16.	Change in Law	12
17.	Assignment and Financing.	12
18.	Confidentiality	13
19.	General Provisions	14

Exhibit 3

General Terms and Conditions

1. **Purchase and Sale of Electricity**. Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electricity generated by the System during the Term (as defined in Section 2(a)). Electricity generated by the System shall be delivered to Purchaser at the Delivery Point. Title to and risk of loss for the electricity generated by the System passes to Purchaser from Seller at the Delivery Point. Purchaser may purchase electricity for the Premises from other sources to the extent Purchaser's electricity consumption requirements at the Premises exceed the output of the System.

2. **Term and Termination**.

a. **Effective Date; Term**. This Agreement is effective as of the Effective Date**.** The electricity supply period under this Agreement commences on the Commercial Operation Date (as defined in Section 6) and continues for the duration of the Initial Term and any Additional Terms, unless earlier terminated as provided for in this Agreement (collectively, the "**Term**").

b. **Additional Terms**. The Parties may agree in writing to extend this Agreement for one or more Additional Term(s) at a Contract Price to be agreed.

c. **Termination Due to Contract Price Adjustments or Lack of Project Viability**. If, at any time after the Effective Date and prior to Commencement of Installation (as defined in Section 5), (i) circumstances arise which have been excluded from Contact Price calculations pursuant to Section 5 of Exhibit 1, or Seller determines that the installation of the System will not be technically or economically viable for any other reason, and (ii) the Parties have negotiated a Contract Price adjustment for thirty (30) days following written notice from Seller without reaching agreement, either Party may terminate this Agreement by providing ten (10) days' prior written notice to the other Party. Neither Party shall be liable for any damages in connection with such termination. After Commencement of Installation, the Contract Price shall not be subject to further adjustment pursuant to Section 5 of Exhibit 1 or otherwise.

d. **Termination by Purchaser for Delay**. If Commencement of Installation has not occurred [___] days after the Effective Date, Purchaser may terminate this Agreement by providing thirty (30) days' prior written notice to Seller; provided that this Agreement will not terminate pursuant to this Section 2(d) if Seller achieves Commencement of Installation on or before the end of such thirty (30) day notice period. Purchaser shall not liable for any damages in connection with such termination.

3. **Billing and Payment; Taxes**.

a. **Monthly Charges**. Purchaser shall pay Seller monthly for the electricity generated by the System and delivered to the Delivery Point at the $/kWh rate shown in **Exhibit 1** (the "**Contract Price**"). The monthly payment for such energy will be equal to the applicable $/kWh rate multiplied by the number of kWh of electricity generated during the applicable month, as measured by the Meter (as defined in Section 11). Additional costs for items differing from the assumptions in **Exhibit 1**, Item 4 are Purchaser's responsibility.

b. **Monthly Invoices**. Seller shall invoice Purchaser monthly. Such monthly invoices shall state (i) the amount of electricity produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement and (iii) the total amount due from Purchaser.

c. **Payment Terms**. All amounts due under this Agreement are due and payable net thirty (30) days following receipt of invoice. Any undisputed portion of the invoice amount not paid within such thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) above the Prime Rate (but not to exceed the maximum rate permitted by law). All payments shall be made in U.S. dollars.

d. **Taxes**.

i. **Purchaser's Taxes**. Purchaser is responsible for: (1) payment of, or reimbursement of Seller, for all taxes assessed on the generation, sale, delivery or consumption of electricity produced by the System or the interconnection of the System to the utility's electricity distribution system; and (2) real property taxes.

ii. **Seller's Taxes.** Seller is responsible for: (1) payment of income taxes or similar taxes imposed on Seller's revenues due to the sale of electricity under this Agreement; and (2) personal property taxes imposed on the System **("Seller's Taxes").**

4. **RECs and Incentives**. As the owner of the System, Seller is entitled to the benefit of, and will retain all ownership interests in the RECs and Incentives. Purchaser shall cooperate with Seller in obtaining, securing and transferring any and all RECs and Incentives. Purchaser is not obligated to incur any out–of–pocket costs or expenses in connection with such actions unless reimbursed by Seller. Purchaser shall not make any filing or statements inconsistent with Seller's ownership interests in the RECs and Incentives. If any RECs or Incentives are paid or delivered directly to Purchaser, Purchaser shall immediately pay or deliver such items or amounts to Seller.

"**Governmental Authority**" means any foreign, federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, court, tribunal, arbitrating body or other governmental authority having jurisdiction or effective control over a Party.

"**Incentives**" means (i) a payment paid by a utility or state or local Governmental Authority based in whole or in part on the cost or size of the System such as a rebate, (ii) a performance-based incentive paid as a stream of periodic payments by a utility, state or Governmental Authority based on the production of the System, (iii) investment tax credits, production tax credits, and similar tax credits, grants or other tax benefits under federal, state or local law, and (iv) any other attributes, commodity, revenue stream or payment in connection with the System (such as ancillary or capacity revenue), in each case of (i) through (iv) relating to the construction, ownership, use or production of energy from the System, provided that Incentives shall not include RECs.

"**REC**" means a renewable energy credit or certificate under any state renewable portfolio, standard or federal renewable energy standard, voluntary renewable energy credit certified by a non-governmental organization, pollution allowance, carbon credit and any similar environmental allowance or credit and green tag or other reporting right under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program, in each case relating to the construction, ownership, use or production of energy from the System, provided that RECs shall not include Incentives.

5. **Project Completion**.

a. **Project Development**. Seller shall diligently pursue the development and installation of the System, subject to Section 2(c), Section 11 and the remaining provisions of this Section 5.

b. **Permits and Approvals**. Seller shall use commercially reasonable efforts to obtain the following at its sole cost and expense (each an "**Approval**"):

i. any zoning, land use and building permits required for Seller to construct, install and operate the System; and

ii. any agreements and approvals from the utility necessary in order to interconnect the System to the utility's electric distribution system.

Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local utility**.**

c. **Commencement of Installation**. Seller shall exercise commercially reasonable efforts to achieve Commencement of Installation of the System within [____] days after the Effective Date. "**Commencement of Installation**" means the date that Seller or its installation contractor has begun physical installation of the System on the Premises.

d. **Force Majeure**.

i. **Force Majeure Event**. If either Party is unable to timely perform any of its obligations (other than payment obligations) under this Agreement in whole or in part due to a Force Majeure Event, that Party will be excused from performing such obligations for the duration of the time that such Party remains affected by the Force Majeure Event; provided, that such Party uses commercially reasonable efforts to mitigate the impact of the Force Majeure Event and resumes performance of its affected obligations as soon as reasonably practical. The Party affected by the Force Majeure Event shall notify the other Party as soon as reasonably practical after the

affected Party becomes aware that it is or will be affected by a Force Majeure Event. If the Force Majeure Event occurs during the Term and impacts the ability of the System to deliver electricity to the Delivery Point, the Term will be extended day for day for each day delivery is suspended due to the Force Majeure Event.

ii. **Extended Force Majeure**. If a Force Majeure Event notified by either Party under paragraph (i) above continues for a consecutive period of one hundred eighty (180) days or more within a twelve (12) month period, then either Party may terminate this Agreement without either Party having further liability under this Agreement except: (a) liabilities accrued prior to termination, (b) Seller shall remove the System as required under Section 9 (but Purchaser shall reimburse Seller for Seller's removal costs if the Force Majeure Event affects Purchaser and Purchaser elects to terminate the Agreement) and (b) if Purchaser elects to terminate the Agreement in accordance with this Section, Purchaser shall pay the applicable Termination Payment. Notwithstanding the foregoing, if the Force Majeure Event can be corrected through repair or restoration of the System or other actions by Seller and, prior to expiration of the initial one hundred eighty (180)-day period, Seller provides written evidence to Purchaser that it is diligently pursuing such actions, then Purchaser shall not have the right to terminate this Agreement so long as Seller continues to diligently pursue such actions.

iii. "**Force Majeure Event**" means any event or circumstance beyond the reasonable control of and without the fault or negligence of Seller, including, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; piracy; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; animals; the binding order of any Governmental Authority; the failure to act on the part of any Governmental Authority (including, without limitation delays in permitting not caused by actions or omissions of the Party seeking such permit); unavailability of electricity from the utility grid; and failure or unavailability of equipment, supplies or products outside of Seller's control or due to a Force Majeure Event.

e. **Extension of Time**. If Seller is delayed in achieving Commencement of Installation due to a Force Majeure Event, the time for achievement of Commencement of Installation will be automatically extended to account for the impact of the delay.

f. **Commercial Operation**. Seller shall notify Purchaser in writing when it has achieved Commercial Operation (the date of such notice, the "**Commercial Operation Date**"). "**Commercial Operation**" means that the System is mechanically complete, capable of providing electricity to the Delivery Point at the nameplate capacity specified in Exhibit 2 and has permission to operate from the relevant Governmental Authority. Seller shall provide Purchaser with documentation to evidence that the System is ready to begin Commercial Operation upon Purchaser's reasonable request.

6. **Installation, Operation and Maintenance**.

a. **Seller's General Obligations Regarding the System**. Subject to the terms and conditions of this Agreement, Seller shall design, engineer, install, commission, monitor, operate and maintain the System, in each case in a good and workmanlike manner and in accordance with applicable law and prudent solar industry practices in the state in which the Premises are located. The System shall comply with all applicable rules, regulation and local building codes.

b. **System Design Approval**. Seller shall provide Purchaser with a copy of the System design for approval prior to commencement of construction. Purchaser shall have ten (10) days after receipt to approve or disapprove the design. Failure by Purchaser to respond within such ten (10) day period shall be deemed approval of the design. If Purchaser disapproves the design, Seller shall modify the design and resubmit it for Purchaser's approval. If the System design modifications requested by Purchaser render the System non-viable, Seller may terminate this Agreement under Section 2(c) above.

c. **System Repair and Maintenance**. Seller may suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System; provided that Seller shall use commercially reasonable efforts to (i) minimize any interruption in service to the Purchaser, and (ii) limit any such suspension of service to weekend or off-peak hours. Scheduled and unscheduled maintenance and repairs shall be undertaken at Seller's sole cost and expense, except that Purchaser shall reimburse Seller for the reasonable cost of any repairs or maintenance resulting from damage caused by Purchaser, its agents, employees or contractors.

d. **Outages**. Upon Purchaser's written request, Seller shall take the System off-line for a total of forty-eight (48) daylight hours (as defined by the United States National Weather Service in the area where the System is located) during each Contract Year (each event an "**Outage**" and the forty-eight (48) hour period the "**Outage Allowance**"). The Outage Allowance includes all Outage hours undertaken by Seller for maintenance or repairs for which Purchaser is responsible pursuant to Section 6(b) or requested by Purchaser under this Section 6(d) (other than due to the fault or negligence of Seller). Purchaser's request shall be delivered at least forty-eight (48) hours in advance. Purchaser is not obligated to accept or pay for electricity from the System for Outages up to the annual Outage Allowance. If the aggregate hours for Outages exceed the Outage Allowance in a given Contract Year, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Outages and Purchaser shall pay Seller for such amount in accordance with this Agreement.

e. **Maintenance of Premises**. Purchaser shall, at its sole cost and expense, maintain the Premises and Improvements in good condition and repair. Purchaser, to the extent within its reasonable control, (i) shall ensure that the Premises remains interconnected to the local utility grid at all times; and (ii) shall not permit cessation of electric service to the Premises from the local utility. Purchaser is fully responsible for, and shall properly maintain in full working order and good repair, the electrical infrastructure on the Purchaser's side of the Delivery Point, including all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall use commercially reasonable efforts to cooperate with Seller to comply with any technical standard of the utility providing electrical power to the Purchaser, and does not need to receive permission to operate from the utility.

f. **No Alteration of Premises**. Not less than thirty (30) days prior to making any alterations or repairs to the Premises (except for emergency repairs) or any Improvement which may adversely affect the operation and maintenance of the System, Purchaser shall inform Seller in writing and, thereafter, shall use commercially reasonable efforts to conduct such repairs, alterations or Improvements in compliance with any reasonable request made by Seller within ten (10) days after having received such written request to mitigate any adverse effect. If any repair, alteration or Improvement result in a permanent and material adverse economic impact on the System, Purchaser may request relocation of the System under Section 8 hereof. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, Seller shall perform such work, and any re-connection or re-installation of the System, at Purchaser's cost, subject to Sections 6(b) and 6(c). Seller shall make any alterations and repairs in a good and workmanlike manner, in compliance with all applicable laws, codes and permits.

