



**City Council Work Session
Tuesday, June 29, 2021 at 6:00 PM
Public Meeting Room**

AGENDA

1. Call to Order/Roll Call
2. Items for Discussion
 - A. Budget Work Session #2: Long-Term Financial Management Plan
 - B. Library Plaza Furnishings Discussion
 - C. Revise City Sidewalk and Trail Improvement Plan
 - D. Fleckenstein Bluffs Park Discussion on Shelter and Restroom
3. Future Discussion
4. Adjournment

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



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Jeanne Day, Finance Director
MEETING DATE: June 29, 2021
SUBJECT: Budget Work Session #2: Long-Term Financial Management Plan

Background:

This plan was last updated and reviewed by Council on November 3, 2020 with the 2021 Proposed Budget. This has now been updated with the actual 2020 audited financial information as well as the Final 2021 Budget. The Plan is to be an ongoing tool to provide Council with data to make informed strategic, long-term policy decisions for the tax levy supported funds, capital needs, and the utility rate supported funds. These types of decisions will be made in the current year budget process but will have implications in years to come.

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

Recommendation:

Attachments:

1. Long-Term Financial Management Plan
2. Long-Term Financial Management Plan Presentation



2021 Governmental Funds Projected through 2030

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INTRODUCTION AND SUMMARY

Introduction

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

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

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

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

The Plan includes planned future capital improvements for years 2021-2030 (the “CIP”). Estimates were made by Management for capital improvement project costs and the timing of projects.

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

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

Revenue Sufficiency

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

Standard and Poor’s Rating Service (S&P) reaffirmed its ‘AA’ long-term rating to the City’s outstanding general obligation debt. The City has not issued general obligation debt since 2020, with the exception of entering into loans with the Minnesota Public Facilities Authority for utility improvements. The rating agency recognized the City’s credit strength and strong financial operations resulting in strong reserves. The City’s bond rating is mentioned here because the maintenance and continued relative growth of reserves through revenue sufficiency is an important credit factor for the City’s credit rating going forward.

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

Fund Balance Policy for General Fund

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

Levy and Rate Calculations

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

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

City Tax Rate

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

A summary of projected annual City tax levy and tax rates are shown in Figure 1. The tax levy and tax rates are estimated based on assumptions in the Plan. The tax levy amounts in the Plan do not include additional operating costs for the viaduct park improvements proposed in 2023 and 2024, nor does it include operating costs for the new community center estimated for construction in 2027 in the Plan. City staff has identified approximately \$1.5 million of additional operating costs for the community center. This would result in a 11.5% increase in tax levy in 2027, compared to what is currently estimated at 0.15% decrease.

Figure 1.

Tax Year	Tax Levy in Millions	% Change in Tax Levy	Tax Rate	% Change in Tax Rate
2020	\$9.75	5.42%	0.5314	-3.0%
2021	\$10.16	4.20%	0.5255	-1.1%
2022	\$11.00	8.23%	0.5542	5.5%
2023	\$11.48	4.35%	0.5646	1.9%
2024	\$11.93	3.95%	0.5738	1.6%
2025	\$12.28	2.91%	0.5775	0.6%
2026	\$12.83	4.47%	0.5913	2.4%
2027 *	\$12.81	-0.15%	0.5788	-2.1%
2028 *	\$15.13	18.09%	0.6702	15.8%
2029	\$15.71	3.84%	0.6807	1.6%
2030	\$16.46	4.83%	0.6992	2.7%

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

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

- General fund tax levy is assumed to increase at amounts needed to support planned spending in the General Fund. Details on the specific items, which include staff positions, are included in the Finance Plan section for the General Fund.
- General fund non-tax revenue is estimated to increase by 1.0% with the exception for Franchise Fees which are assumed to remain constant at 2021 levels, and Local Government Aid is reflected with the House estimate for 2022 and then constant going forward. There are no major changes assumed for other non-tax revenue, including for Municipal State Aid funds, or other intergovernmental revenues.
- Non-personnel costs for materials and supplies, and other operating costs, including professional services, are estimated to increase by 2.0% annually.
- Personnel costs are estimated to increase by 3.0% annually, with the following exceptions:
 - Year 2028, 6.0 FTE Firefighters plus related operational costs added to General Fund (\$709,490 on-going costs and \$20,000 for start-up costs)
 - Operating costs for the viaduct park proposed improvements in 2023 and 2024 are not included as the plans are still developing.
 - Operating costs for the community center, estimated at \$1.5 million, including \$1.14 million for personnel, are not included in the financial plans. Operating costs will need to be added in the future when more information about the project scope is available.
- Taxable market value of property in the City is projected to increase 1.0% annually.
- Residential single-family growth is assumed at 20-25 new housing units annually between 2021-2030. For purposes of estimating market value of property, the average home price is \$292,000 with growth in valuation of \$4,000 annually.
- Multi-family apartment growth is assumed at 14 new housing units in 2021. The average price per unit is estimated at \$175,000. Four of those unit valuation increases are assumed to be captured within tax increment financing districts. There are 120 units assumed in 2022 and then 10-20 units thereafter.
- Commercial valuation growth is assumed at 10,000 SF added in 2021-2030, valued at \$150/SF.
- Industrial valuation growth is assumed at 100,000 SF, valued at \$100/SF, added in 2021, and then 65,000-80,000 SF annually between 2022-2030.
- Three existing tax increment financing districts are assumed to be decertified: TIF 11 Mike's Garage in 2021, TIF 6-1 Housing in 2023, and TIF 8 River Ridge in 2028.
- Five existing tax abatements are estimated to expire: Mill City in 2022, Sage in 2025, Trystar, LLC in 2026, Daikin in 2027, and Stein Air in 2028.
- Bond issuance is assumed to finance a portion of the community center, fire station #2, public works roof, and sewer treatment plant to manage tax levy and cash balances in the capital funds.

- Debt service is planned to be paid from tax levy, and revenue from the utility funds, depending on the purpose of the issuance.

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

Organization of Plan

The Plan is organized into four sections:

1. Introduction and Summary provides information on the Study approach, revenue sufficiency, and tax levy and rate calculations.
2. Background provides historical and statistical context for the City including the municipal utilities operated by the City.
3. CIP and Debt provides information on the City's plans for equipment, facilities, streets, and maintaining and expanding the enterprise systems, among other projects. This includes estimates on project costs, timing, and sources of funds. The time horizon for the capital plan is years 2021-2030. Information on outstanding debt obligation of the City and debt services is included in this section.
4. Finance Plans provides the finance plans (pro forma) for all City Funds. The finance plans include historical, current, and projected revenues and expenses, and estimated ending cash balances, along with other balance sheet estimates. Finance plans consider capital improvement plans, both existing and planned debt issuance, and projected property tax revenue, among other sources and uses of funds.
5. Appendices provide additional data.

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

CITY OF FARIBAULT											
PROPERTY TAX LEVY, TAX CAPACITY, AND TAX RATE											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
TAX LEVY											
General Fund (101)	7,588,049	8,502,335	9,012,901	9,564,668	10,134,836	10,724,401	11,334,033	11,964,413	13,345,738	14,025,290	14,687,423
Community Development Fund(240)	164,602	264,602	601,746	541,216	475,065	238,400	163,218	5,752	-	-	-
Airport Fund (225)	30,000	20,000	10,000	-	-	-	-	-	-	-	-
Street Improvement Fund (401)	500,000	-	-	-	-	-	-	-	-	-	-
Park Improvement Fund (404)	100,000	-	-	-	-	-	-	-	-	-	-
Capital Replacement Fund (431)	150,000	-	-	-	-	-	-	-	-	-	-
Public Facilities Fund (437)	150,000	-	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	1,070,000	1,375,329	1,373,596	1,371,234	1,320,559	1,314,731	1,329,484	837,951	1,779,364	1,680,669	1,777,370
Tax Levy	9,752,651	10,162,266	10,998,243	11,477,118	11,930,460	12,277,532	12,826,735	12,808,116	15,125,102	15,705,959	16,464,793
Annual % Change	5.42%	4.20%	8.23%	4.35%	3.95%	2.91%	4.47%	-0.15%	18.09%	3.84%	4.83%
TAX CAPACITY											
Tax Capacity before New Construction	18,540,886	19,322,169	19,743,653	20,522,425	21,048,748	21,544,192	22,009,185	22,449,408	22,894,915	23,345,757	23,801,988
Tax Capacity from New Construction	-	226,002	575,580	317,920	282,135	247,080	217,952	218,824	219,696	220,568	243,315
Total Tax Capacity	18,540,886	19,548,171	20,319,233	20,840,345	21,330,883	21,791,272	22,227,137	22,668,232	23,114,611	23,566,325	24,045,303
Less TIF Captured Tax Capacity	187,152	208,810	473,398	512,312	539,310	529,887	535,186	540,538	545,943	492,528	497,453
Net Tax Capacity (NTC)	18,353,734	19,339,361	19,845,835	20,328,033	20,791,573	21,261,385	21,691,951	22,127,694	22,568,667	23,073,797	23,547,850
Annual % Change		5.37%	2.62%	2.43%	2.28%	2.26%	2.03%	2.01%	1.99%	2.24%	2.05%
TAX CAPACITY TAX RATE											
	53.137%	52.547%	55.418%	56.460%	57.381%	57.746%	59.131%	57.883%	67.018%	68.068%	69.921%
Annual % Change	-3.0%	-1.1%	5.5%	1.9%	1.6%	0.6%	2.4%	-2.1%	15.8%	1.6%	2.7%

Chart 1 Annual Change in Property Tax Levy and Rate

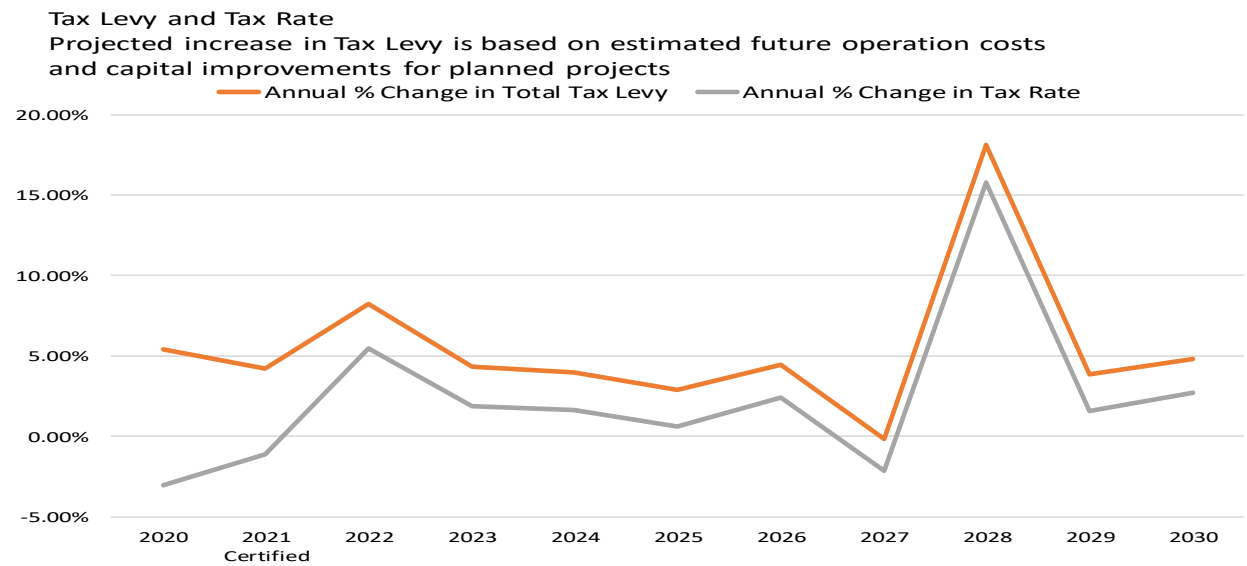
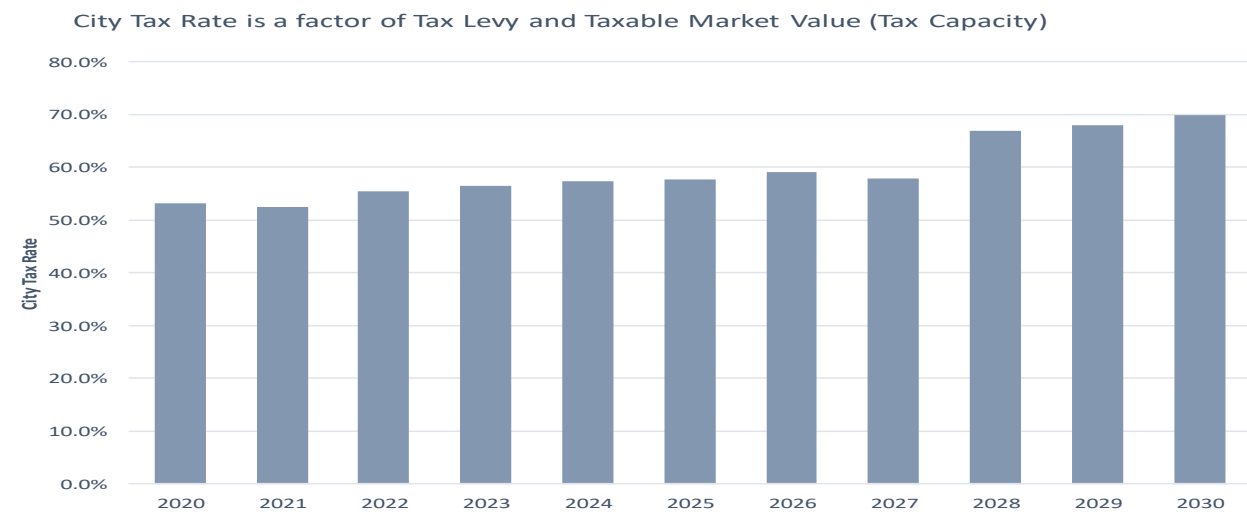


Chart 2 City Tax Rate

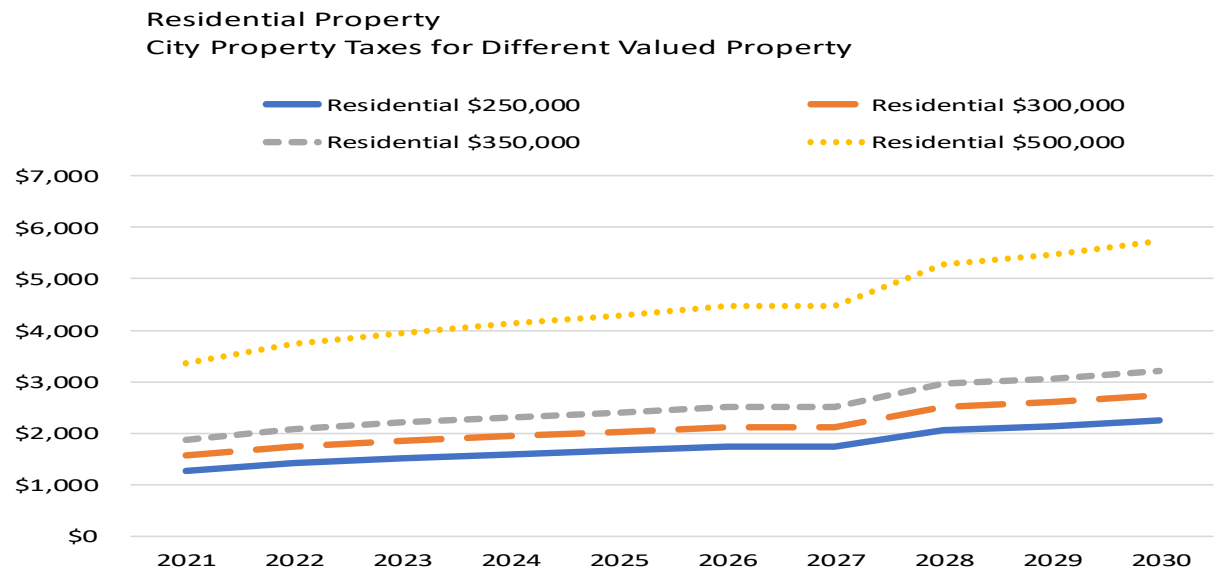


The projected increase in the tax levy and tax rate in 2027 is for the planned community center and an increase to pay debt service on bonds to be issued.

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

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

Chart 3 Residential City Property Taxes



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

Chart 4 Commercial/Industrial City Property Taxes

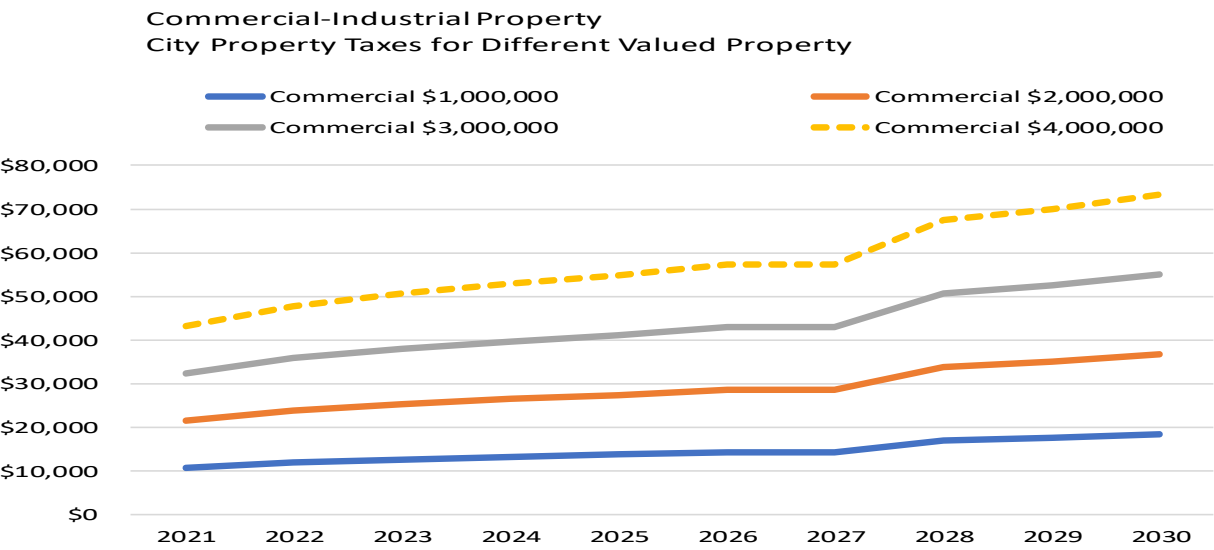
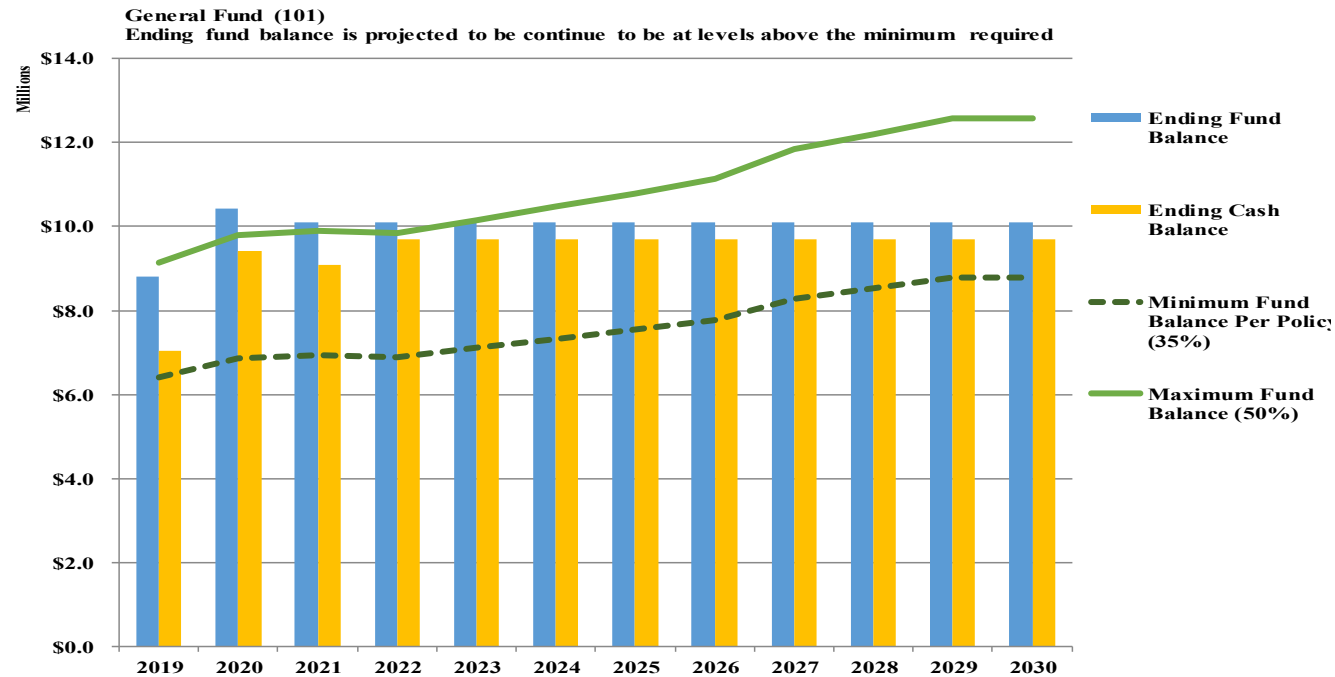


Chart 5 Fund Balance



The ending fund balance for the General Fund is projected to decline between 2021-2030 but remain at levels consistent with City policy. Future adjustments to tax levy or expenditures may be needed to ensure the fund balance stays within policy levels.