7. **Miscellaneous Rights and Obligations of the Parties**.

a. **Access Rights**.1 Purchaser hereby grants to Seller and to Seller's agents, employees, contractors and the utility (i) a non-exclusive license running with the Premises (the "**Non-Exclusive License**") for access to, on, over, under and across the Premises from the Effective Date until the date that is ninety (90) days following the date of expiration or earlier termination of this Agreement (the "**License Term**"), for the purposes of performing all of Seller's obligations and enforcing all of Seller's rights set forth in this Agreement and otherwise as required by Seller in order to effectuate the purposes of this Agreement. In addition to the foregoing, if the System shall be a ground-mounted System to be located within a secure, fenced area on the Premises, Purchaser hereby grants to Seller an exclusive, sub-licensable license running with the Premises (the "**Exclusive License**", and together with the Non-Exclusive License, the "**Licenses**") for purposes of the installation, operation, use and maintenance of the System on such exclusively licensed area of the Premises during the License Term. Seller and its employees, agents and contractors must comply with Purchaser's site safety and security requirements when on the Premises (other than in respect of the fenced area governed by the Exclusive License) during the License Term. During the License Term, Purchaser shall preserve and protect Seller's rights under the Licenses and Seller's access to the Premises and shall not interfere, or permit any third parties under Purchaser's control to interfere with such rights or access. Seller may record a customary memorandum of license in the land records respecting the Licenses.

b. **OSHA Compliance**. Each Party shall comply with all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws and codes with respect to such Party's performance under this Agreement.

---

[1] The Agreement provides for access to the Premises through a license and assumes that the Purchaser is the owner of the Premises. However, certain Sellers may prefer for access to the Premises to be provided through a lease or sublease. If the Purchaser is not the owner of the Premises, the lease or license will have to be entered into with the third party owner.

c. **Safeguarding the Premises**. Purchaser shall maintain the physical security of the Premises and Improvements in a manner to be expected of a reasonable and prudent owner or lessee of premises and improvements similar to the Premises and Improvements in nature and location. Purchaser shall not conduct or permit activities on, in or about the Premises or the Improvements that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Purchaser shall indemnify Seller for any loss or damage to the System to the extent caused by or arising out of (i) Purchaser's breach of its obligations under this Section or (ii) the acts or omissions of Purchaser or its employees, agents, invitees or separate contractors.

d. **Insolation**. Purchaser acknowledges that unobstructed access to sunlight ("**Insolation**") is essential to Seller's performance of its obligations and a material term of this Agreement. Purchaser shall not, to the extent within its reasonable control, cause or permit any interference with the System's Insolation, and shall ensure that vegetation on the Premises adjacent to the System is regularly pruned or otherwise maintained to prevent interference with the System's Insolation. If Purchaser discovers any activity or condition that could diminish the Insolation of the System, Purchaser shall immediately notify Seller and cooperate with Seller in preserving and restoring the System's Insolation levels as they existed on the Effective Date.

e. **Use and Payment of Contractors and Subcontractors**. Seller shall use suitably qualified, experienced and licensed contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall be responsible for the quality of the work performed by its contractors and subcontractors. Seller shall pay when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement.

f. **Liens**.

i. **Lien Obligations**. Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any ~~mortgage, pledge~~, lien, charge, security interest, encumbrance or other claim of any nature, except such encumbrances as may be required to allow Seller access to the Premises, (each a "**Lien**") on or with respect to the System. Seller shall not directly or indirectly cause, create, incur, assume or allow to exist any Lien on or with respect to the Premises or the Improvements, other than those Liens which Seller is permitted by law to place on the Premises due to non-payment by Purchaser of amounts due under this Agreement. Each Party shall immediately notify the other Party in writing of the existence of any such Lien following discovery of same, and shall promptly (and in all events within thirty (30) days) cause the same to be discharged and released of record without cost to the other Party; provided, however, that each indemnifying Party has the right to contest any such Lien, so long as it provides a statutory bond or other reasonable assurances of payment that either removes such Lien from title to the affected property, or that assures that any adverse judgment with respect to such Lien shall be paid without affecting title to such property.

ii. **Lien Indemnity**. Each Party shall indemnify the other Party from and against all claims, losses, damages, liabilities and expenses resulting from any Liens filed against such other Party's property as a result of the indemnifying Party's breach of its obligations under Section 7(f)(i).

8. **Relocation of System**.

If, during the Term, Purchaser ceases to conduct business operations at the Premises or vacates the Premises; the Premises have been destroyed; or the Purchaser is otherwise unable to continue to host the System or accept the electricity delivered by the System for any other reason (other than a Default Event by Seller), Purchaser may propose in writing the relocation of the System, at Purchaser's cost, in lieu of termination of the Agreement by Seller for a Default Event by Purchaser. If such proposal is practically feasible and preserves the economic value of the agreement for Seller, the Parties shall seek to negotiate in good faith an agreement for the relocation of the System. If the Parties are unable to reach agreement on relocation of the System within sixty (60) days after the date of receipt of Purchaser's proposal, Seller may terminate this Agreement pursuant to Section 11(b)(ii).

9. **Removal of System upon Termination or Expiration**.