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

The Plan assumes franchise fee revenue for the capital projects funds remains constant at the amounts anticipated for 2021 franchise fees. Property tax revenue is no longer reflected within the capital projects funds.

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

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

Chart 6 Capital Project Funds Cash Balances

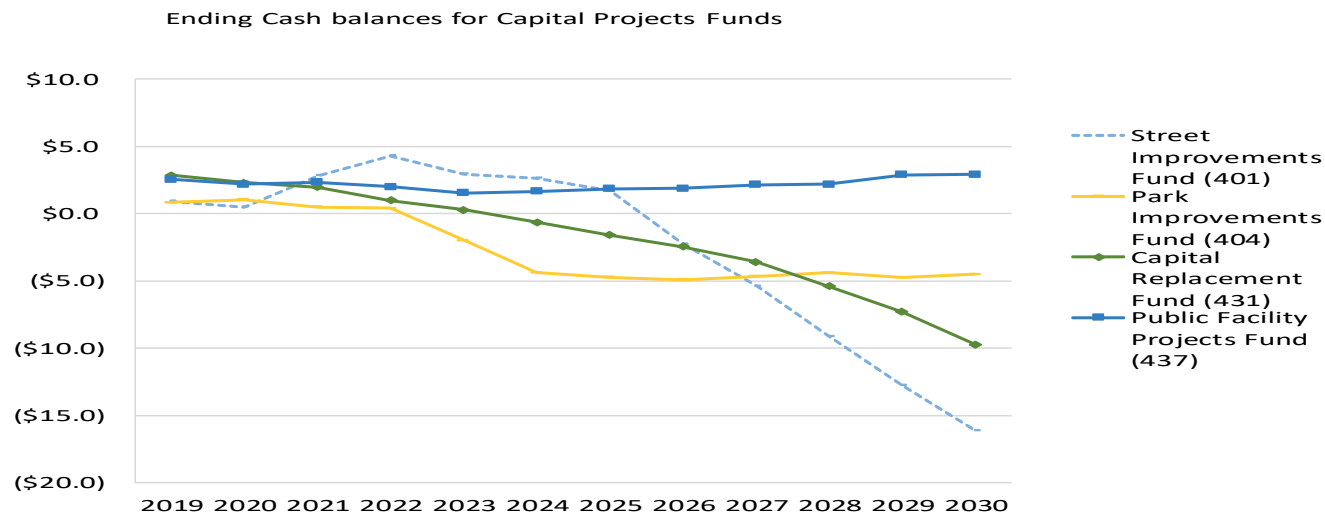


Chart 7 Total City Tax Levy All Funds

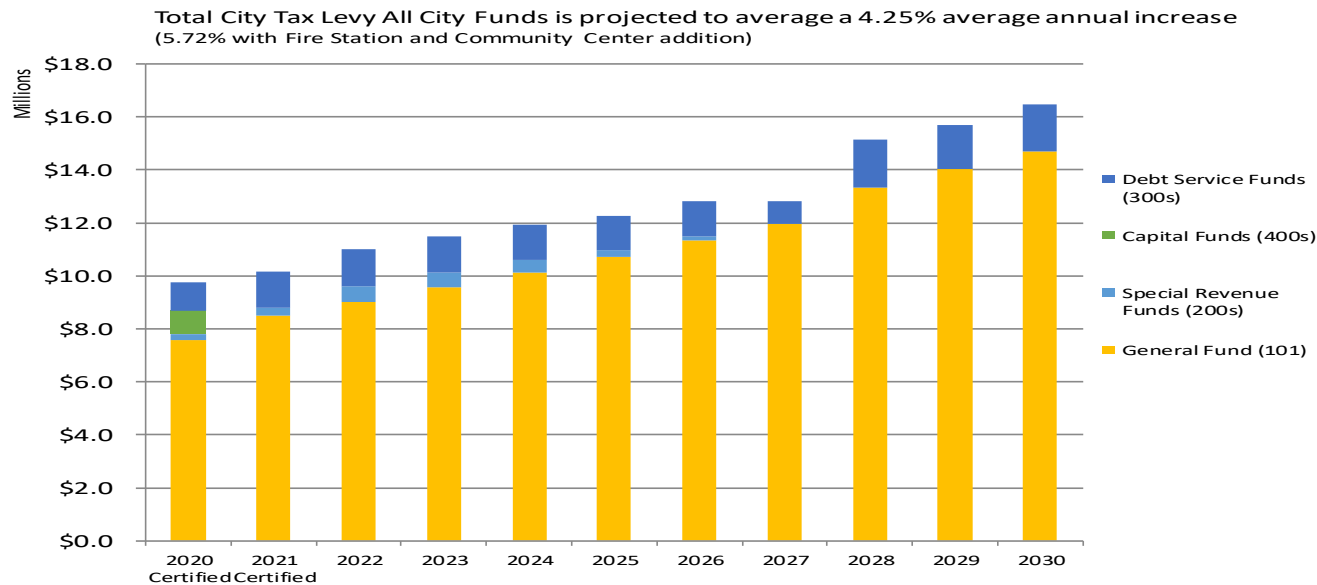
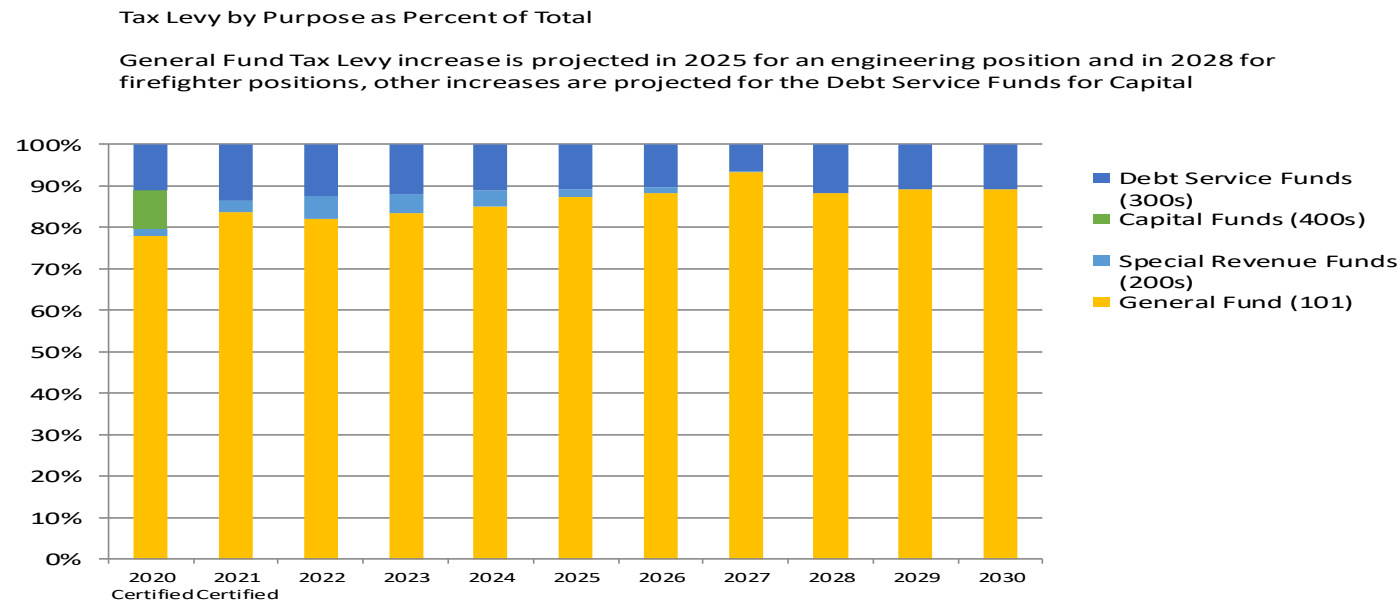


Chart 8 Tax Levy by Purpose as Percent of Total



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

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

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

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

BACKGROUND

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

Governmental Services

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

CAPITAL IMPROVEMENT PLAN (CIP) AND DEBT

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

For purposes of the Study and preparation of the Plan, the City prepared and provided estimated capital costs for years 2026-2030, which goes beyond the City's adopted five-year CIP (2021-2025).

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

Airport

Anticipated improvements to the municipal airport are as follows:

- \$155,000 in 2021 for replacement of tractor and mower
- \$770,000 also in 2021 to upgrade airfield lights and electrical
- \$125,000 in 2022 for airfield crack sealing and equipment replacement
- \$1,832,000 between 2023 and 2025 for construction of an 8-unit public hangar
- \$7,308,900 in 2025 and 2026 for costs related to preparing and construction of runway extension
- \$1,546,000 in 2027 for master planning, fencing, and equipment
- \$740,000 in 2028 and 2029 for mill and overlay projects
- \$1,000,000 in 2029 and 2030 for design and construction of public T-hangar
- \$575,000 in 2030 for airfield crack sealing, and design and construction of taxiway F

Aquatic Facility

Planned improvements to the facility are as follows:

- \$30,000 in 2023 for roof improvements
- \$325,000 in 2027 for filter replacement

Municipal Buildings

City Hall

Planned improvements for City Hall include general major repairs, roof replacement, lighting upgrade in council chambers, and remodel of restroom facilities. For City Hall improvements, the CIP includes \$173,000 of spending in 2022 and 2023.

Public Works

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

Community Center

Planned improvements for the Community Center include parking lot improvements, flooring, roof repairs, and equipment acquisitions. The CIP includes \$1,516,500 of spending between 2021-2030. Construction of a new community center in 2027 is planned along with other facility improvements and equipment purchases.

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

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

Engineering

The CIP provides for annual average spending of \$3,442,006 on street improvements, including related utility improvements, between 2021-2025. The project spending is funded from a combination of special assessments, municipal state aid, utility revenues, and tax levy. The street improvement cost is accounted for in the Street Improvement Fund (401) and the utilities portion of the street projects are accounted for in the Water Fund (601), Sanitary Sewer Fund (602), and the Storm Water Fund (603).

Between years 2026-2030, preliminary plans include average annual spending of \$11,513,936 supported by the same combination of revenue sources as planned for years 2021-2025 based on the pavement management plan.

Fire

The CIP includes the following equipment acquisitions:

- \$10,000 in 2021 for a thermal imaging camera
- \$193,000 in 2022 for fire station cleaning, sealing of exterior, and replacement of pumper truck
- \$569,000 in 2023 for replacement of rescue apparatus, trailer, and civil defense sirens, as well as acquisition of low-pressure airbags.
- \$250,000 in 2024 for fire radio equipment
- \$62,500 in 2025 to replace the Fire Chief squad and acquire equipment

Between years 2026-2030, the Plan anticipates the following:

- \$2,659,000 in vehicle and equipment replacement
- \$8,000,000 for construction of Fire Station No. 2

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

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

Other

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

Library capital projects are planned at \$35,000 between 2021-2025. Future year improvements between 2026-2030 are estimated at \$620,000. Projects include clock tower restoration, exterior windows, lighting, and other equipment acquisitions. Library project costs are accounted for in the Capital Replacement Fund (431) and for facility related improvements in the Public Facility Fund (437).

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

Parks

Improvements within Parks is planned at \$3,324,000 over the next five years. This includes improvements to restroom facilities, Prairie Park development, Bell Field, playground equipment, among other various park improvements. An additional estimate of \$5,000,000 over 2023 and 2024 for improvements at the viaduct park are anticipated.

For years 2026-2030, the Plan includes \$4,602,000 of planned projects including shelter improvements, parking lots, playground replacements, trail sealcoating, splashpad, bandshell renovations, scoreboards, soccer complex, skatepark, among other park projects and replacement of vehicles and equipment.

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

Police

Spending on capital within the Police Department between 2021-2025 is planned at \$724,620 for vehicle, equipment, and building maintenance. For years 2026-2030, the Plan includes \$742,500, which reflects an annual increase of \$142,500 increasing \$3,000 each year for squad replacements. The capital costs for these purchases are accounted for in the Capital Replacement Fund (431) and the Public Facility Funds (437).

Streets

Spending on capital within the Streets Department between 2021-2025 is planned at \$1,957,000 for vehicle and equipment replacement. For years 2026-2030, the Plan includes \$2,860,000 for the replacements. The capital costs for these purchases are accounted for in the Capital Replacement Fund (431).

Water Fund (601)

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

- \$1,828,811 in 2021
- \$1,894,500 in 2022
- \$1,453,250 in 2023
- \$1,496,000 in 2024 (supported, in part, by \$495,000 anticipated special assessments)
- \$514,000 in 2025

Between 2026-2030, the Plan includes \$260,000 in spending on water utility improvements and another \$1,520,296 annually for improvements related to street projects based on the pavement management plan.

Sanitary Sewer Fund (602)

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

- \$5,491,870 in 2021 (supported, in part, by \$1,930,000 from Intergovernmental Revenue)
- \$1,192,000 in 2022
- \$400,250 in 2023
- \$540,000 in 2024
- \$418,000 in 2025

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

Other project spending between 2026-2030 on sanitary sewer improvements includes \$1,207,500, along with an additional \$1,520,296 annually for improvements related to street projects based on the pavement management plan.

Storm Water Fund (603)

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

- \$665,000 in 2021
- \$375,000 in 2022 (supported, in part, by \$150,000 of Municipal State Aid Revenue)
- \$904,000 in 2023
- \$455,000 in 2024
- \$579,000 in 2025

Other project spending between 2026-2030 on storm water improvements includes \$150,000 annually for best management practice projects, along with an additional \$1,552,320 annually for improvements related to street projects based on the pavement management plan. There is also \$120,000 in 2026 for a sewer inspection camera.

Bond Issuance

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

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

- G.O. MSA Bonds, in 2021, \$1,505,000 for Street & Bridge improvements has been updated to actual.
- State low interest loan, in 2024, in the amount of \$740,000 for Airport 8-unit T-hangar.
- G.O. Bonds, in 2027, \$30,000,000 to finance a new community center, over a 25-year term payable from tax levy. The City may consider the use of other revenue, including sales tax revenue to support the project in lieu of tax levy. The ability to do so will require action to seek approval for this and other potential revenue sources for this project. The Plan does not include sales tax or other revenue as available to support the project at this time but does reflect only 50% repayment from tax levy.
- G.O. Bonds, in 2028, \$8,000,000 to finance construction of Fire Station No. 2 and other facility improvements, over a 25-year term payable from tax levy.
- G.O. Bonds, in 2029, to finance facility improvements of \$2,000,000 for a new roof for public works from the Public Facility Fund.
- G.O. Revenue Bonds, in year 2029, \$10,000,000 to finance Water Reclamation Facility upgrades, over a 20-year term payable from revenues from the Sanitary Sewer Fund.

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

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

Bond Rating

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

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

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

Table 2 Capital Improvement Plan by Category and Source of Funds

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

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

Table 3 Summary of Existing Debt

City of Faribault

Summary of Existing Debt

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Principal												
G.O. Bonds	1,135,000	1,155,000	1,180,000	1,135,000	1,160,000	1,150,000	1,170,000	1,195,000	1,225,000	610,000	610,000	160,000
G.O. Special Assessments Bonds	180,000	220,000	220,000	225,000	230,000	225,000	225,000	235,000	235,000	240,000	240,000	110,000
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	1,135,000	1,665,419	1,660,000	1,695,000	1,730,000	1,767,000	1,805,000	1,844,000	1,883,000	1,924,000	1,965,000	510,000
Lease / Loan Payable	61,500	61,500	61,500	61,500	61,500	10,250	-	-	-	-	-	-
Total Existing Debt	2,511,500	3,101,919	3,121,500	3,116,500	3,181,500	3,152,250	3,200,000	3,274,000	3,343,000	2,774,000	2,815,000	780,000
Annual Interest												
G.O. Bonds	215,023	189,388	162,915	164,523	140,073	115,048	91,898	68,348	43,773	23,058	10,230	3,680
G.O. Special Assessments Bonds	65,988	61,588	56,338	51,088	45,688	39,800	34,650	29,500	23,200	16,900	9,963	3,025
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	362,228	442,713	400,646	365,539	329,617	292,865	255,246	216,736	177,309	136,965	95,653	53,373
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	643,238	693,688	619,899	581,149	515,377	447,712	381,794	314,584	244,282	176,923	115,846	60,078
Annual Debt Service												
G.O. Bonds	1,350,023	1,344,388	1,342,915	1,299,523	1,300,073	1,265,048	1,261,898	1,263,348	1,268,773	633,058	620,230	163,680
G.O. Special Assessments Bonds	245,988	281,588	276,338	276,088	275,688	264,800	259,650	264,500	258,200	256,900	249,963	113,025
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	1,497,228	2,108,132	2,060,646	2,060,539	2,059,617	2,059,865	2,060,246	2,060,736	2,060,309	2,060,965	2,060,653	563,373
Lease / Loan Payable	61,500	61,500	61,500	61,500	61,500	10,250	-	-	-	-	-	-
Total Existing Debt	3,154,738	3,795,607	3,741,399	3,697,649	3,696,877	3,599,962	3,581,794	3,588,584	3,587,282	2,950,923	2,930,846	840,078
Bonds Outstanding at Year End												
G.O. Bonds	9,405,000	8,250,000	8,575,000	7,440,000	6,280,000	5,130,000	3,960,000	2,765,000	1,540,000	930,000	320,000	160,000
G.O. Special Assessments Bonds	2,405,000	2,185,000	1,965,000	1,740,000	1,510,000	1,285,000	1,060,000	825,000	590,000	350,000	110,000	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	23,275,719	21,610,300	19,950,300	18,255,300	16,525,300	14,758,300	12,953,300	11,109,300	9,226,300	7,302,300	5,337,300	4,827,300
Lease / Loan Payable	256,250	194,750	133,250	71,750	10,250	-	-	-	-	-	-	-
Total Existing Debt	35,341,969	32,240,050	30,623,550	27,507,050	24,325,550	21,173,300	17,973,300	14,699,300	11,356,300	8,582,300	5,767,300	4,987,300
Debt Subject to Statutory Debt Limit	9,405,000	8,250,000	8,575,000	7,440,000	6,280,000	5,130,000	3,960,000	2,765,000	1,540,000	930,000	320,000	160,000
% of Statutory Debt Limit Used	23%	20%	21%	18%	15%	13%	10%	7%	4%	2%	1%	0%

Table 4 Summary of Planned Debt

City of Faribault

Summary of Planned New Debt

	2021	2022	2023	2024	2025	2026	Community Center	Fire Station #2	PW Roof & Swr Treatment Plant	2029	2030
Annual Principal											
G.O. Bonds	-	-	80,000	85,000	90,000	90,000	95,000	935,000	1,190,000	1,400,000	
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	-	-	-	-	420,000
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	-	80,000	85,000	90,000	90,000	95,000	935,000	1,190,000	1,820,000	
Annual Interest											
G.O. Bonds	-	-	67,247	43,800	41,250	38,550	35,850	1,375,750	1,285,517	1,227,267	
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	-	-	-	-	298,389
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	-	67,247	43,800	41,250	38,550	35,850	1,375,750	1,285,517	1,525,656	
Annual Debt Service											
G.O. Bonds	-	-	147,247	128,800	131,250	128,550	130,850	2,310,750	2,475,517	2,627,267	
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	-	-	-	-	718,389
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	-	147,247	128,800	131,250	128,550	130,850	2,310,750	2,475,517	3,345,656	
Bonds Outstanding at Year End											
G.O. Bonds	-	1,540,000	1,460,000	1,375,000	1,285,000	1,195,000	31,850,000	39,115,000	39,975,000	38,575,000	
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	-	-	10,250,000	9,830,000	
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	1,540,000	1,460,000	1,375,000	1,285,000	1,195,000	31,850,000	39,115,000	50,225,000	48,405,000	
Debt Subject to Statutory Debt Limit	-	1,540,000	1,460,000	1,375,000	1,285,000	1,195,000	1,100,000	9,205,000	8,880,000	8,550,000	

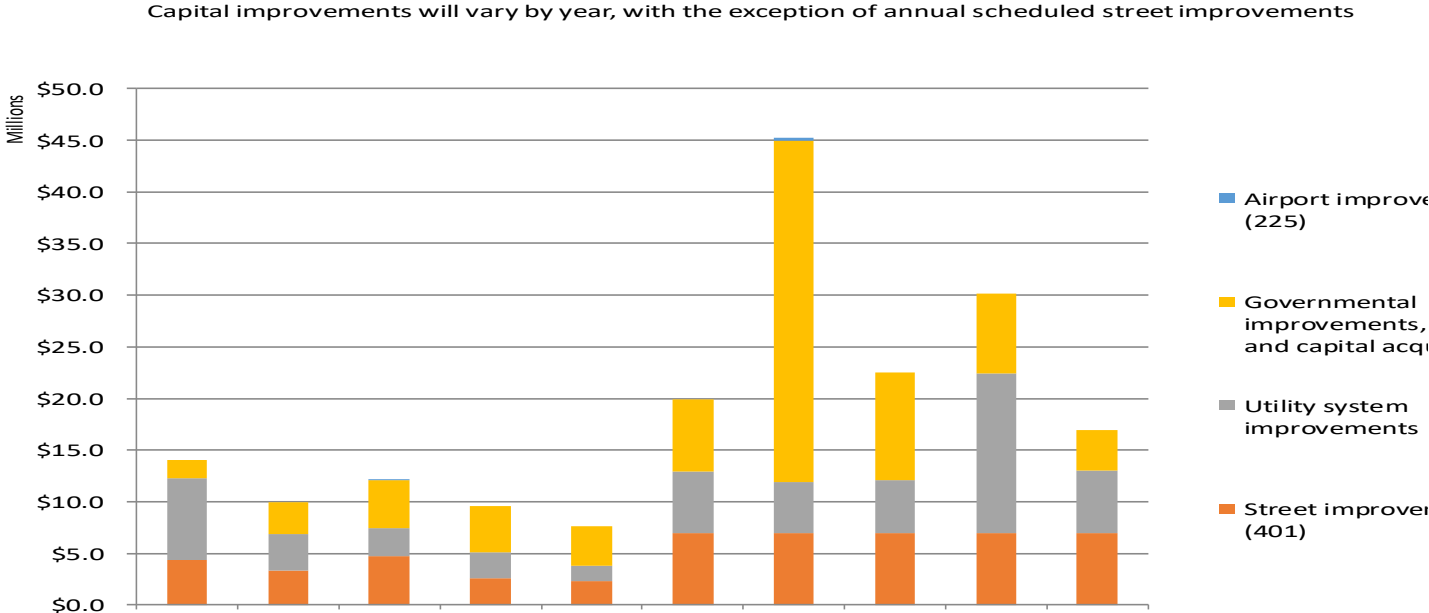
Table 5 Summary of Existing and Planned Debt Combined

City of Faribault

Summary of Existing and Planned New Debt Combined

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Principal												
G.O. Bonds	1,135,000	1,155,000	1,180,000	1,135,000	1,240,000	1,235,000	1,260,000	1,285,000	1,320,000	1,545,000	1,800,000	1,560,000
G.O. Special Assessments Bonds	180,000	220,000	220,000	225,000	230,000	225,000	225,000	235,000	235,000	240,000	240,000	110,000
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	1,135,000	1,665,419	1,660,000	1,695,000	1,730,000	1,767,000	1,805,000	1,844,000	1,883,000	1,924,000	1,965,000	930,000
Lease / Loan Payable	61,500	61,500	61,500	61,500	61,500	10,250	-	-	-	-	-	-
Total Existing Debt	2,511,500	3,101,919	3,121,500	3,116,500	3,261,500	3,237,250	3,290,000	3,364,000	3,438,000	3,709,000	4,005,000	2,600,000
Annual Interest												
G.O. Bonds	215,023	189,388	162,915	164,523	207,319	158,848	133,148	106,898	79,623	1,398,808	1,295,747	1,230,947
G.O. Special Assessments Bonds	65,988	61,588	56,338	51,088	45,688	39,800	34,650	29,500	23,200	16,900	9,963	3,025
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	362,228	442,713	400,646	365,539	329,617	292,865	255,246	216,736	177,309	136,965	95,653	351,762
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	643,238	693,688	619,899	581,149	582,624	491,512	423,044	353,134	280,132	1,552,673	1,401,362	1,585,734
Annual Debt Service												
G.O. Bonds	1,350,023	1,344,388	1,342,915	1,299,523	1,447,319	1,393,848	1,393,148	1,391,898	1,399,623	2,943,808	3,095,747	2,790,947
G.O. Special Assessments Bonds	245,988	281,588	276,338	276,088	275,688	264,800	259,650	264,500	258,200	256,900	249,963	113,025
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	1,497,228	2,108,132	2,060,646	2,060,539	2,059,617	2,059,865	2,060,246	2,060,736	2,060,309	2,060,965	2,060,653	1,281,762
Lease / Loan Payable	61,500	61,500	61,500	61,500	61,500	10,250	-	-	-	-	-	-
Total Existing Debt	3,154,738	3,795,607	3,741,399	3,697,649	3,844,124	3,728,762	3,713,044	3,717,134	3,718,132	5,261,673	5,406,362	4,185,734
Bonds Outstanding at Year End												
G.O. Bonds	9,405,000	8,250,000	8,575,000	8,980,000	7,740,000	6,505,000	5,245,000	3,960,000	33,390,000	40,045,000	40,295,000	38,735,000
G.O. Special Assessments Bonds	2,405,000	2,185,000	1,965,000	1,740,000	1,510,000	1,285,000	1,060,000	825,000	590,000	350,000	110,000	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	23,275,719	21,610,300	19,950,300	18,255,300	16,525,300	14,758,300	12,953,300	11,109,300	9,226,300	7,302,300	15,587,300	14,657,300
Lease / Loan Payable	256,250	194,750	133,250	71,750	10,250	-	-	-	-	-	-	-
Total Existing Debt	35,341,969	32,240,050	30,623,550	29,047,050	25,785,550	22,548,300	19,258,300	15,894,300	43,206,300	47,697,300	55,992,300	53,392,300
Debt Subject to Statutory Debt Limit	9,405,000	8,250,000	8,575,000	8,980,000	7,740,000	6,505,000	5,245,000	3,960,000	2,640,000	10,135,000	9,200,000	8,710,000
% of Statutory Debt Limit Used	23%	20%	21%	22%	19%	16%	13%	10%	6%	25%	23%	21%

Chart 9 CIP Use of Funds



Annual capital improvements are projected to vary from year to year. Street improvements are planned for each year. The annual spending is projected in years 2026-2030 based on the pavement management model and not specific projects.

The source of funds to pay for the capital improvements is projected to come from a variety of sources, including the use of cash balance projected to be available for capital spending purposes. Issuance of MSA bonds was completed in the spring of 2021.

Chart 10 CIP Source of Funds

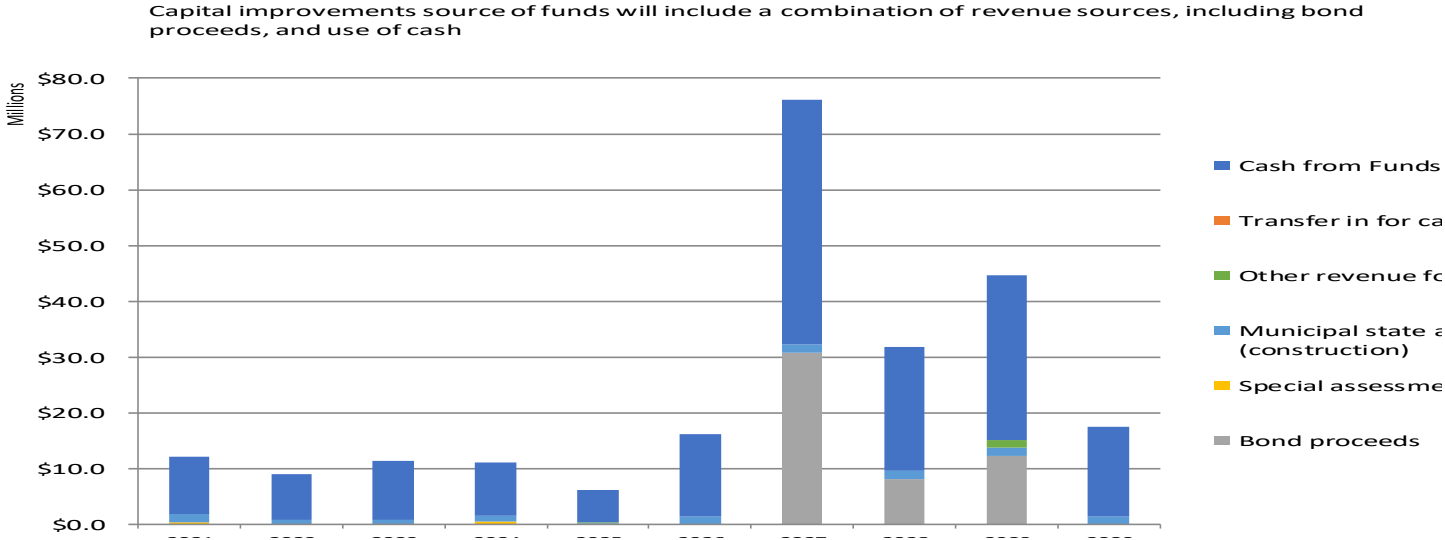


Chart 11 Debt Service

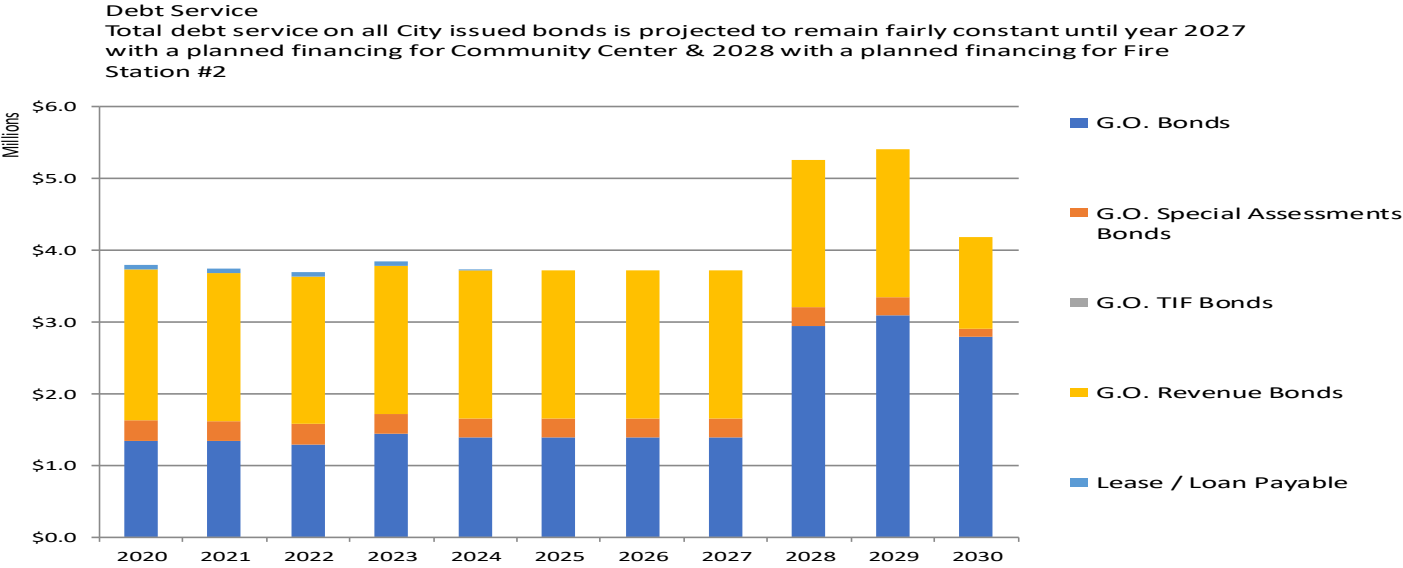
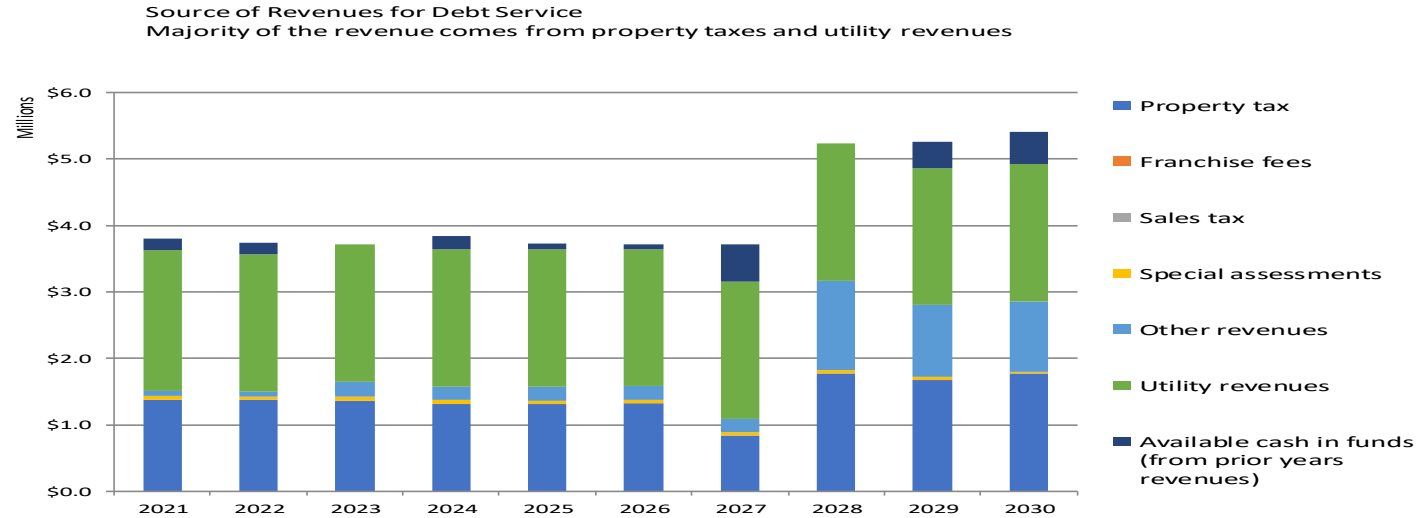


Chart 12 Debt Service Source of Revenues

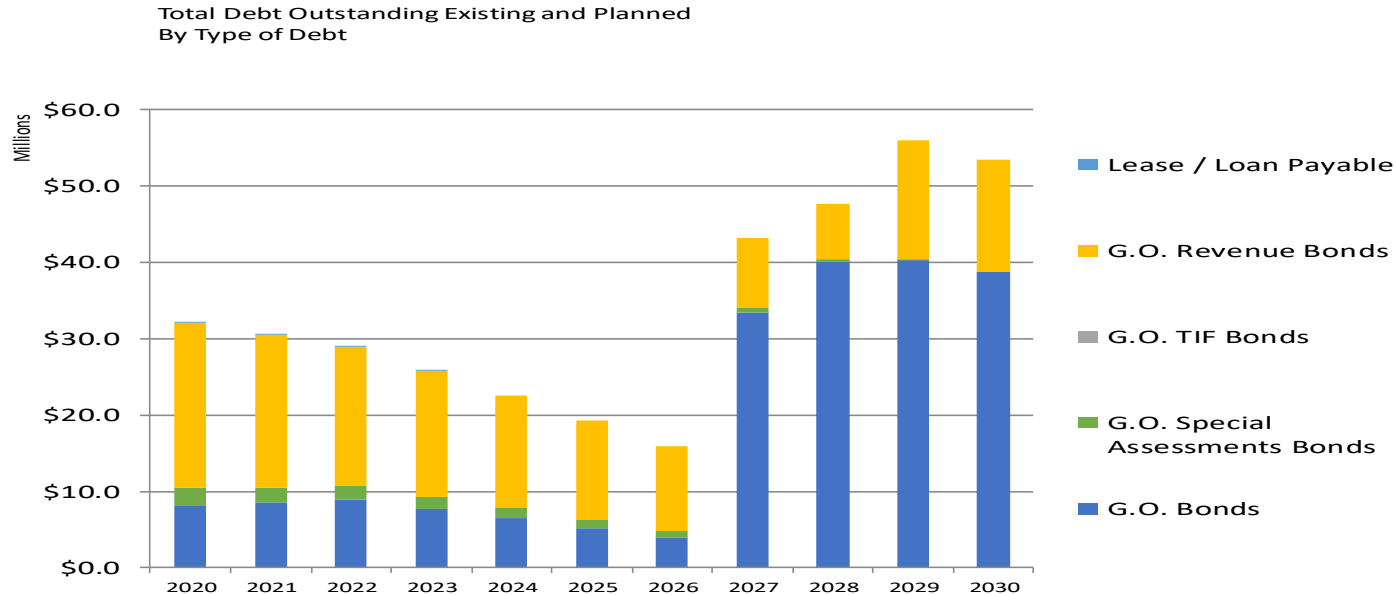


New debt service is planned to be issued for major projects including sewer treatment plant improvements, a new fire station, major roof repairs to public facilities, and a community center, among other project plans.