Upon the expiration or earlier termination of this Agreement (provided Purchaser does not exercise its purchase option under Section 14(b)), Seller shall, at its expense (unless expressly provided otherwise in this Agreement), remove all of the tangible property comprising the System from the Premises with a targeted completion date that is no later than ninety (90) days after the expiration of the Term. The portion of the Premises where the System is located shall be returned to substantially its original condition (excluding ordinary wear and tear), including the removal of System mounting pads or other support structures, and

repair and restoration of the roof and the roof membrane. If the System is installed on the roof of an Improvement, Seller's warranties under Section 12(c)(i) shall apply, as applicable. Purchaser must provide sufficient access, space and cooperation as reasonably necessary to facilitate System removal. If Seller fails to remove or commence substantial efforts to remove the System by such agreed upon date, Purchaser may, at its option, to remove the System to a public warehouse and restore the Premises to its original condition (other than ordinary wear and tear) at Seller's cost.

10. Measurement.

a. **Meter**. The System's electricity output during the Term shall be measured by Seller's meter, which shall be a revenue grade meter that meets ANSI-C12.20 standards for accuracy (the "**Meter**"). Purchaser shall have access to the metered energy output data via the [_____] monitoring system installed and maintained by Seller as part of the System.

b. **Meter Calibration**. Seller shall calibrate the Meter in accordance with manufacturer's recommendations. Notwithstanding the foregoing, Purchaser may install, or cause to be installed, its own revenue-grade meter at the same location as the Meter. If there is a discrepancy between the data from Purchaser's meter and the data from the Meter of greater than two percent (2%) over the course of a Contract Year, then Purchaser may request that Seller calibrate the Meter at Purchaser's cost.

11. Default, Remedies and Damages.

a. **Default**. Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below is deemed a "**Defaulting Party**", the other Party is the "**Non-Defaulting Party**" and each of the following is a "**Default Event**":

i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");

ii. failure of a Party to perform any material obligation under this Agreement not addressed elsewhere in this Section 11(a) within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that if the Default Event cannot reasonably be cured within thirty (30) days and the Defaulting Party has demonstrated prior to the end of that period that it is diligently pursuing such cure, the cure period will be extended for a further reasonable period of time, not to exceed ninety (90) days;

iii. any representation or warranty given by a Party under this Agreement was incorrect in any material respect when made and is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;

iv. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is(are) not dismissed within sixty (60) days); or,

v. in the case of Purchaser as the Defaulting Party only, Purchaser (A) loses its rights to occupy and enjoy the Premises, unless (I) the Parties agree upon a relocation under Section 8 above, or (II) Purchaser pays the Termination Payment determined under Section 6 of Exhibit 1 within thirty (30) days after written request by Seller; or (B) prevents Seller from performing any material obligation under this Agreement unless such action by Purchaser is (I) is permitted under this Agreement, or (II) is cured within ten (10) days after written notice thereof from Seller**.**

b. **Remedies**.

i. **Suspension**. Upon the occurrence and during the continuation of a Default Event by Purchaser, including a Payment Default, Seller may suspend performance of its obligations under this Agreement until the earlier to occur of the date (a) that Purchaser cures the Default Event in full, or (b) of termination of this Agreement.

Seller's rights under this Section 11(b)(i) are in addition to any other remedies available to it under this Agreement, at law or in equity.

ii. **Termination**. Upon the occurrence and during the continuation of a Default Event, the Non-Defaulting Party may terminate this Agreement, by providing five (5) days prior written notice to the Defaulting Party; provided, that, in the case of a Default Event under Section 11(a)(iv), the Non-Defaulting Party may terminate this Agreement immediately.

iii. **Damages Upon Termination by Default**. Upon a termination of this Agreement pursuant to Section 11(b)(ii), the Defaulting Party shall pay a termination payment to the Non-Defaulting Party determined as follows (the "**Termination Payment**"):

(1) Termination by Seller. If Seller terminates this Agreement for a Default Event by Purchaser, the Termination Payment payable to Seller shall be equal to the sum of (i) the applicable amount set forth in the Termination Payment Schedule set forth as Item 6 of **Exhibit 1,** and (ii) any other amounts previously accrued under this Agreement and then owned by Purchaser to Seller.

(2) Termination by Purchaser. If Seller is the Defaulting Party and Purchaser terminates this Agreement, the Termination Payment to Purchaser will be equal to the sum of (i) the present value of the excess, if any, of the reasonably expected cost of electricity from the utility over the Contract Price for the reasonably expected production of the System for the remainder of the Initial Term or the then current Additional Term, as applicable; (ii) all direct costs reasonably incurred by Purchaser by reason of the termination; and (iii) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser. The Termination Payment determined under this Section 11(b)(iii)(2) cannot be less than zero.

iv. **Liquidated Damages**. The Parties agree that, if Seller terminates this Agreement prior to the expiration of the Term pursuant to Section 11(b)(ii), actual damages would be difficult to ascertain, and the Termination Payment determined in accordance with Section 11(b)(iii)(1) is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement and is not a penalty.

c. **Obligations Following Termination**. If a Party terminates this Agreement pursuant to Section 11(b)(ii), then following such termination, Seller shall remove the equipment constituting the System in compliance with Section 9 above at the sole cost and expense of the Defaulting Party, *provided, however* that Seller shall not be required to remove the System following the occurrence of a Default Event by Purchaser pursuant to Section 11(a)(i), unless Purchaser pre-pays the cost of restoration reasonably estimated by Seller.

i. **Reservation of Rights**. Except in the case of a termination under Section 11(b)(ii) and payment of a Termination Payment, if any, determined pursuant to Section 11(b)(ii), nothing in this Section 11 limits either Party's right to pursue any remedy under this Agreement, at law or in equity, including with respect to the pursuit of an action for damages by reason of a breach or Default Event under this Agreement.

ii. **Mitigation Obligation**. Regardless of whether this Agreement is terminated for a Default Event, the Non-Defaulting Party must make commercially reasonable efforts to mitigate its damages as the result of such Default Event; provided that such obligation shall not reduce Purchaser's obligation to pay the full Termination Payment set forth in Section 6 of Exhibit 1 following a Default Event by Purchaser.

iii. **No Limitation on Payments**. Nothing in this Section 11 excuses a Party's obligation to make any payment when due under this Agreement, including with respect to payments for electricity that would have been delivered to Purchaser but for a Purchaser breach or Default Event.