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

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

Chart 13 Debt Outstanding



Total debt outstanding is projected to decrease between 2021-2026. The increase in debt outstanding beginning in 2027 comes from the planned issuance of debt to finance the major projects described in the Plan.

Chart 14 Debt Outstanding by Existing and Planned New Debt

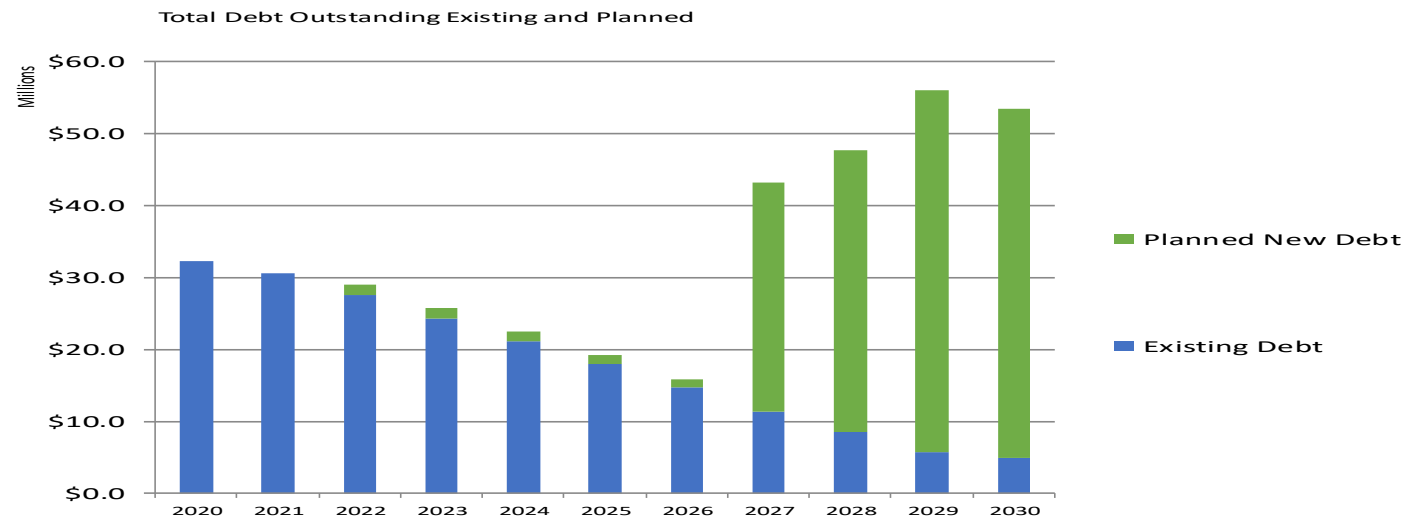


Chart 15 Amortization of Outstanding Debt

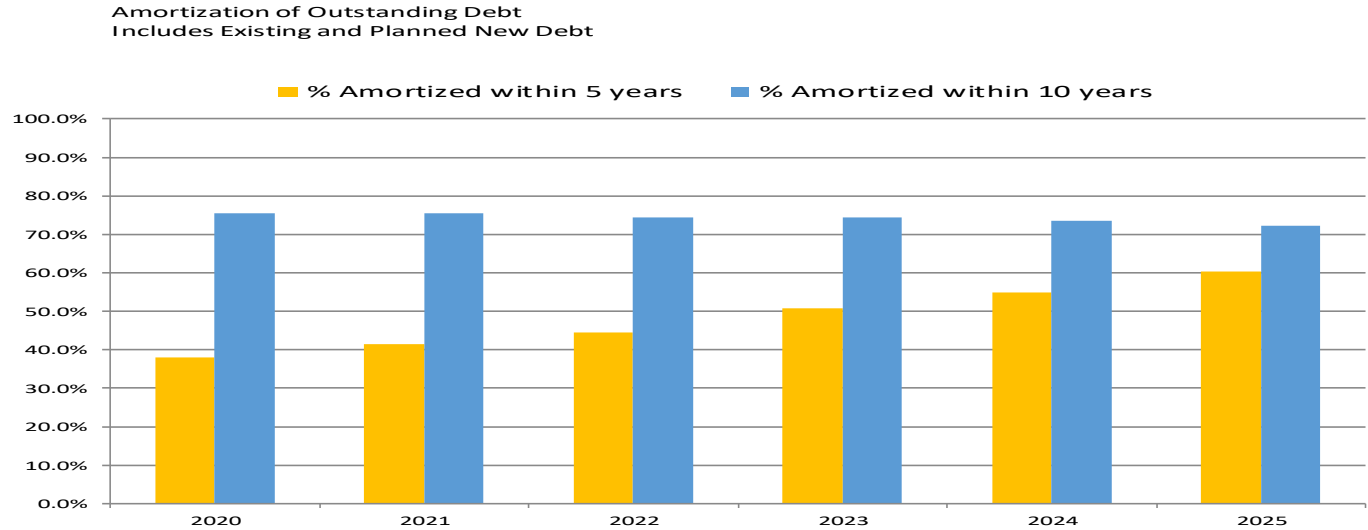
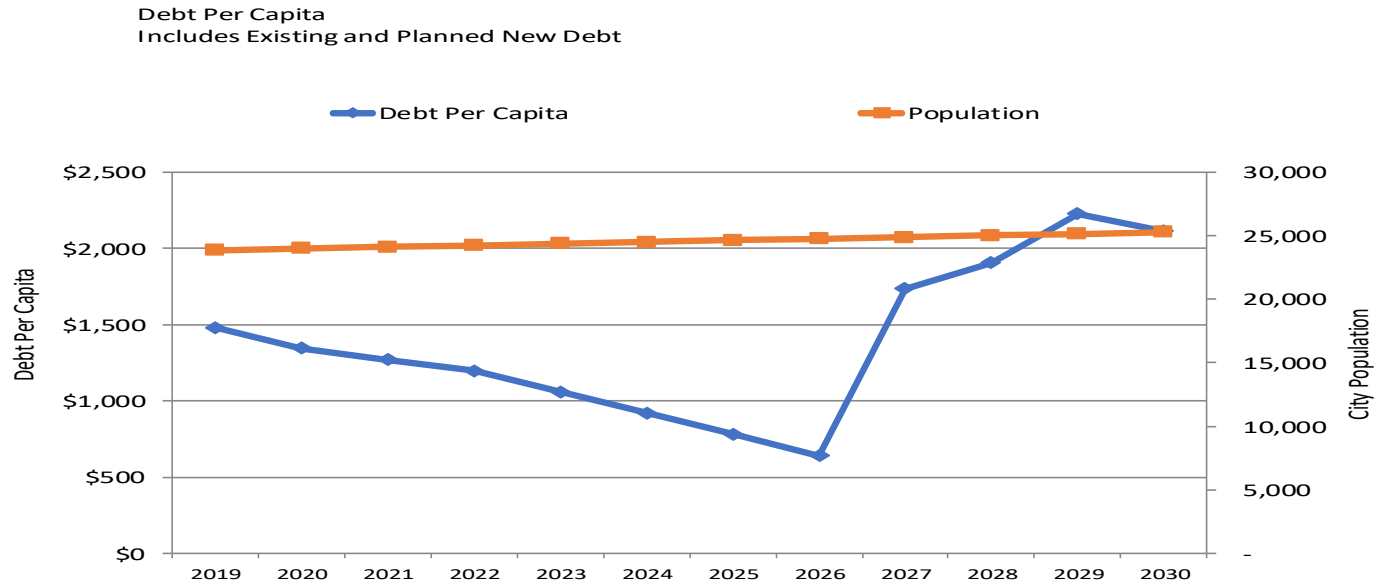


Chart 16 Debt Per Capita



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

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

FINANCE PLANS

Background

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

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

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

Assumptions for Planning

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

- Annual property tax revenues are projected to be at a level sufficient to fund cash flow requirements and to maintain sufficient fund balance levels per City Policy. For purpose of planning, the tax levy support for the Airport is to be reduced by \$10,000 from 2021-2023 and Community Development Administration is to reduce by 25% over the next four years (2022-2025) to remove operational dependence on levy support for these special revenue funds. Tax abatements will continue to be supported by the levy but will be reflected in the Community Development fund instead of the General Fund. The Capital Project Funds are no longer supported by the operating tax levy and have a comparable allocation of Franchise Fees for 2021. The revenues in these funds are not projected to be sufficient to cover the planned spending. Future adjustments to revenue and/or spending will be needed to avoid future negative cash balances in these funds.
- Non-tax revenues are generally estimated to increase by 1.0% annually, with the exception of Franchise Fees and LGA which are projected to remain constant at the 2021 amounts.
- Annual investment income rate of 0.5%.
- Non-personnel costs for materials and supplies, and other operating costs including professional services are estimated to increase by 2.0% annually.
- Personnel costs are estimated to increase by 3.0% annually with the exception for new positions to be added. The increase in operating costs for the viaduct park and community center projects are not included in the financial plans. These will need to be added as information becomes available. The community center preliminary estimated increase in operating costs is \$1.5 million, with the majority of this for personnel costs.

General Fund (101)

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

Revenues

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

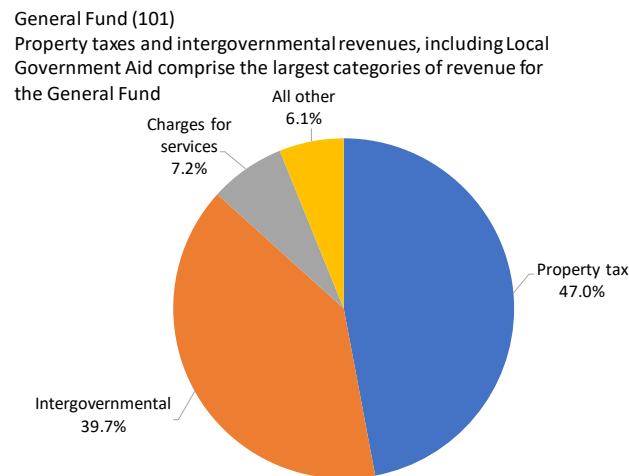


Figure 2.

Tax Year	Tax Levy	Tax Levy in Millions	% Change in Tax Levy
2021	\$8,502,335	\$8.50	12.0%
2022	\$9,012,901	\$9.01	6.0%
2023	\$9,564,668	\$9.56	6.1%
2024	\$10,134,836	\$10.13	6.0%
2025	\$10,724,401	\$10.72	5.8%
2026	\$11,334,033	\$11.33	5.7%
2027	\$11,964,413	\$11.96	5.6%
2028	\$13,345,738	\$13.35	11.5%
2029	\$14,025,290	\$14.03	5.1%
2030	\$14,687,423	\$14.69	4.7%

Property Tax

Property tax revenue is estimated to increase annually to fund general City operations in the General Fund. Total revenues and expenditures for the General Fund are projected to be balanced on an annual basis. Figure 2 provides the projected General Fund property tax levy by year, along with the annual percent increase. The 2021 increase is based on the change with the Capital Project Funds regarding Property Tax Levy and Franchise Fees. An increase in 2022 is anticipated because of the general tax payer relief in 2021 funded by use of fund balance which was a one-time relief. Also, in 2022 property tax is adjusted for the shift of tax abatement support is now reflected in the Community Development fund.

Non-Tax Revenue

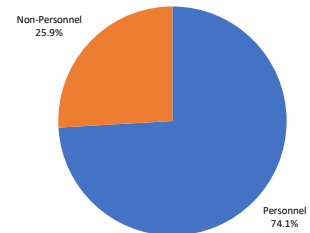
- The financial plan for the General Fund is based on the following key assumptions for non-tax revenues:
- Non-tax revenues increase of 1.0% annually, with the exception of Franchise Fees which are projected to remain constant at the 2021 amount, and LGA which is reflected as the House estimate for 2022 and then constant going forward.
 - Annual investment income rate of 0.5%.

Expenditures

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

- Non-personnel costs for materials and supplies, and other operating costs including professional services are estimated to increase by 2.0% annually.
- Personnel costs are estimated to increase by 3.0% annually with the following exceptions:
 - Year 2028, 6.0 FTE Fire Fighters plus related operational costs added to General Fund (\$709,490 on-going costs plus \$20,000 for start-up).

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



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

Beginning in 2022, tax abatements will be reflected in Community Development Administration (240).

Transfers

Transfers out do not occur on an annual basis to the Capital Project Funds pursuant to City policy as described below. For planning purposes, the Plan does not include any transfer out of funds from the General Fund to other funds. The fund balance in the General Fund is projected to average approximately 44.2% which is calculated as percentage over subsequent expenditures over the next ten years.

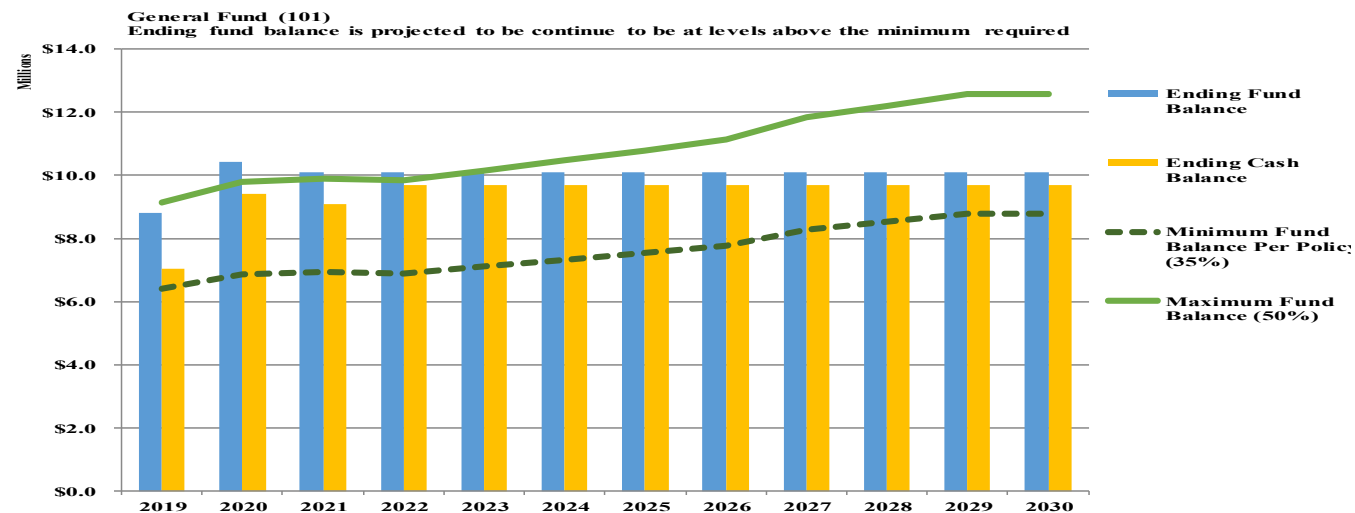
Fund Balance

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

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

The 2021 budget anticipates use of fund balance as a one-time general tax payer relief.

Chart 17 Cash Balance and Fund Balance



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

Chart 18 Source and Use of Funds

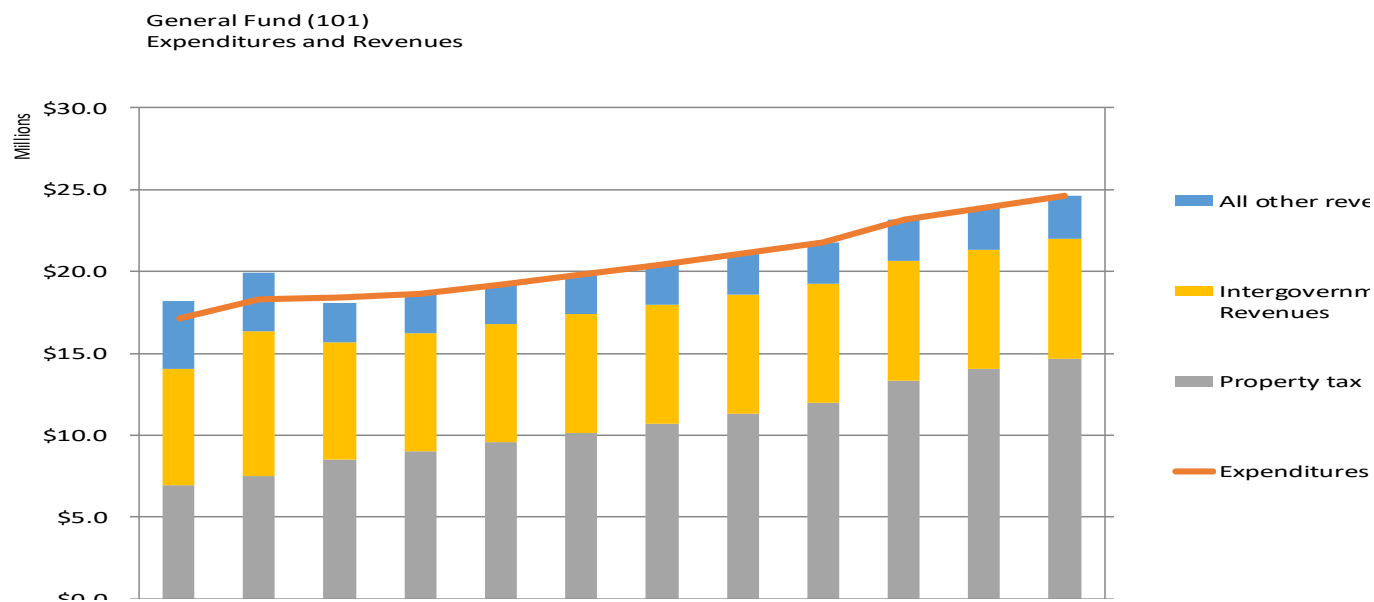


Table 6 Finance Plan

City of Faribault												
Finance Plan												
General Fund (101)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	6,929,809	7,525,103	8,502,335	9,012,901	9,564,668	10,134,836	10,724,401	11,334,033	11,964,413	13,345,738	14,025,290	14,687,423
Franchise fees	620,877	250,579	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
Special assessments	16,569	15,162	16,600	-	-	-	-	-	-	-	-	-
Licenses and permits	573,029	546,332	496,305	501,268	506,281	511,344	516,457	521,622	526,838	532,106	537,427	542,801
Local government aid	5,617,604	5,911,564	5,988,340	6,029,537	6,029,537	6,029,537	6,029,537	6,029,537	6,029,537	6,029,537	6,029,537	6,029,537
Police and fire aid	475,411	446,824	426,000	430,260	434,563	438,908	443,297	447,730	452,208	456,730	461,297	465,910
Municipal state aid (maintenance)	208,943	253,838	225,000	227,250	229,523	231,818	234,136	236,477	238,842	241,230	243,643	246,079
Other intergovernmental	831,607	2,205,404	529,322	534,615	539,961	545,361	550,815	556,323	561,886	567,505	573,180	578,912
Charges for services	2,243,368	1,622,661	1,295,426	1,308,380	1,321,464	1,334,679	1,348,025	1,361,506	1,375,121	1,388,872	1,402,761	1,416,788
Fines and forfeitures	151,748	101,186	145,000	146,450	147,915	149,394	150,888	152,396	153,920	155,460	157,014	158,584
Investment income	215,105	201,722	70,500	51,358	50,981	50,972	50,972	50,972	50,972	50,972	50,972	50,972
Other miscellaneous	65,177	508,403	55,920	56,479	57,044	57,614	58,191	58,772	59,360	59,954	60,553	121,712
Proceeds from sale of assets	-	1	-	-	-	-	-	-	-	-	-	-
Transfer in other	125,000	212,313	-	-	-	-	-	-	-	-	-	-
Taxes other	106,226	90,800	78,500	79,285	80,078	80,879	81,687	82,504	83,329	84,163	85,004	85,854
Total Revenues	18,180,473	19,891,892	18,074,248	18,622,784	19,207,014	19,810,341	20,433,406	21,076,872	21,741,426	23,157,266	23,871,678	24,629,574
Expenditures												
Personnel services - Union and Non Union	12,173,408	12,643,194	13,640,870	14,118,300	14,612,441	15,123,876	15,653,212	16,201,074	16,768,112	17,354,996	17,962,421	18,591,106
New FTE and operating costs	-	-	-	-	-	-	-	-	-	729,490	735,022	760,748
Materials and supplies	1,299,781	1,191,141	1,333,090	1,359,752	1,386,947	1,414,686	1,442,979	1,471,839	1,501,276	1,531,301	1,561,927	1,593,166
Other services and charges	2,802,389	3,733,290	3,083,070	3,144,731	3,207,626	3,271,779	3,337,214	3,403,958	3,472,038	3,541,478	3,612,308	3,684,554
Transfer out other	671,434	540,723	-	-	-	-	-	-	-	-	-	-
Tax abatements	12,637	171,761	354,939									
Capital outlay	168,726	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	17,128,375	18,280,109	18,411,969	18,622,784	19,207,014	19,810,341	20,433,406	21,076,872	21,741,426	23,157,266	23,871,678	24,629,574
Net Change in Fund Balances	1,052,098	1,611,783	(337,721)	-	-	-	-	-	-	-	-	-
Ending Fund Balance	8,810,272	10,422,055	10,084,334	10,084,334	10,084,334	10,084,334	10,084,334	10,084,334	10,084,334	10,084,334	10,084,334	10,084,334

Airport Fund (225)

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

Revenues

The major source of revenues for operation and maintenance of the Airport comes from federal and state revenues. The Plan has the annual property tax revenue for the Airport Fund reduced by \$10,000 for 2021 and 2022 to eliminate operational reliance on property tax revenues.

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

Expenditures

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

Transfers

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

Table 7 Finance Plan

City of Faribault Finance Plan Airport Fund (225)												
	2019 Actual	2020 Actual	2021 Budget Year	2022 Proj	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj
Revenues												
Property taxes (current ad valorem)	29,878	29,967	20,000	10,000	-	-	-	-	-	-	-	-
Other intergovernmental	-	562,801	-	-	-	-	-	-	-	-	-	-
Charges for services	93,981	117,942	126,845	129,382	129,382	140,370	148,770	151,745	151,745	154,780	154,780	157,876
Investment income	25,310	13,738	9,000	2,899	2,255	1,607	1,570	776	(1,278)	(2,108)	(2,542)	(3,868)
Other miscellaneous	820,938	-	-	-	-	-	-	-	-	-	-	-
Transfer in other	-	10,000	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	404,381	-	78,636	819,000	254,000	-	1,768,400	5,102,300	1,451,200	285,000	550,000	892,500
Other revenue for capital	-	1,571,007	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	740,000	-	-	-	-	-	-
Total Revenues	1,374,488	2,305,455	234,481	961,281	385,637	881,976	1,918,740	5,254,821	1,601,667	437,673	702,239	1,046,508
Expenditures												
Materials and supplies	-	5,313	7,850	8,007	8,167	8,330	8,497	8,667	8,840	9,017	9,198	9,381
Other services and charges	222,171	161,398	123,136	125,599	128,111	130,673	133,286	135,952	138,671	141,445	144,273	147,159
Principal payments	61,500	61,500	61,500	61,500	61,500	10,250	74,000	74,000	74,000	74,000	74,000	74,000
Capital outlay	1,300,166	1,810,900	155,000	895,000	317,500	740,000	1,861,900	5,447,000	1,546,000	300,000	740,000	1,275,000
Total Expenditures	1,583,837	2,039,111	347,486	1,090,106	515,278	889,253	2,077,683	5,665,619	1,767,512	524,462	967,471	1,505,540
Net Change in Fund Balances	(209,349)	266,344	(113,005)	(128,825)	(129,641)	(7,277)	(158,943)	(410,798)	(165,844)	(86,789)	(265,232)	(459,032)
Ending Fund Balance	426,473	692,817	579,812	450,987	321,346	314,069	155,126	(255,672)	(421,517)	(508,306)	(773,538)	(1,232,570)

Community Development Fund (240)

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

Revenues

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

Expenditures

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

Transfers

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

Table 8 Finance Plan

City of Faribault Finance Plan Community Development Fund(240)												
	2019 Actual	2020 Actual	2021 Budget Year	2022 Proj	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj
Revenues												
Property taxes (current ad valorem)	155,503	163,471	264,602	601,746	541,216	475,065	238,400	163,218	5,752	-	-	-
Franchise fees	50,477	-	-	-	-	-	-	-	-	-	-	-
Charges for services	384,791	285,659	281,132	283,943	286,783	289,651	292,547	295,473	298,427	301,412	304,426	307,470
Investment income	32,980	30,237	10,000	5,489	5,427	4,960	4,084	2,794	1,416	(52)	(1,615)	(3,275)
Other miscellaneous	846	101,124	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Proceeds from sale of assets	2,000	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	626,597	580,491	655,734	991,179	933,426	869,676	635,031	561,485	405,596	401,359	402,811	404,195
Expenditures												
Personnel services - Union and Non Union	481,788	531,171	541,399	557,641	574,370	591,601	609,349	627,630	646,459	665,852	685,828	706,403
Materials and supplies	4,052	6,135	7,450	7,599	7,751	7,906	8,064	8,225	8,390	8,558	8,729	8,903
Other services and charges	18,025	19,276	34,383	35,071	35,772	36,488	37,217	37,962	38,721	39,495	40,285	41,091
Transfer out other	200,000	-	-	-	-	-	-	-	-	-	-	-
Tax abatements	-	-	-	403,295	408,915	408,915	238,400	163,218	5,752	-	-	-
Capital outlay	24,587	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	728,452	556,582	583,232	1,003,606	1,026,808	1,044,910	893,031	837,035	699,321	713,905	734,842	756,397
Net Change in Fund Balances	(101,855)	23,909	72,502	(12,427)	(93,382)	(175,234)	(258,000)	(275,550)	(293,726)	(312,546)	(332,032)	(352,203)
Ending Fund Balance	1,001,436	1,025,345	1,097,847	1,085,420	992,038	816,803	558,804	283,254	(10,472)	(323,019)	(655,050)	(1,007,253)

Other Special Revenue Funds (Combined (200s))

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

Revenues

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

Expenditures

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

Transfers

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

Table 9 Finance Plan

City of Faribault												
Finance Plan												
Other Special Revenue Fund(200)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Other intergovernmental	200,000	-	-	-	-	-	-	-	-	-	-	-
Charges for services	67,549	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	2,136	1,743	2,700	2,727	2,754	2,782	2,810	2,838	2,866	2,895	2,924	2,953
Investment income	40,544	26,830	-	2,943	3,445	3,327	3,208	3,088	2,965	2,841	2,715	2,588
Other miscellaneous	1,288	12,533	22,314	22,537	22,763	22,990	23,220	23,452	23,687	23,924	24,163	48,567
Taxes other	34,646	29,423	28,000	-	-	-	-	-	-	-	-	-
Total Revenues	346,163	70,529	53,014	28,207	28,962	29,099	29,238	29,378	29,518	29,660	29,802	54,108
Expenditures												
Materials and supplies	2,022	-	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195
Other services and charges	343,671	96,292	162,223	50,951	51,395	51,844	52,296	52,753	53,214	53,680	54,149	-
Transfer out other	214,138	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	198,646	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	758,477	96,292	163,223	51,971	52,435	52,905	53,378	53,857	54,340	54,829	55,321	1,195
Net Change in Fund Balances	(412,314)	(25,763)	(110,209)	(23,764)	(23,474)	(23,806)	(24,140)	(24,479)	(24,822)	(25,169)	(25,519)	52,913
Ending Fund Balance	848,691	822,928	712,719	688,955	665,481	641,675	617,535	593,055	568,233	543,064	517,546	570,458

Debt Service Funds (300s)

The Debt Service Fund includes the combined funds used to account for all of the City's governmental debt service. At the end of 2020, the reported total general obligation bonds payable was \$10,435,000. An additional \$1,505,000 in GO State Aid Bonds was issued in 2021. Other debt obligations are accounted for in the Enterprise Funds and in the Airport Fund (for a lease payable).

The Water Fund and the Sewer Fund report debt outstanding which is accounted for separately as a liability of these funds. At the end of 2020, the reported total general obligation bonds payable in the Enterprise Funds was \$20,191,418. This includes an increase of \$10,205,719 for the G.O. Water Revenue Note, Series 2019 issued by the City through the Minnesota Public Facilities Authority (PFA). The Plan assumes that the entire balance of available funds from the PFA loan was drawn down in 2019.

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

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

Revenues

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

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

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

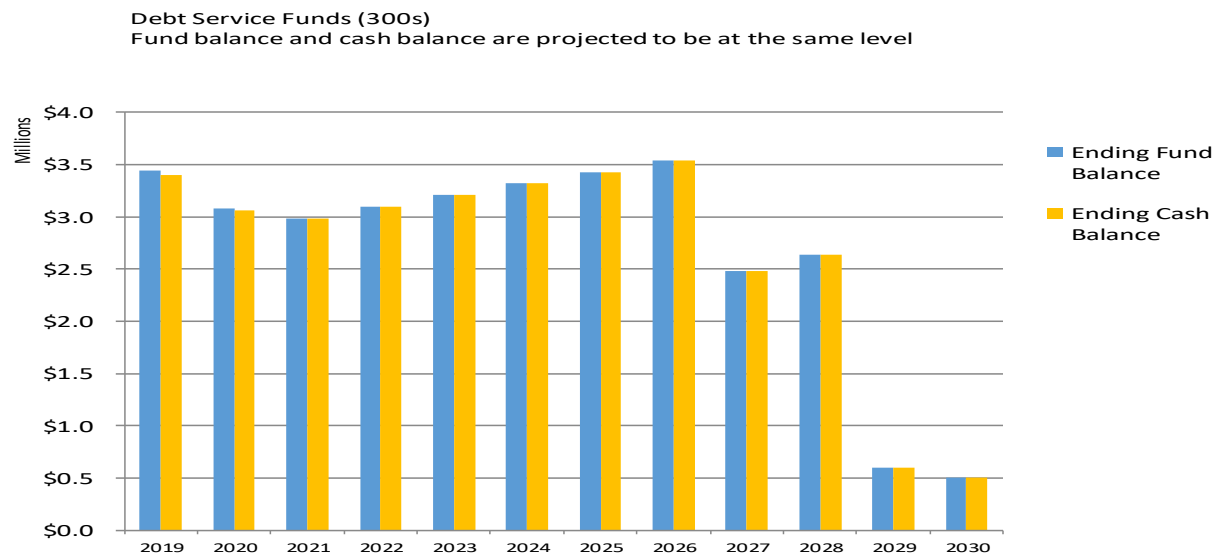
Expenditures

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

Transfers

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

Chart 19 Cash Balance and Fund Balance



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

Beginning in 2027, the Plan assumes an increase in property tax revenue to support the bonds issued in 2027 to finance the community center project. For planning purposes, the other revenue to support bonds for the community center is anticipated to come from sales tax or other sources. As planning for the project is under taken in future years specific sources of revenue will need to be identified.

The 2021 the total levy of 105% of debt service will be utilized to finance the debt.

Chart 20 Source and Use of Funds

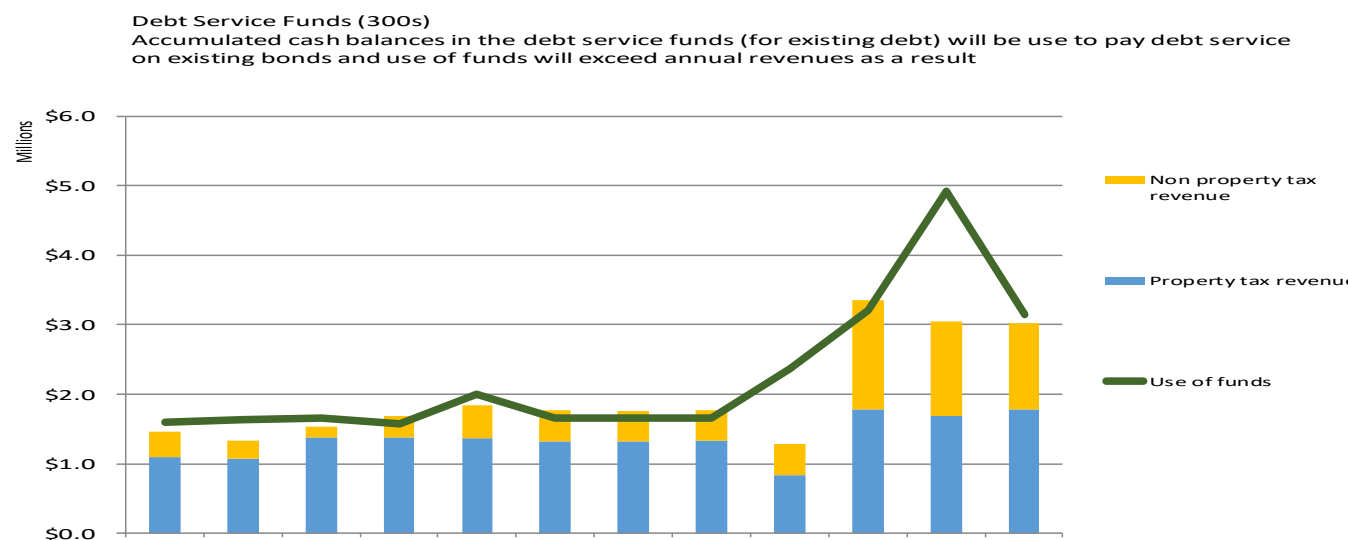


Table 10 Finance Plan

City of Faribault												
Finance Plan												
Debt Service Funds (300s)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	1,094,310	1,068,080	1,375,329	1,373,596	1,371,234	1,320,559	1,314,731	1,329,484	837,951	1,779,364	1,680,669	1,777,370
Franchise fees	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	-
Special assessments	172,567	107,678	61,667	59,683	57,699	55,715	53,731	51,747	48,525	46,630	44,734	16,705
Investment income	112,709	81,615	15,484	15,227	15,907	15,089	15,627	16,156	16,731	11,295	12,072	2,691
Other miscellaneous	-	-	-	165,780	317,589	300,420	300,093	299,358	298,773	1,443,724	1,227,145	1,221,896
Transfer in other	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	-
Total Revenues	1,456,086	1,333,873	1,528,979	1,690,785	1,838,929	1,768,282	1,760,681	1,773,245	1,278,479	3,357,513	3,041,120	3,018,662
Expenditures												
Other services and charges	2,301	5,799	33,856	2,000	2,000	2,000	2,000	2,000	2,000	1,500	1,500	500
Transfer out other	-	-	-	-	277,609	-	-	-	705,759	-	1,570,114	238,063
Principal payments	1,315,000	1,375,000	1,400,000	1,360,000	1,470,000	1,460,000	1,485,000	1,520,000	1,555,000	1,785,000	2,040,000	1,670,000
Interest payments	281,010	250,975	219,253	215,610	253,007	198,648	167,798	136,398	102,823	1,415,708	1,305,709	1,233,972
Total Expenditures	1,598,311	1,631,774	1,653,109	1,577,610	2,002,616	1,660,648	1,654,798	1,658,398	2,365,582	3,202,208	4,917,323	3,142,535
Net Change in Fund Balances	(142,225)	(297,901)	(124,129)	113,175	(163,687)	107,635	105,884	114,847	(1,087,102)	155,305	(1,876,203)	(123,873)
Beginning Fund Balance	3,632,545	3,490,320	3,192,419	3,068,290	3,181,465	3,017,779	3,125,413	3,231,297	3,346,144	2,259,042	2,414,347	538,144
Changes and adjustments to prior period	-	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance	3,490,320	3,192,419	3,068,290	3,181,465	3,017,779	3,125,413	3,231,297	3,346,144	2,259,042	2,414,347	538,144	414,271

Street Improvement Fund (401)

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

Revenues

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

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

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

Expenditures

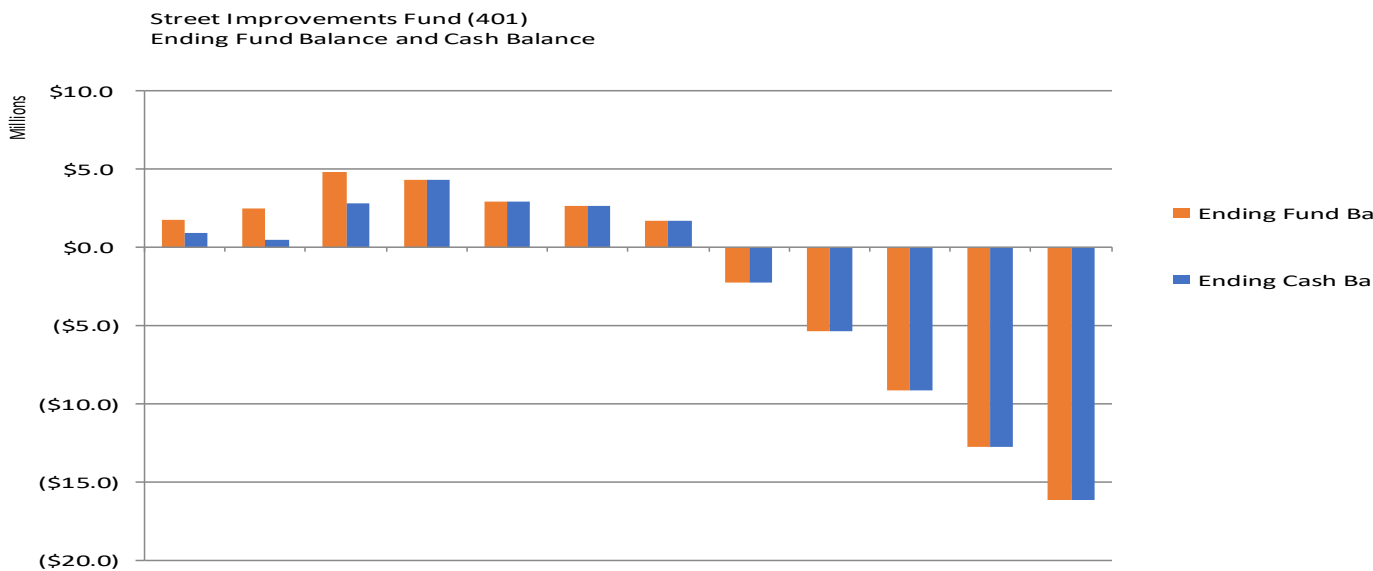
The expenditures of funds (capital outlay) includes engineering, construction, and all other costs related to street improvement projects. The Plan includes an encumbrance for 2021 budget amendment in the amount of \$795,769. The capital outlay for 2020-2025 is based on specific projects and engineering estimates. The expenditures for capital outlay in 2026-2030 are estimates based on the pavement management model.