12. **Representations and Warranties**.

a. **General Representations and Warranties**. Each Party represents and warrants to the other the following:

i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized

by all necessary corporate, partnership or limited liability company action, as applicable, and do not and will not violate any law; and this Agreement is the valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).

ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.

b. **Purchaser's Representations and Warranties**. Purchaser represents and warrants to Seller the following:

i. **Licenses**. (a) Purchaser has title to or a leasehold or other valid property interest in the Premises such that Purchaser has the full right, power and authority to grant the Licenses in Section 7(a), (b) such grant of the Licenses does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Premises and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Premises, and (c) if Purchaser does not own the Premises or any Improvement on which the System is to be installed, Purchaser has obtained all required consents from the owner of the Premises and/or Improvements, as the case may be, to grant the Licenses to Seller so that Seller may perform its obligations under this Agreement.

ii. **Other Agreements**. Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser is bound.

iii. **Accuracy of Information**. All information provided by Purchaser to Seller, as it pertains to (a) the Premises, (b) the Improvements on which the System is to be installed, if applicable, (c) Purchaser's planned use of the Premises and any applicable Improvements, and (d) Purchaser's estimated electricity requirements, is accurate in all material respects.

iv. **Purchaser Status**. Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.

v. **Limit on Use**. No portion of the electricity generated by the System shall be used to heat a swimming pool.[2]

c. **Seller's Warranties**.

i. If Seller penetrates the roof of any Improvement on which the System is installed, during System installation or any System repair, Seller shall warrant roof damage it causes as a direct result of these roof penetrations. This roof warranty shall terminate upon the later of (a) one (1) year following the completion of the System installation or repair, as the case may be, and (b) the length of any then-effective installer warranty on the applicable roof.

ii. If Seller damages any other part of the Premises or any Improvement (including roof damages not covered under Section 12(c)(i) above), Seller shall repair or reimburse Purchaser for such damage, as agreed by the Parties.

d. **NO OTHER WARRANTY**. THE WARRANTIES SET FORTH IN SECTIONS 12(a) AND 12(c) OF THIS AGREEMENT ARE PURCHASER'S SOLE AND EXCLUSIVE BASIS FOR ANY CLAIM OR LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS SECTION 12, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. OTHER THAN AS EXPRESSLY SET FORTH IN SECTIONS 12(a) AND 12(c), NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, APPLIES UNDER THIS AGREEMENT. IF A PERFORMANCE GUARANTY IS BEING

---

[2] This limitation reflects the requirements to qualify for the Federal Energy Tax Credit under §48 of the Internal Revenue Code. Individual states or localities may have further restrictions on the use of electricity from the System. Purchasers and Sellers are encouraged to consult local law to ensure that no such restrictions are being violated.

PROVIDED PURSUANT TO SECTION 4(d) OF EXHIBIT 1, THE PERFORMANCE GUARANTY WILL REPRESENT A SEPARATE CONTRACT BETWEEN PURCHASER AND THE ISSUER OF THE PERFORMANCE GUARANTY. IF THE ISSUER OF THE PERFORMANCE GUARANTY (OR ANY SUBSEQUENT ASSIGNEE) AND THE SELLER ARE NOT THE SAME PERSON, NO RIGHTS PROVIDED TO PURCHASER BY THE PERFORMANCE GUARANTY MAY BE ASSERTED UNDER THIS AGREEMENT, AND NO CLAIM UNDER THE PERFORMANCE GUARANTY WILL AFFECT PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT.

13. Insurance.

a. Insurance Coverage. At all times during the Term, the Parties shall maintain the following insurance, as applicable:

i. Seller's Insurance. Seller shall maintain or ensure the following is maintained (a) property insurance on the System for the replacement cost thereof, (b) commercial general liability insurance with coverage of at least $1,000,000 per occurrence and $2,000,000 annual aggregate, (c) employer's liability insurance with coverage of at least $1,000,000 and (iv) workers' compensation insurance as required by law. Seller's coverage may be provided as part of an enterprise insurance program.

ii. Purchaser's Insurance. Purchaser shall maintain commercial general liability insurance with coverage of at least $1,000,000 per occurrence and $2,000,000 annual aggregate.

b. Policy Provisions. Each Party's insurance policies shall (i) contain a provision whereby the insurer agrees to give the other Party at least thirty (30) days (ten (10) days for non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other Party.

c. Certificates. Upon the other Party's request, each Party shall deliver to the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

d. Deductibles. Each Party shall pay its own insurance deductibles, except in the case of claims (i) resulting from a breach of this Agreement, in which case the breaching Party is responsible for payment of the non-breaching Party's deductible for any responding insurance, and (ii) covered by an indemnity set forth in this Agreement.

14. Ownership; Option to Purchase.

a. Ownership of System.

i. **Ownership; Personal Property**. Throughout the Term, Seller shall be the legal and beneficial owner of the System , and all RECs and Incentives, and the System will remain the personal property of Seller and will not attach to or be deemed a part of, or fixture to, the Premises or any Improvement on which the System is installed. Each of the Seller and Purchaser agree that the Seller is the tax owner of the System and all tax filings and reports shall be filed in a manner consistent with this Agreement. The System will at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code.

ii. **Notice to Purchaser Lienholders**. Purchaser shall use commercially reasonable efforts to place all parties having a Lien on the Premises or any Improvement on which the System is installed on notice of the ownership of the System and the legal status or classification of the System as personal property. If any mortgage or fixture filing against the Premises could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder.

iii. **Fixture Disclaimer**. If Purchaser is the fee owner of the Premises, Purchaser consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Premises are located. If Purchaser is not the fee owner, Purchaser shall obtain such consent from such owner. For the avoidance of doubt, in either circumstance Seller has the right to file such disclaimer.

iv. **SNDA**. Upon request, Purchaser shall deliver to Seller a subordination and non-disturbance agreement in a form mutually acceptable to Seller and the provider of the subordination and non-disturbance agreement from the owner of the Premises (if the Premises are leased by Purchaser), any mortgagee with a Lien on the Premises, and other Persons holding a similar interest in the Premises.

v. **Eviction Notice**. To the extent that Purchaser does not own the Premises or any Improvement on which the System is installed, Purchaser shall provide to Seller immediate written notice of receipt of notice of eviction from the Premises or applicable Improvement or termination of Purchaser's lease of the Premises and/or Improvement.

b. Option to Purchase.

i. Exercise of Option. At the end of the sixth (6th) and tenth (10th) Contract Years and at the end of the Initial Term and each Additional Term, so long as Purchaser is not in default under this Agreement, Purchaser may purchase the System from Seller on any such date for a purchase price equal to the greater of the Fair Market Value of the System or the Termination Payment set forth in Section 6 of Exhibit 1 applicable as of the date of the transfer of title to the System. Purchaser shall notify Seller of its intent to purchase at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable, and the purchase shall be completed prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable.

ii. Fair Market Value. The "**Fair Market Value**" of the System shall be determined by mutual agreement of the Parties; provided, however, if the Parties cannot agree to a Fair Market Value within thirty (30) days after Purchaser has delivered to Seller a notice of its intent to purchase the System, the Parties shall select a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to determine the Fair Market Value of the System. Such appraiser shall act reasonably and in good faith to determine the Fair Market Value of the System on an installed basis and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser will be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by the Parties equally.

iii. Title Transfer; Warranties; Manuals. Seller shall transfer good title to the System to Purchaser upon Seller's receipt of the purchase price and execution by the Parties of a written instrument or agreement to effect such transfer. The System will be sold "as is, where is, with all faults". Seller will assign to Purchaser any manufacturer's warranties that are in effect as of the date of purchase and which are then assignable pursuant to their terms, but Seller otherwise disclaims all warranties of any kind, express or implied, concerning the System (other than as to title). Seller shall also provide Purchaser all System operation and maintenance manuals and logs in Seller's possession and provide Purchaser basic training on the operation and maintenance of the System upon Purchaser's reasonable request. Upon purchase of the System, Purchaser shall assume complete responsibility for the operation and maintenance of the System and liability for the performance of (and risk of loss for) the System, and, except for any Seller obligations that survive termination under Section 19(d), Seller will have no further liabilities or obligations hereunder for the System.

15. Indemnification and Limitations of Liability.

a. General. Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its affiliates and the other Party's and its affiliates' respective directors, officers, shareholders, partners, members, agents and employees (collectively, the "**Indemnified Parties**"), from and against any loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from (1) any Claim (as defined in Section 15(b) relating to the Indemnifying Party's breach of any representation or warranty set forth in Section 12 and (2) injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein will require the Indemnifying Party to indemnify the Indemnified Parties for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, an Indemnified Party. This Section 15(a) does not apply to Liabilities arising out of or relating to any form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 15(c).

b. **Notice and Participation in Third Party Claims**. The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party may settle any Claim covered by this Section 15(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party has no liability under this Section 15(b) for any Claim for which such notice is not provided if the failure to give notice prejudices the Indemnifying Party.

c. **Environmental Indemnification**.

i. Seller Indemnity. Seller shall indemnify, defend and hold harmless all of Purchaser's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance (as defined in Section 15(c)(iv)) to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.

ii. Purchaser Indemnity. Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.

iii. Notice. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance. "**Hazardous Substance**" means any chemical, waste or other substance (a) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import under any laws pertaining to the environment, health, safety or welfare, (b) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (c) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (d) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (e) for which remediation or cleanup is required by any Governmental Authority.

d. **Limitations on Liability**.

i. No Consequential Damages. Except with respect to indemnification of third-party claims pursuant to Section 16, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers will be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature (including, without limitation, lost revenues, lost profits, lost business opportunity or any business interruption) arising out of their performance or non-performance hereunder even if advised of such. Notwithstanding the previous sentence, the Termination Payment set forth in Section 6 of Exhibit 1 shall be deemed to be direct, and not indirect or consequential damages for purpose of this Section 15(d)(i)

ii. Actual Damages. Except with respect to indemnification of Claims pursuant to this Section 15, and except as otherwise limited in Section 13(c), Seller's aggregate liability under this Agreement arising out of or in connection with the performance or non-performance of this Agreement cannot exceed the total payments made (and, as applicable, projected to be made) by Purchaser under this Agreement. The provisions of this Section 15(d)(ii) will apply whether such liability arises in contract, tort, strict liability or otherwise.

e. **EXCLUSIVE REMEDIES**. TO THE EXTENT THAT THIS AGREEMENT SETS FORTH SPECIFIC REMEDIES FOR ANY CLAIM OR LIABILITY, SUCH REMEDIES ARE THE AFFECTED PARTY'S SOLE AND EXCLUSIVE REMEDIES FOR SUCH CLAIM OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

f. **Comparative Negligence**. Where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.

16. **Change in Law**.

a. **Impacts of Change in Law**. If Seller determines that a Change in Law has occurred or will occur that has or will have a material adverse effect on Seller's rights, entitlement, obligations or costs under this Agreement, then Seller may so notify the Purchaser in writing of such Change in Law. Within thirty (30) days following receipt by the Purchaser of such notice, the Parties shall meet and attempt in good faith to negotiate such amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller may terminate this Agreement and remove the System and restore the Premises in accordance with Section 9 without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

b. **Illegality or Impossibility**. If a Change in Law renders this Agreement, or Seller's performance of this Agreement, either illegal or impossible, then Seller may terminate this Agreement immediately upon notice to Purchaser without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

c. **"Change in Law"** means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority.