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

Transfers

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

Chart 21 Cash Balance and Fund Balance



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

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

The ending fund balance and cash balance are projected to decline with the use of funds for project expenditures. The Fund is projected to have negative ending balances beginning in 2026.

Chart 22 Source and Use of Funds

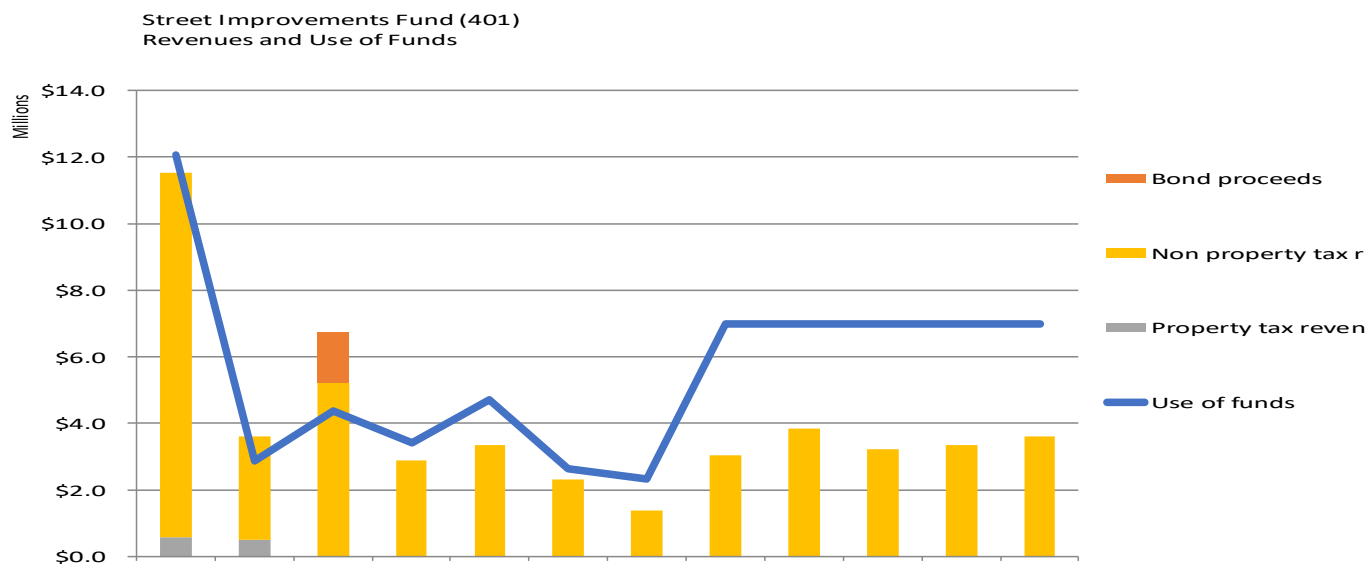


Table 11 Finance Plan

City of Faribault												
Finance Plan												
Street Improvement Fund (401)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	590,615	500,094	-	-	-	-	-	-	-	-	-	-
Franchise fees	100,492	125,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Special assessments	485,369	190,440	216,739	253,627	290,955	329,835	370,351	403,700	513,535	620,788	725,458	810,920
Municipal state aid (maintenance)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other intergovernmental	-	1,716,044	565,920	-	-	-	-	-	-	-	-	-
Investment income	113,566	56,182	20,600	14,064	21,529	14,753	13,215	8,497	(11,165)	(26,838)	(45,599)	(63,783)
Other miscellaneous	275,000	275,000	275,000	275,000	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	155,617	-	-	-	-	-	-	-	-	-	-
Taxes other	2,230	-	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	333,934	150,000	250,000	250,000	250,000	250,000	250,000	250,000	955,759	250,000	277,743	488,063
Intergovernmental for capital	2,031,038	-	1,803,646	640,000	1,325,000	-	-	-	-	-	-	-
Other revenue for capital	-	-	-	(152,465)	(128,800)	(131,250)	(128,550)	(130,850)	(128,000)	(130,150)	(127,150)	(129,150)
Municipal state aid (construction)	7,505,027	-	1,443,583	912,960	865,897	1,146,152	190,948	1,486,993	1,486,993	1,486,993	1,486,993	1,486,993
Bond proceeds	-	-	1,500,000	-	-	-	-	-	-	-	-	-
Prepaid Special Assessments	-	332,410	135,829	202,001	227,054	215,796	189,125	527,092	527,092	527,092	527,092	527,092
Total Revenues	11,537,271	3,600,787	6,711,317	2,895,186	3,351,634	2,325,286	1,385,089	3,045,432	3,844,215	3,227,885	3,344,537	3,620,135
Expenditures												
Other services and charges	46,029	119,419	51,429	52,458	53,507	54,577	55,668	56,782	57,917	59,076	60,257	61,462
Encumbrance (budget amendment)	-	-	795,769	-	-	-	-	-	-	-	-	-
Transfer out for capital	-	31,050	-	-	-	-	-	-	-	-	-	-
Capital outlay	12,004,267	2,722,844	3,534,757	3,375,000	4,653,225	2,578,280	2,273,000	6,921,024	6,921,024	6,921,024	6,921,024	6,921,024
Total Expenditures	12,050,296	2,873,313	4,381,955	3,427,458	4,706,732	2,632,857	2,328,668	6,977,806	6,978,941	6,980,100	6,981,281	6,982,486
Net Change in Fund Balances	(513,025)	727,474	2,329,362	(532,271)	(1,355,097)	(307,571)	(943,580)	(3,932,374)	(3,134,727)	(3,752,215)	(3,636,744)	(3,362,352)
Beginning Fund Balance	2,294,176	1,781,151	2,508,625	4,837,987	4,305,716	2,950,618	2,643,048	1,699,468	(2,232,906)	(5,367,632)	(9,119,847)	(12,756,591)
Ending Fund Balance	1,781,151	2,508,625	4,837,987	4,305,716	2,950,618	2,643,048	1,699,468	(2,232,906)	(5,367,632)	(9,119,847)	(12,756,591)	(16,118,943)

Park Improvement Fund (404)

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

Revenues

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

An additional \$25,000 is anticipated in 2021 for half of the expense of the BMX shelter over the starting area. Also, \$250,000 is anticipated in 2025 through fund raising for an inclusive playground.

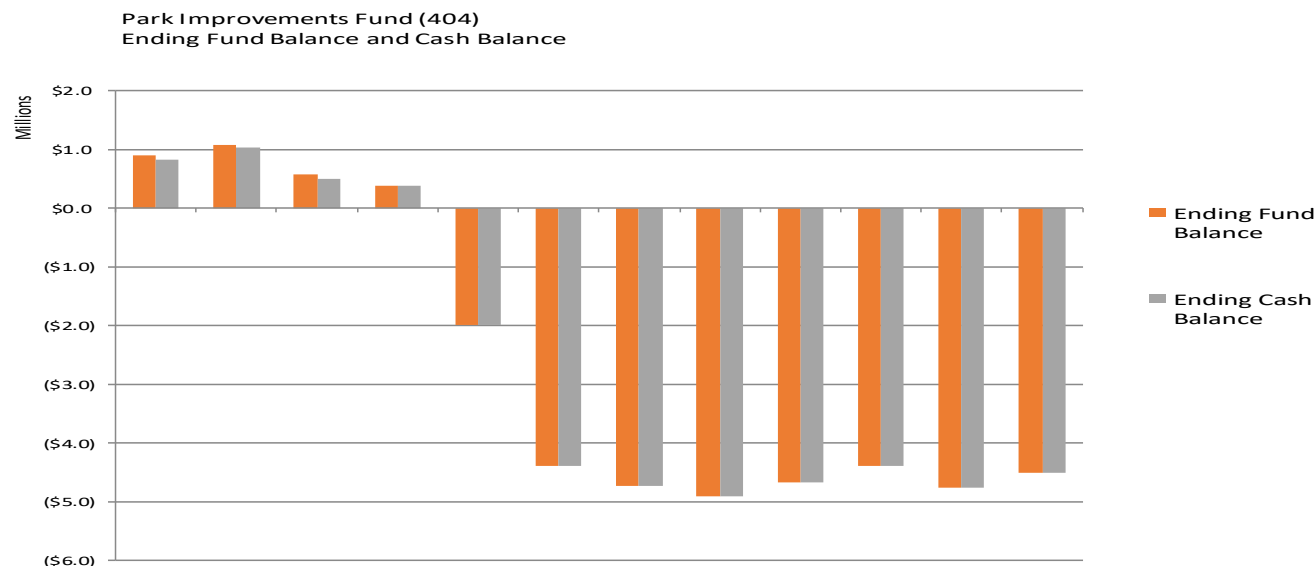
Expenditures

The expenditures are for capital improvements to the City's parks. The Plan includes an encumbrance for 2021 budget amendment in the amount of \$102,350. An additional \$2,500,000 has been estimated in both 2023 and 2024 for potential viaduct park improvements. A funding source will be necessary to complete these improvements.

Transfers

In 2020, the Park Improvement Fund received a transfer in of \$180,723 from the General Fund for future capital. The Fund does not anticipate any annual transfers, neither to nor from other funds.

Chart 23 Cash Balance and Fund Balance



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

In addition to the CIP projects, \$2,500,000 has been added in 2023 and 2024 for potential viaduct park improvements.

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

Chart 24 Source and Use of Funds

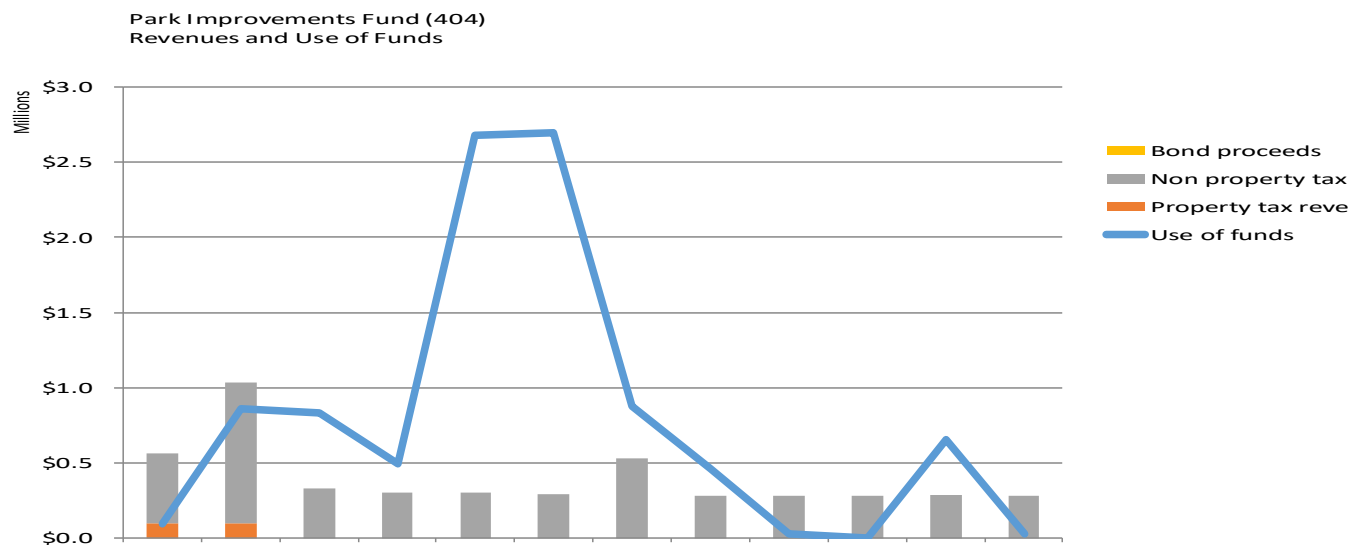


Table 12 Finance Plan

City of Faribault												
Finance Plan												
Park Improvement Fund (404)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	98,550	99,805	-	-	-	-	-	-	-	-	-	-
Franchise fees	183,433	201,314	251,500	251,500	251,500	251,500	251,500	251,500	251,500	251,500	251,500	251,500
Charges for services	63,722	118,592	50,000	50,500	51,005	51,515	52,030	52,551	53,076	53,607	54,143	54,684
Investment income	18,094	21,534	6,600	2,480	1,925	(9,953)	(21,962)	(23,679)	(24,578)	(23,328)	(21,919)	(23,775)
Other miscellaneous	-	-	25,000	-	-	-	250,000	-	-	-	-	-
Transfer in other	-	590,909	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	200,000	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	563,799	1,032,154	333,100	304,480	304,430	293,063	531,568	280,371	279,998	281,779	283,724	282,409
Expenditures												
Other services and charges	5,494	69,261	-	-	-	-	-	-	-	-	-	-
Encumbrance (budget amendment)	-	-	102,350	-	-	-	-	-	-	-	-	-
Capital outlay	90,075	791,036	727,650	495,000	2,680,000	2,695,000	875,000	460,000	30,000	-	655,000	30,000
Total Expenditures	95,569	860,297	830,000	495,000	2,680,000	2,695,000	875,000	460,000	30,000	-	655,000	30,000
Net Change in Fund Balances	468,230	171,857	(496,900)	(190,520)	(2,375,570)	(2,401,937)	(343,432)	(179,629)	249,998	281,779	(371,276)	252,409
Beginning Fund Balance	432,397	900,627	1,072,484	575,584	385,064	(1,990,506)	(4,392,443)	(4,735,875)	(4,915,504)	(4,665,505)	(4,383,726)	(4,755,002)
Ending Fund Balance	900,627	1,072,484	575,584	385,064	(1,990,506)	(4,392,443)	(4,735,875)	(4,915,504)	(4,665,505)	(4,383,726)	(4,755,002)	(4,502,593)

Capital Replacement Fund (431)

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

Revenues

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

Intergovernmental revenue of \$88,500 is anticipated in 2022 from the Rural Fire Association to pay for a portion of the costs of replacement of a fire pumper truck.

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

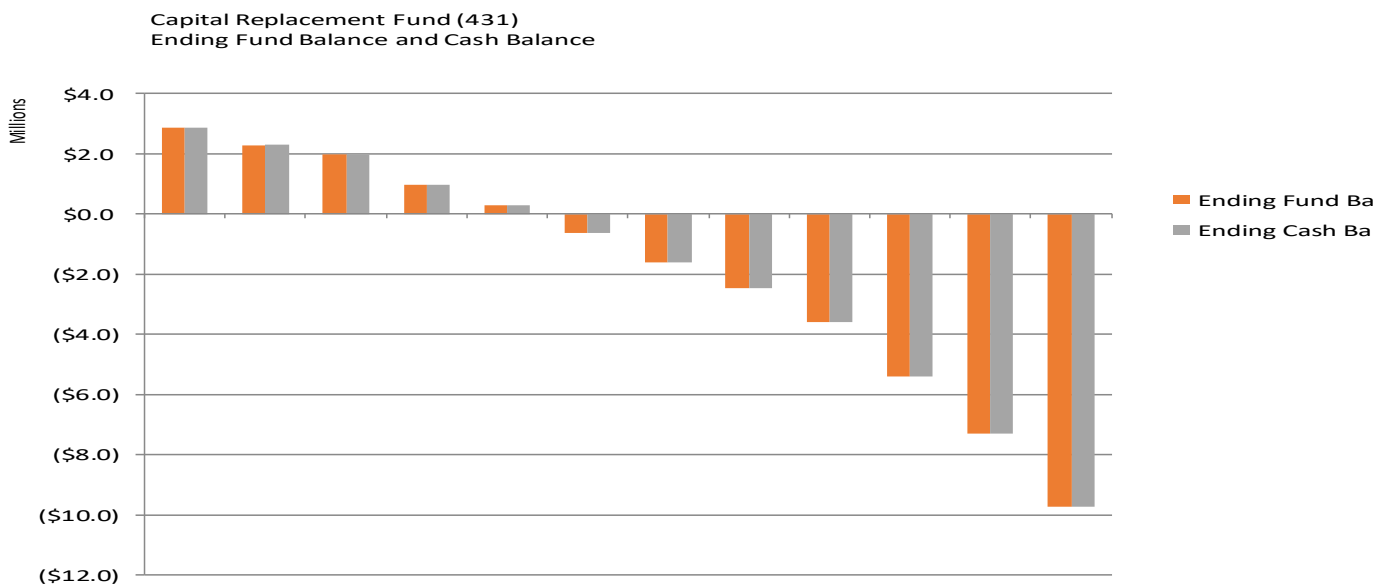
Expenditures

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

Transfers

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

Chart 25 Cash Balance and Fund Balance



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

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

Chart 26 Source and Use of Funds

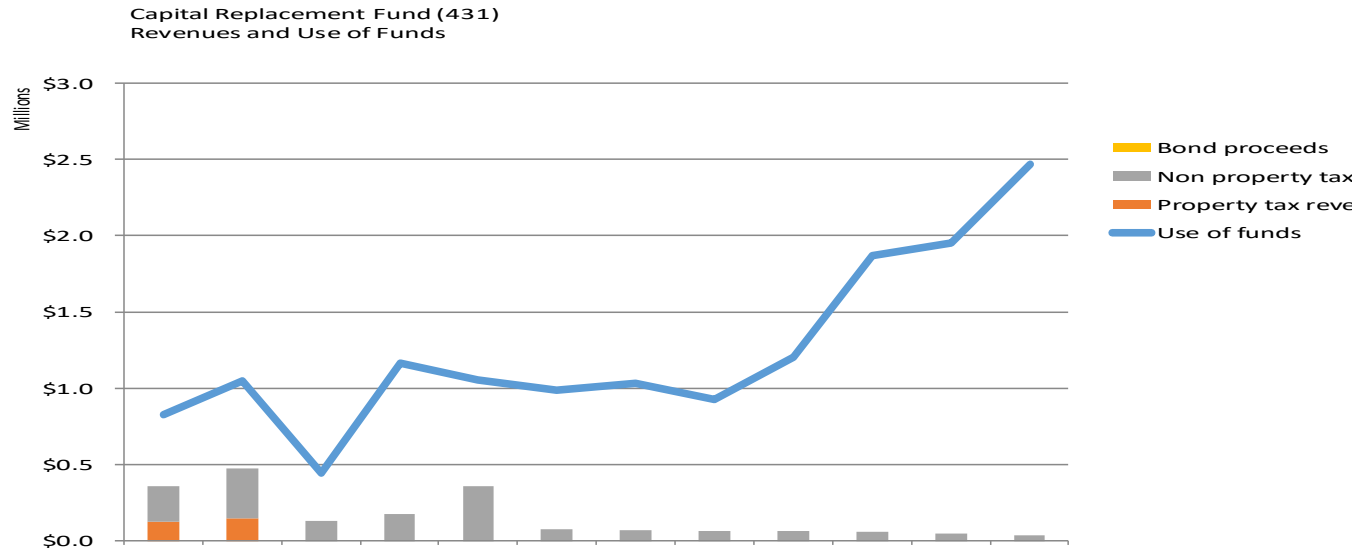


Table 13 Finance Plan

City of Faribault												
Finance Plan												
Capital Replacement Fund (431)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	123,426	149,603	-	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Investment income	110,726	76,263	55,000	9,844	4,884	1,394	(3,157)	(7,960)	(12,267)	(17,981)	(27,029)	(36,556)
Other miscellaneous	7,600	4,882	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	69,320	60,420	-	-	-	-	-	-	-	-	-	-
Transfer in other	-	185,000	-	-	277,609	-	-	-	-	-	-	-
Transfer in for capital	25,000	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	21,465	-	-	88,500	-	-	-	-	-	-	-	-
Total Revenues	357,537	476,168	130,000	173,344	357,493	76,394	71,843	67,040	62,733	57,019	47,971	38,444
Expenditures												
Materials and supplies	6,010	65,111	-	-	-	-	-	-	-	-	-	-
Encumbrance (budget amendment)	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	820,139	982,021	446,120	1,165,500	1,055,500	986,500	1,032,500	928,500	1,205,500	1,866,500	1,953,500	2,469,500
Total Expenditures	826,149	1,047,132	446,120	1,165,500	1,055,500	986,500	1,032,500	928,500	1,205,500	1,866,500	1,953,500	2,469,500
Net Change in Fund Balances	(468,612)	(570,964)	(316,120)	(992,156)	(698,007)	(910,106)	(960,657)	(861,460)	(1,142,767)	(1,809,481)	(1,905,529)	(2,431,056)
Beginning Fund Balance	3,324,586	2,855,974	2,285,010	1,968,890	976,734	278,727	(631,379)	(1,592,036)	(2,453,496)	(3,596,264)	(5,405,745)	(7,311,274)
Ending Fund Balance	2,855,974	2,285,010	1,968,890	976,734	278,727	(631,379)	(1,592,036)	(2,453,496)	(3,596,264)	(5,405,745)	(7,311,274)	(9,742,330)

Public Facilities Fund (437)

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

Revenues

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

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

Expenditures

The expenditure of funds is for facility improvements.

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

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

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

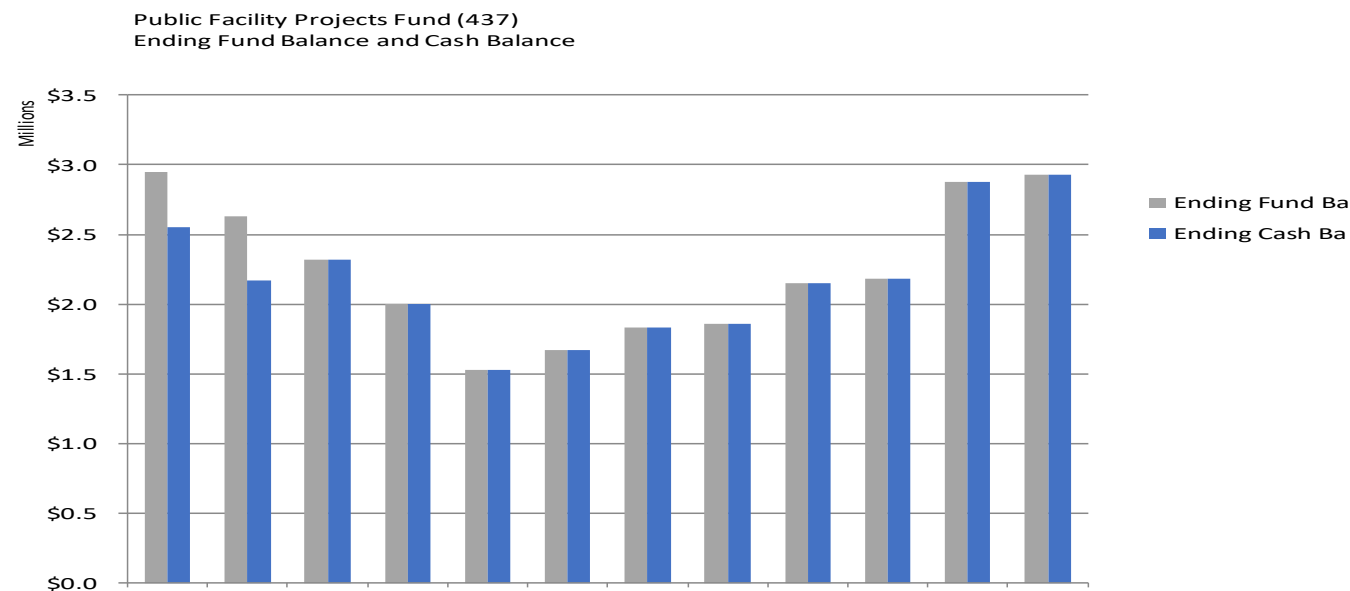
The Plan includes an encumbrance for 2021 budget amendment in the amount of \$181,823.

Transfers

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

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

Chart 27 Cash Balance and Fund Balance



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

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

Chart 28 Source and Use of Funds

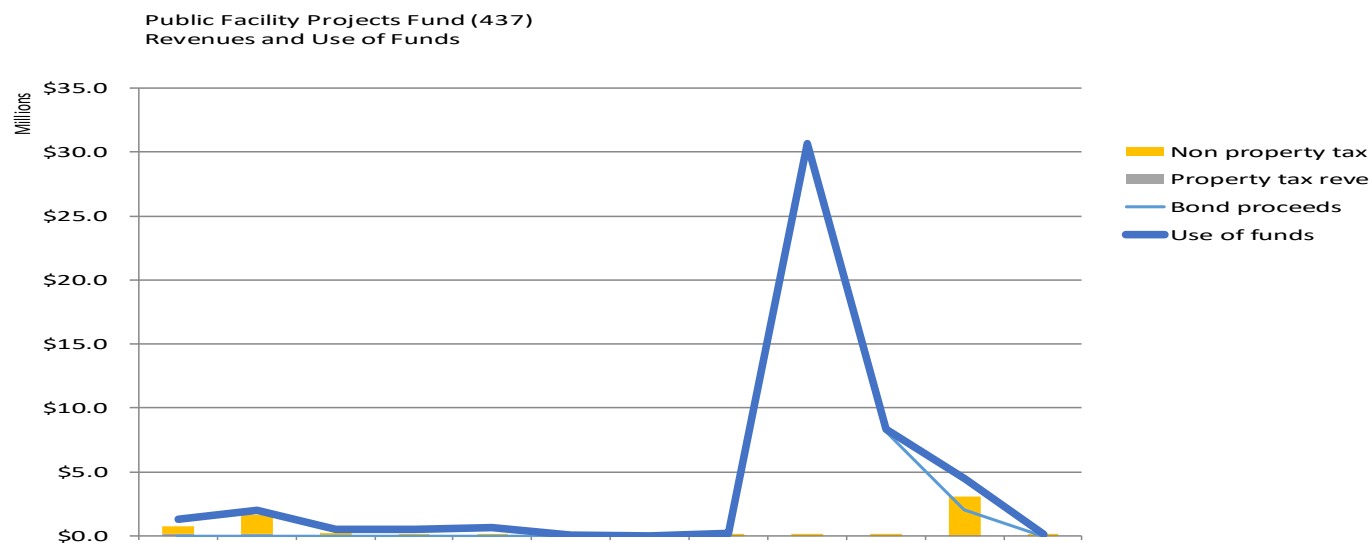


Table 14 Finance Plan

City of Faribault												
Finance Plan												
Public Facilities Fund (437)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	147,729	149,078	-	-	-	-	-	-	-	-	-	-
Franchise fees	112,000	87,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000
Other intergovernmental	-	556,240	-	-	-	-	-	-	-	-	-	-
Investment income	105,717	74,413	20,000	11,594	9,992	7,627	8,350	9,177	9,308	10,739	10,903	14,393
Other miscellaneous	9,600	20	-	-	-	-	-	-	-	-	1,320,000	-
Proceeds from sale of assets	148,170	515,568	-	-	-	-	-	-	-	-	-	-
Taxes other	473	-	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	237,500	284,875	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	1,595,114	25,000
Bond proceeds	-	-	-	-	-	-	-	-	30,750,000	8,200,000	2,050,000	-
Total Revenues	761,189	1,667,194	207,000	198,594	196,992	194,627	195,350	196,177	30,946,308	8,397,739	5,138,017	201,393
Expenditures												
Other services and charges	58,171	785,701	-	-	-	-	-	-	-	-	-	-
Encumbrance (budget amendment)	-	-	181,823	-	-	-	-	-	-	-	-	-
Transfer out for capital	-	379,137	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,242,257	824,419	334,177	519,000	670,000	50,000	30,000	170,000	30,660,000	8,365,000	4,440,000	150,000
Total Expenditures	1,300,428	1,989,257	516,000	519,000	670,000	50,000	30,000	170,000	30,660,000	8,365,000	4,440,000	150,000
Net Change in Fund Balances	(539,239)	(322,063)	(309,000)	(320,406)	(473,008)	144,627	165,350	26,177	286,308	32,739	698,017	51,393
Beginning Fund Balance	3,489,070	2,949,831	2,627,768	2,318,768	1,998,362	1,525,354	1,669,980	1,835,330	1,861,507	2,147,815	2,180,554	2,878,570
Ending Fund Balance	2,949,831	2,627,768	2,318,768	1,998,362	1,525,354	1,669,980	1,835,330	1,861,507	2,147,815	2,180,554	2,878,570	2,929,963

Appendix A Property Tax Projection Summary

City of Faribault											
PROPERTY TAX PROJECTION SUMMARY											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
TAX LEVY INCREASES (DECREASES)											
GENERAL FUND TAX LEVY CHANGE											
From Non Tax Revenue Changes											
Franchise fees	(55,347)	427,347	-	-	-	-	-	-	-	-	-
Special assessments	-	1,000	16,600	-	-	-	-	-	-	-	-
Licenses and permits	50,000	(5,855)	(4,963)	(5,013)	(5,063)	(5,113)	(5,165)	(5,216)	(5,268)	(5,321)	(5,374)
Local government aid	(282,683)	(88,053)	(41,197)	-	-	-	-	-	-	-	-
Police and fire aid	-	(26,000)	(4,260)	(4,303)	(4,346)	(4,389)	(4,433)	(4,477)	(4,522)	(4,567)	(4,613)
Municipal state aid (maintenance)	(20,000)	-	(2,250)	(2,273)	(2,295)	(2,318)	(2,341)	(2,365)	(2,388)	(2,412)	(2,436)
Other intergovernmental	11,080	1,064	(5,293)	(5,346)	(5,400)	(5,454)	(5,508)	(5,563)	(5,619)	(5,675)	(5,732)
Charges for services	27,485	83,021	(12,954)	(13,084)	(13,215)	(13,347)	(13,480)	(13,615)	(13,751)	(13,889)	(14,028)
Fines and forfeitures	(19,400)	(9,000)	(1,450)	(1,465)	(1,479)	(1,494)	(1,509)	(1,524)	(1,539)	(1,555)	(1,570)
Investment income	-	800	19,142	377	9	-	-	-	-	-	-
Other miscellaneous	35,400	3,420	(559)	(565)	(570)	(576)	(582)	(588)	(594)	(600)	(61,159)
Transfer in other	(75,000)	200,000	-	-	-	-	-	-	-	-	-
Taxes other	-	-	(785)	(793)	(801)	(809)	(817)	(825)	(833)	(842)	(850)
Subtotal	(328,465)	587,744	(37,969)	(32,463)	(33,159)	(33,500)	(33,835)	(34,173)	(34,515)	(34,860)	(95,762)
From Expense Changes											
Personnel	562,303	589,452	477,430	494,141	511,435	529,336	547,862	567,038	1,316,374	612,957	654,411
Other Current Expenditures	(11,345)	112,122	(266,616)	90,090	91,891	93,729	95,604	97,516	99,466	101,456	103,485
Subtotal	550,958	701,574	210,815	584,230	603,327	623,065	643,466	664,554	1,415,840	714,413	757,895
Impact of Change to Budgeted (Use) of Fund Balance Reserves	332,442	(375,032)	337,721	-	-	-	-	-	-	-	-
GENERAL FUND TAX LEVY CHANGE	554,935	914,286	510,566	551,767	570,168	589,565	609,631	630,380	1,381,325	679,552	662,133
OTHER FUNDS TAX LEVY CHANGE											
Community Development Fund(240)	6,820	100,000	337,144	(60,530)	(66,151)	(236,665)	(75,182)	(157,466)	(5,752)	-	-
Airport Fund (225)	-	(10,000)	(10,000)	(10,000)	-	-	-	-	-	-	-
Street Improvement Fund (401)	(100,000)	(500,000)	-	-	-	-	-	-	-	-	-
Park Improvement Fund (404)	-	(100,000)	-	-	-	-	-	-	-	-	-
Capital Replacement Fund (431)	25,000	(150,000)	-	-	-	-	-	-	-	-	-
Public Facilities Fund (437)	-	(150,000)	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	15,000	305,329	(1,733)	(2,362)	(50,675)	(5,828)	14,753	(491,533)	941,413	(98,695)	96,701
OTHER FUNDS TAX LEVY CHANGE	(53,180)	(504,671)	325,411	(72,892)	(116,826)	(242,493)	(60,429)	(648,999)	935,661	(98,695)	96,701
TOTAL TAX LEVY CHANGE	501,755	409,615	835,977	478,875	453,342	347,072	549,202	(18,619)	2,316,986	580,857	758,834
TAX LEVY											
General Fund (101)	7,588,049	8,502,335	9,012,901	9,564,668	10,134,836	10,724,401	11,334,033	11,964,413	13,345,738	14,025,290	14,687,423
Community Development Fund(240)	164,602	264,602	601,746	541,216	475,065	238,400	163,218	5,752	-	-	-
Airport Fund (225)	30,000	20,000	10,000	-	-	-	-	-	-	-	-
Street Improvement Fund (401)	500,000	-	-	-	-	-	-	-	-	-	-
Park Improvement Fund (404)	100,000	-	-	-	-	-	-	-	-	-	-
Capital Replacement Fund (431)	150,000	-	-	-	-	-	-	-	-	-	-
Public Facilities Fund (437)	150,000	-	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	1,070,000	1,375,329	1,373,596	1,371,234	1,320,559	1,314,731	1,329,484	837,951	1,779,364	1,680,669	1,777,370
TOTAL TAX LEVY	9,752,651	10,162,266	10,998,243	11,477,118	11,930,460	12,277,532	12,826,735	12,808,116	15,125,102	15,705,959	16,464,793

Appendix B City Taxes Payable by Example Properties

City of Faribault												
City Property Taxes Payable by Example Properties												
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Estimated Annual Change in Market Value of Example Properties:		3%	5%	4%	3%	3%	2%	2%	2%	2%	2%
Valuation	Residential	\$250,000	\$256,250	\$269,063	\$279,825	\$288,220	\$296,866	\$302,804	\$308,860	\$315,037	\$321,338	\$327,764
	Residential	\$300,000	\$307,500	\$322,875	\$335,790	\$345,864	\$356,240	\$363,364	\$370,632	\$378,044	\$385,605	\$393,317
	Residential	\$350,000	\$358,750	\$376,688	\$391,755	\$403,508	\$415,613	\$423,925	\$432,404	\$441,052	\$449,873	\$458,870
	Residential	\$500,000	\$512,500	\$538,125	\$559,650	\$576,440	\$593,733	\$605,607	\$617,719	\$630,074	\$642,675	\$655,529
	Commercial	\$1,000,000	\$1,025,000	\$1,076,250	\$1,119,300	\$1,152,879	\$1,187,465	\$1,211,215	\$1,235,439	\$1,260,148	\$1,285,351	\$1,311,058
	Commercial	\$2,000,000	\$2,050,000	\$2,152,500	\$2,238,600	\$2,305,758	\$2,374,931	\$2,422,429	\$2,470,878	\$2,520,296	\$2,570,701	\$2,622,115
	Commercial	\$3,000,000	\$3,075,000	\$3,228,750	\$3,357,900	\$3,458,637	\$3,562,396	\$3,633,644	\$3,706,317	\$3,780,443	\$3,856,052	\$3,933,173
	Commercial	\$4,000,000	\$4,100,000	\$4,305,000	\$4,477,200	\$4,611,516	\$4,749,861	\$4,844,859	\$4,941,756	\$5,040,591	\$5,141,403	\$5,244,231
Tax Capacity Taxes	Residential \$250,000	\$1,250	\$1,272	\$1,419	\$1,512	\$1,589	\$1,654	\$1,731	\$1,733	\$2,052	\$2,131	\$2,238
	Residential \$300,000	\$1,540	\$1,566	\$1,744	\$1,856	\$1,950	\$2,027	\$2,122	\$2,123	\$2,512	\$2,607	\$2,737
	Residential \$350,000	\$1,829	\$1,859	\$2,069	\$2,201	\$2,310	\$2,400	\$2,507	\$2,503	\$2,956	\$3,062	\$3,208
	Residential \$500,000	\$3,321	\$3,366	\$3,728	\$3,950	\$4,135	\$4,286	\$4,476	\$4,469	\$5,278	\$5,468	\$5,729
	Commercial \$1,000,000	\$10,627	\$10,772	\$11,929	\$12,639	\$13,231	\$13,714	\$14,324	\$14,302	\$16,891	\$17,498	\$18,334
	Commercial \$2,000,000	\$21,255	\$21,544	\$23,858	\$25,278	\$26,461	\$27,428	\$28,648	\$28,604	\$33,781	\$34,997	\$36,668
	Commercial \$3,000,000	\$31,882	\$32,316	\$35,786	\$37,917	\$39,692	\$41,143	\$42,972	\$42,906	\$50,672	\$52,495	\$55,002
	Commercial \$4,000,000	\$42,510	\$43,089	\$47,715	\$50,556	\$52,923	\$54,857	\$57,297	\$57,208	\$67,562	\$69,993	\$73,336
Annual % Change in Total Taxes	Residential \$250,000		1.8%	11.5%	6.5%	5.1%	4.1%	4.7%	0.1%	18.4%	3.8%	5.0%
	Residential \$300,000		1.7%	11.4%	6.4%	5.0%	4.0%	4.7%	0.0%	18.3%	3.8%	5.0%
	Residential \$350,000		1.6%	11.3%	6.4%	5.0%	3.9%	4.4%	-0.2%	18.1%	3.6%	4.8%
	Residential \$500,000		1.4%	10.7%	6.0%	4.7%	3.7%	4.4%	-0.2%	18.1%	3.6%	4.8%
	Commercial \$1,000,000		1.4%	10.7%	6.0%	4.7%	3.7%	4.4%	-0.2%	18.1%	3.6%	4.8%
	Commercial \$2,000,000		1.4%	10.7%	6.0%	4.7%	3.7%	4.4%	-0.2%	18.1%	3.6%	4.8%
	Commercial \$3,000,000		1.4%	10.7%	6.0%	4.7%	3.7%	4.4%	-0.2%	18.1%	3.6%	4.8%
	Commercial \$4,000,000		1.4%	10.7%	6.0%	4.7%	3.7%	4.4%	-0.2%	18.1%	3.6%	4.8%
Annual \$ Change in Total Taxes	Residential \$250,000		22	147	93	77	65	78	2	319	79	107
	Residential \$300,000		26	178	112	93	78	95	1	389	95	130
	Residential \$350,000		30	210	132	109	90	107	(4)	453	106	146
	Residential \$500,000		45	361	222	185	151	191	(7)	809	190	261
	Commercial \$1,000,000		145	1,157	710	592	483	610	(22)	2,588	608	836
	Commercial \$2,000,000		289	2,313	1,420	1,183	967	1,220	(44)	5,177	1,216	1,671
	Commercial \$3,000,000		434	3,470	2,131	1,775	1,450	1,830	(66)	7,765	1,823	2,507
	Commercial \$4,000,000		579	4,627	2,841	2,367	1,934	2,440	(88)	10,354	2,431	3,343

Appendix C Property Tax Levy for Debt Service

City of Faribault

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

Year	Total Tax Levy for Debt Service	Tax Levy for Existing Debt	Tax Levy for Planned New Debt
2019	1,094,310	1,094,310	0
2020	1,109,559	1,109,559	0
2021	1,375,329	1,375,329	0
2022	1,373,596	1,373,596	0
2023	1,371,234	1,371,234	0
2024	1,320,559	1,320,559	0
2025	1,314,731	1,314,731	0
2026	1,329,484	1,329,484	0
2027	837,951	837,951	0
2028	1,779,364	633,420	1,145,944
2029	1,680,669	143,241	1,537,428
2030	1,777,370	76,956	1,700,414
2031	1,675,564	0	1,675,564
2032	1,671,311	0	1,671,311
2033	1,668,975	0	1,668,975
2034	1,671,101	0	1,671,101
2035	1,677,533	0	1,677,533
2036	1,672,361	0	1,672,361
2037	1,674,278	0	1,674,278
2038	1,675,170	0	1,675,170
2039	1,667,164	0	1,667,164
2040	1,422,120	0	1,422,120
2041	1,422,251	0	1,422,251
2042	1,421,516	0	1,421,516
2043	1,422,540	0	1,422,540
2044	1,422,619	0	1,422,619

Appendix D Property Tax Levy by Bond Series

City of Faribault

Tax Levies by Year by Fund*

	Series	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total All Funds		1,094,310	1,109,559	1,375,329	1,373,596	1,371,234	1,320,559	1,314,731	1,329,484	837,951	1,779,364	1,680,669	1,777,370	1,675,564
344	2012A	841,551	800,000	978,448	982,438	980,758	978,763	976,453	984,328	498,178	482,895	-	-	-
345	2014A Improv	79,030	80,000	96,944	94,109	91,274	82,835	79,422	81,260	77,007	72,755	68,503	-	-
346	2015A Improv	74,114	75,000	73,990	76,562	78,977	75,985	73,990	77,245	74,882	77,770	74,738	76,956	-
347	2015A Refund	99,087	115,000	187,123	187,648	188,016	182,976	184,866	186,651	187,884	-	-	-	-
360.1	2011A	528	-	-	-	-	-	-	-	-	-	-	-	-
360.2	2014A Equip	-	39,559	38,824	32,839	32,209	-	-	-	-	-	-	-	-
F_Project4	Project4	-	-	-	-	-	-	-	-	-	-	612,220	492,713	495,968
F_Project5	Project5	-	-	-	-	-	-	-	-	-	1,145,944	925,208	924,709	926,441
F_Project6	Project6	-	-	-	-	-	-	-	-	-	-	-	282,993	253,155

Appendix E Bond Series

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

Appendix F Special Assessments

City of Faribault

Special Assessments

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

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Principal to be Collected (Projected)											
Debt Service Fund 101	13,940	1,825	-	-	-	-	-	-	-	-	-
Debt Service Fund 344	21,086	1,237	1,237	1,237	1,237	1,237	1,237	-	-	-	-
Debt Service Fund 345	14,186	14,186	14,186	14,186	14,186	14,186	14,186	14,186	14,186	14,186	-
Debt Service Fund 346	27,933	27,933	27,933	27,933	27,933	27,933	27,933	27,933	27,933	27,933	15,986
Debt Service Fund 347	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 401	126,047	150,792	171,921	201,576	231,864	265,433	294,852	376,844	458,836	540,828	606,194
Debt Service Fund 601	29,150	5,734	4,388	3,398	35,453	33,000	33,000	33,000	33,000	33,000	33,000
Debt Service Fund 602	36,966	2,573	1,700	1,700	1,700	850	850	850	850	850	-
Debt Service Fund 603	2,686	-	-	-	-	-	-	-	-	-	-
Total	271,994	204,281	221,366	250,031	312,374	342,640	372,059	452,814	534,806	616,798	655,180
Interest to be Collected (Projected)											
Debt Service Fund 101	646	91	-	-	-	-	-	-	-	-	-
Debt Service Fund 344	2,397	532	443	354	266	177	89	-	-	-	-
Debt Service Fund 345	6,384	5,746	5,107	4,469	3,830	3,192	2,554	1,915	1,277	638	-
Debt Service Fund 346	13,289	12,032	10,775	9,518	8,261	7,004	5,747	4,490	3,233	1,976	719
Debt Service Fund 347	1,527	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 401	72,266	78,230	81,706	89,380	97,971	104,918	108,848	136,691	161,952	184,630	204,725
Debt Service Fund 601	1,916	1,030	634	344	15,727	14,553	13,514	12,474	11,435	10,395	9,356
Debt Service Fund 602	1,472	660	510	404	298	191	153	115	77	38	-
Debt Service Fund 603	-	-	-	-	-	-	-	-	-	-	-
Total	99,898	98,321	99,175	104,469	126,352	130,036	130,904	155,686	177,973	197,678	214,800
Balances Outstanding to be Collected (Projected)											
Debt Service Fund 101	15,765	1,825	-	-	-	-	-	-	-	-	-
Debt Service Fund 344	28,509	7,424	6,187	4,949	3,712	2,475	1,237	-	-	-	-
Debt Service Fund 345	141,865	127,678	113,492	99,305	85,119	70,932	56,746	42,559	28,373	14,186	-
Debt Service Fund 346	295,318	267,385	239,452	211,519	183,585	155,652	127,719	99,786	71,853	43,919	15,986
Debt Service Fund 347	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 401	1,600,615	1,845,748	2,011,890	2,311,304	2,639,521	2,911,180	3,087,039	4,022,068	4,875,105	5,646,150	6,335,202
Debt Service Fund 601	45,124	15,973	10,239	5,851	497,453	462,000	429,000	396,000	363,000	330,000	297,000
Debt Service Fund 602	48,889	11,923	9,350	7,650	5,950	4,250	3,400	2,550	1,700	850	-
Debt Service Fund 603	2,686	-	-	-	-	-	-	-	-	-	-
Total	2,178,771	2,277,956	2,390,609	2,640,579	3,415,340	3,606,490	3,705,141	4,562,963	5,340,030	6,035,105	6,648,188

Council Work Session
Tuesday, June 29, 2021

Long-Term Financial Management Plan

Budget Work
Session #2

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

Revenue Sufficiency

Levy & Rate Calculations

Revenue Sufficiency

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



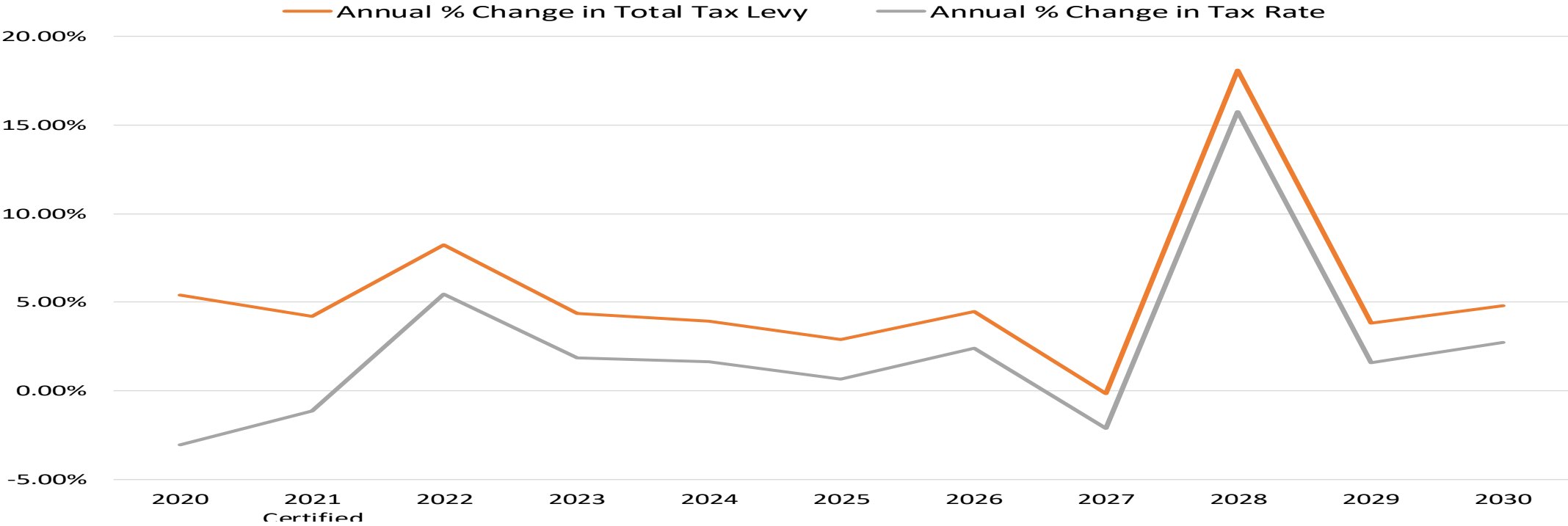
Levy & Rate Calculations

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

City Tax Levy and Tax Rate

Tax Levy and Tax Rate

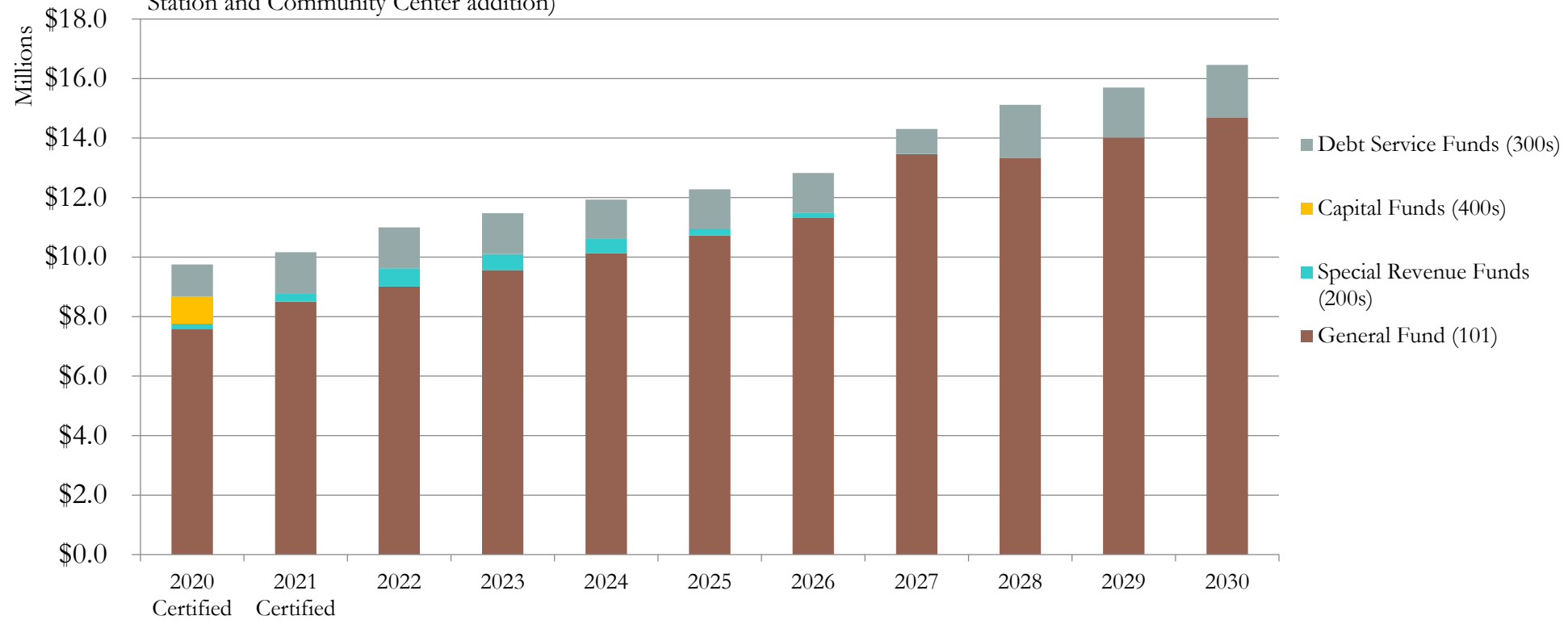
Projected increase in Tax Levy is based on estimated future operation costs and capital improvements for planned projects



City Tax Levy

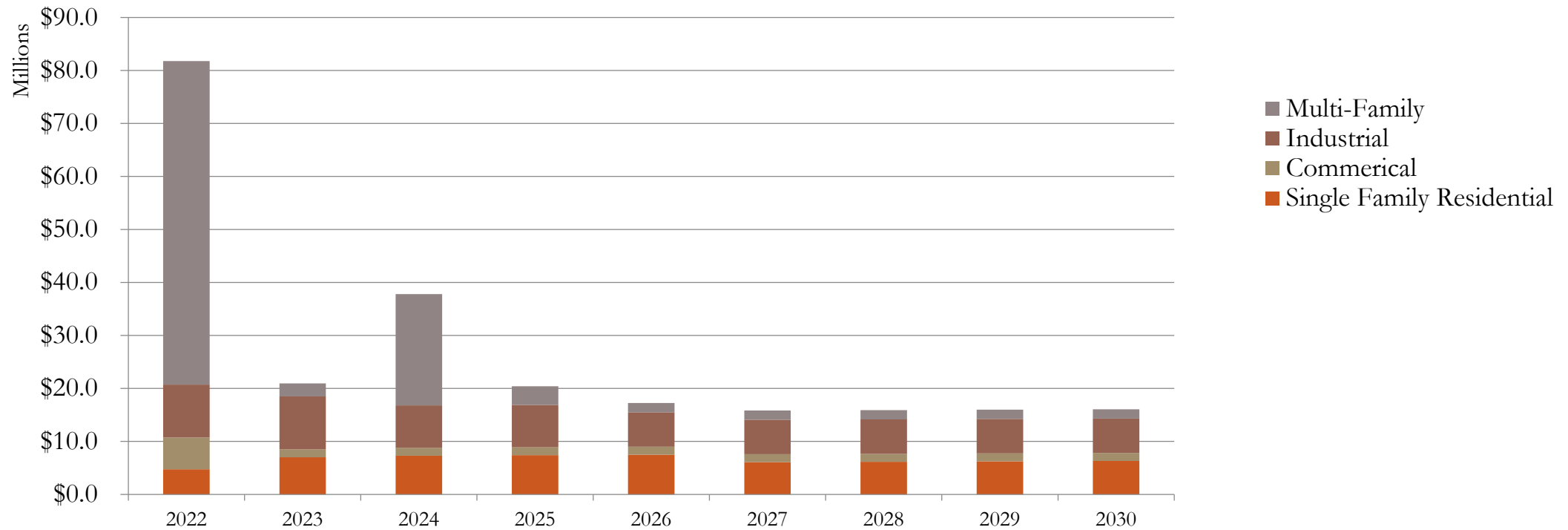
Total City Tax Levy All City Funds is projected to average a 4.25% average annual increase
(Station and Community Center addition)

(5.72% with Fire



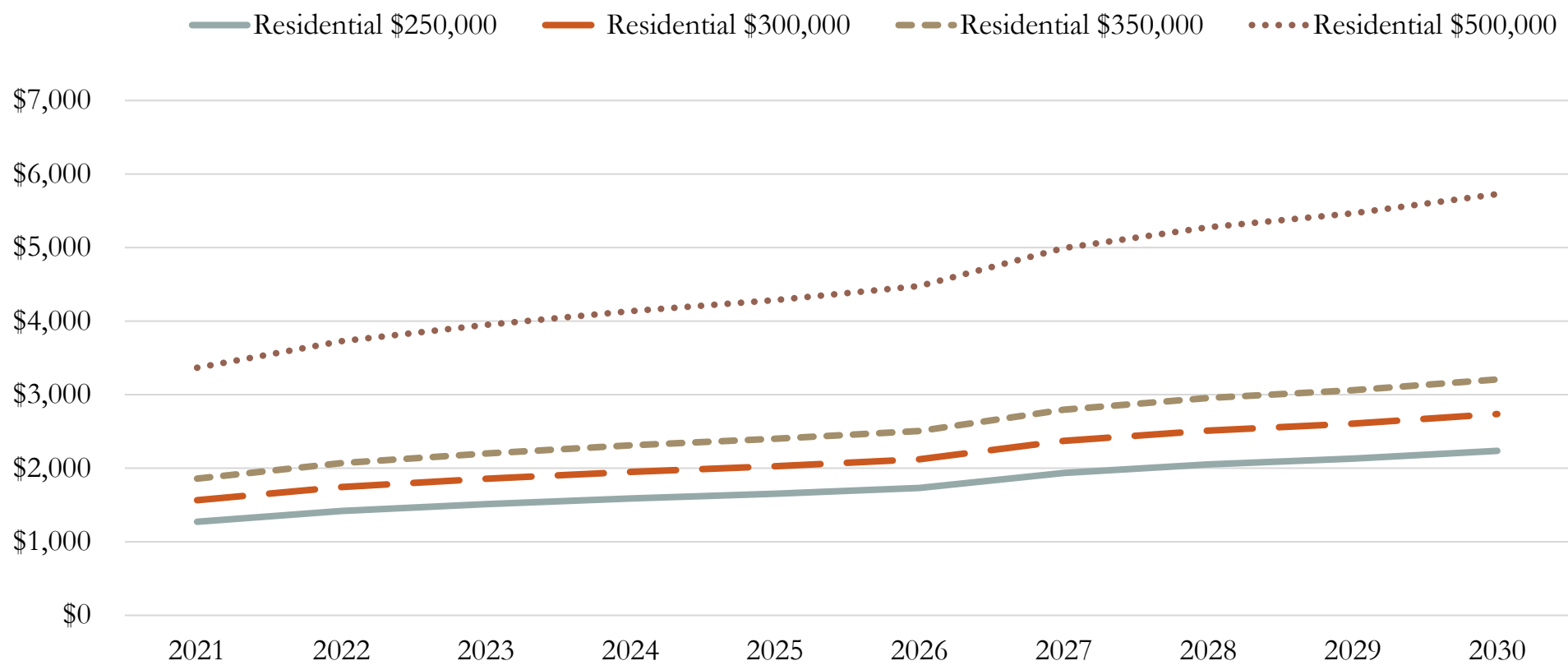
Taxable Market Value from New Construction

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