17. **Assignment and Financing.**

a. **Assignment**.

i. Restrictions on Assignment. Subject to the remainder of this Section 17(a), this Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. Purchaser may not withhold its consent to an assignment proposed by Seller where the proposed assignee has the financial capability and experience necessary to operate and maintain solar photovoltaic systems such as the System.

ii. Permitted Assignments. Notwithstanding Section 17(a)(i):

1. Seller may, without the prior written consent of Purchaser, assign, mortgage, pledge or otherwise directly or indirectly assign its interests in this Agreement to (A) any Financing Party (as defined in Section 17(b)), (B) any entity through which Seller is obtaining financing from a Financing Party, or (C) any affiliate of Seller or any person succeeding to all or substantially all of the assets of Seller; provided, that, Seller is not released from liability hereunder as a result of any assignment to an affiliate unless the assignee assumes Seller's obligations hereunder by binding written instrument; and

2. Purchaser may, by providing prior notice to Seller, assign this Agreement:

a. to an affiliate of Purchaser or a purchaser of the Premises; provided, that, Purchaser is not released from liability hereunder by reason of the assignment unless the assignee assumes Purchaser's obligations hereunder by binding written instrument on terms satisfactory to Seller, including as to the assignee's creditworthiness; and

b. to an assignee that has an Investment Grade credit rating at the time of the assignment. "**Investment Grade**" means the assignee has a long-term unsecured debt rating from Moody's or S&P of at least Baa3 from Moody's and/or at least BBB- from S&P.

iii. Successors and Permitted Assignees. This Agreement is binding on and inures to the benefit of successors and permitted assignees. The restrictions on assignment contained herein do not prohibit or otherwise limit changes in control of Seller.

b. **Financing**. The Parties acknowledge that Seller may obtain debt or equity financing or other credit support from lenders, investors or other third parties (each a "**Financing Party**") in connection with the installation, construction, ownership, operation and maintenance of the System. In furtherance of Seller's financing arrangements and in addition to any other rights or entitlements of Seller under this Agreement, Purchaser shall timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement.

c. **Termination Requires Consent**. Seller and Purchaser agree that any right of Seller to terminate this Agreement is subject to the prior written consent of any Financing Party.

18. **Confidentiality**.

a. **Confidential Information**. To the maximum extent permitted by applicable law, if either Party provides confidential information ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information of the other Party, the receiving or learning Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation, performance, enforcement and, in the case of Seller, financing, of this Agreement. The terms of this Agreement (but not the fact of its execution or existence) are considered Confidential Information of each Party for purposes of this Section 18(a).

b. **Permitted Disclosures**. Notwithstanding Section 18(a):

i. a Party may provide such Confidential Information to its affiliates and to its and its affiliates' respective officers, directors, members, managers, employees, agents, contractors, consultants and Financing Parties (collectively, "Representatives"), and potential direct or indirect assignees of this Agreement if such potential assignees are first bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information. Each Party is liable for breaches of this provision by any person to whom that Party discloses Confidential Information**.**

ii. Confidential Information does not include any information that (a) becomes publicly available other than through breach of this Agreement, (b) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena, (c) is independently developed by the receiving Party, or (d) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality**.** If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall reasonably cooperate with the other Party's efforts to limit the disclosure to the extent permitted by applicable law.

c. **Miscellaneous**. All Confidential Information remains the property of the disclosing Party and will be returned to the disclosing Party or destroyed (at the receiving Party's option) after the receiving Party's need for it has expired or upon the request of the disclosing Party. Each Party acknowledges that the disclosing Party would be irreparably injured by a breach of this Section 18 by the receiving Party or its Representatives or other person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, for breaches of this Section 18. To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 18, but will be in addition to all other remedies available at law or in equity. The obligation of confidentiality will survive termination of this Agreement for a period of two (2) years.

d. **Goodwill and Publicity**. Neither Party may (a) make any press release or public announcement of the specific terms of this Agreement or the use of solar or renewable energy involving this Agreement (except for filings or other statements or releases as may be required by applicable law), or (b) use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of the other

Party. The Parties shall coordinate and cooperate with each other when making public announcements regarding this Agreement, the System and its use, and each Party may promptly review, comment upon and approve any publicity materials, press releases or other public statements before they are made. Notwithstanding the above, Seller is entitled to place signage on the Premises reflecting its association with the System.

19. General Provisions

a. **Definitions and Interpretation**. Unless otherwise defined or required by the context in which any term appears: (i) the singular includes the plural and vice versa, (ii) the words "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not to any particular section or subsection of this Agreement, (iii) references to any agreement, document or instrument mean such agreement, document or instrument as amended, restated, modified, supplemented or replaced from time to time, and (iv) the words "include," "includes" and "including" mean include, includes and including "without limitation." The captions or headings in this Agreement are strictly for convenience and will not be considered in interpreting this Agreement. As used in this Agreement, "dollar" and the "$" sign refer to United States dollars.

b. **Choice of Law; Dispute Resolution**. The law of the state where the System is located governs all matters arising out of this Agreement without giving effect to conflict of laws principles. Any dispute arising from or relating to this Agreement shall be settled by arbitration in [___]. The arbitration shall be administered by [_____] in accordance with its [arbitration rules], and judgment on any award rendered in such arbitration may be entered in any court of competent jurisdiction. If the Parties agree in writing, a mediator may be consulted prior to arbitration. The prevailing Party in any dispute arising out of this Agreement is entitled to reasonable attorneys' fees and costs.

c. **Notices**. All notices under this Agreement shall be in writing and delivered by hand, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and will be deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices must be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either Party may specify in writing.

d. **Survival**. Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement, including, without limitation provisions related to billing and payment and indemnification, will survive termination of this Agreement.

e. **Further Assurances**. Each Party shall provide such information, execute and deliver any instruments and documents and to take such other actions as may be reasonably requested by the other Party to give full effect to this Agreement and to carry out the intent of this Agreement.

f. **Waivers**. No provision or right or entitlement under this Agreement may be waived or varied except in writing signed by the Party to be bound. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly provided.

g. **Non-Dedication of Facilities**. Nothing in this Agreement may be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party may knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party may assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this Agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use commercially reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller may terminate this Agreement without further liability under this Agreement except with respect to liabilities accrued prior to the date of termination and remove the System in accordance with Section 9 of this Agreement.

h. **Service Contract**. The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser shall not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.

i. **No Partnership**. No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.

j. **Entire Agreement, Modification, Invalidity, Captions**. This Agreement constitutes the entire agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such provision shall not be read to render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be rectified or interpreted so as to best accomplish its objectives within the limits of applicable law.

k. **Forward Contract**. The transaction contemplated under this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code, and the Parties further acknowledge and agree that each Party is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

l. **No Third-Party Beneficiaries**. Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto, and the Financing Parties to the extent provided herein or in any other agreement between a Financing Party and Seller or Purchaser, and do not imply or create any rights on the part of, or obligations to, any other Person.

m. **Counterparts**. This Agreement may be executed in any number of separate counterparts and each counterpart will be considered an original and together comprise the same Agreement.

End of Exhibit 3

7. Exhibit 4

Performance Guaranty (if selected on Exhibit 1)

In consideration for Purchaser's entering into the Solar Power Purchase Agreement between [_____] ("Seller") and Purchaser related to the System at the Premises (the "**PPA**"), this Performance Guaranty (this "**Guaranty**") is entered into by the parties listed below (each a "**Party**" and collectively the "**Parties**") as of the date signed by Guarantor below (the "**Effective Date**").

Purchaser:		**Guarantor:**	
Name and Address		Name and Address	Guarantor Name [_____] Street Name City, State 00000-0000 Attention: Seller Contact
Phone		Phone	
E-mail		E-mail	
Project Name			

This Guaranty sets forth the terms and conditions of a guaranty provided by Guarantor in conjunction with the PPA. Capitalized terms not otherwise defined herein have the meanings given such terms in the PPA. The term of this Guaranty will be concurrent with the term of the PPA; except that it will not exceed the Initial Term. This Guaranty will be updated by Guarantor to reflect the as-built specifications of the System.

1. **Guaranty.** Guarantor guarantees that during the term of the PPA the System will generate not less than [_____(_%)] of the projected generation of the System as set forth in **Table 1.A** below; provided that the **Table 1.A** values are subject to downward adjustment for weather conditions (such adjusted figure, the "**Guaranteed kWh**").

A. Guarantor will use local weather data to determine the System's Guaranteed kWh, based on the following methods if available and in descending order of preference: (i) satellite data provided by a third-party vendor of Seller; or (ii) available data from a locally installed weather station at the Premises owned and properly maintained by Purchaser.

Table 1.A, projected production values assuming average weather conditions:

Contract Year	Pre-Adjustment Annual KWh (% of projected generation)
Year 1	
Year 2	
Year 3	
Year 4	
Year 5	
Year 6	
Year 7	
Year 8	
Year 9	
Year 10	
Year 11	
Year 12	
Year 13	
Year 14	
Year 15	
Year 16	
Year 17	

DRAFT

Year 18	
Year 19	
Year 20	

B. If at the end of each successive Contract Year the AC electricity produced by the System as measured and recorded by Seller (the "**Actual kWh**") is ***less*** than the Guaranteed kWh for that Contract Year, then Guarantor shall pay Purchaser an amount equal to (i) the difference between the Guaranteed kWh and the Actual kWh, multiplied by (ii) the Performance Guarantee Payment Rate (as defined in Section 1(E)), in each case with respect to the affected Contract Year.

C. If a payment of greater than fifty dollars ($50) is due under Section 1(B), (i) Guarantor will deliver a statement to Purchaser detailing the Guaranteed kWh and the calculation of the payment due; and (ii) the payment shall be due within ninety (90) days after the end of the Contract Year. If no payment is due, then no statement or payment will be issued.

D. [**LEASE ONLY**: If at the end of a Contract Year the Actual kWh is ***greater*** than the Guaranteed kWh, this surplus will be carried over and will be used to offset any deficits that may occur in any subsequent Contract Years.**]**

E. "**Performance Guarantee Payment Rate**" means the dollar value per kWh set forth in **Table 1.E** below:

Contract Year	Performance Guarantee Payment Rate
Year 1	
Year 2	
Year 3	
Year 4	
Year 5	
Year 6	
Year 7	
Year 8	
Year 9	
Year 10	
Year 11	
Year 12	
Year 13	
Year 14	
Year 15	
Year 16	
Year 17	
Year 18	
Year 19	
Year 20	

2. **Exclusions.** The Guaranty set forth in Section 1 does not apply to the extent of any reduced generation from the System due to the following (including the downtime required for repair, replacement or correction):

A. a Force Majeure Event, which includes (i) destruction or damage to the System or its ability to safely produce electricity not caused by Seller or its approved service providers while servicing the System (e.g., vandalism); (ii) a power or voltage surge caused by someone other than Seller, including a grid supply voltage outside of the standard range specified by the utility; and (iii) theft of the System; and (iv) curtailment or reduction of energy production required by the utility or grid operator.

B. Purchaser's failure to perform, or breach of, Purchaser's obligations under the PPA.

3. **Liquidated Damages; Waiver of Cost Savings**. The Parties agree that the payment described in Section 1(B) is a reasonable approximation of the damages suffered by Purchaser as a result of underperformance of the System, is bargained-for by the Parties, and shall be the Purchaser's sole and exclusive remedy hereunder for underperformance of the System. Purchaser hereby disclaims, and any beneficiary of this Guaranty hereby waives, any warranty with respect to any cost savings from using the System.

4. **Incorporation of PPA Provisions**. Section 5(d) (Force Majeure), Section 17 (Assignment and Financing) and Section 19 (General Provisions) of **Exhibit 3** of the PPA and any Sections referenced therein are incorporated into this Guaranty as if any reference therein to "Agreement" were to this Guaranty and any reference to "Parties" were to the Parties to this Guaranty.

Guarantor [Guarantor Name]	**Purchaser [Purchaser Name]**
Signature: _____	Signature: _____

Printed Name: _____ Printed Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Tim Murray, City Administrator
FROM:	David Wanberg, Community and Economic Development Director
MEETING DATE:	July 18, 2023
SUBJECT:	Update on the Status of the City's Community Solar Garden Subscriptions

Discussion:

The City saved approximately $37,000 through its community solar garden subscriptions in 2022. These subscriptions accounted for roughly 30 percent of the City's electrical energy consumption. Even with the potential installation of ground-mounted solar at the public works facility, the City can increase its community solar garden subscriptions and thereby save the City additional money.

Does the Council wish to direct City Staff to explore options to expand the City's community solar garden subscriptions? If so, Staff will contact providers and prepare additional information and recommendations for Council review at a future work session.

Attachments: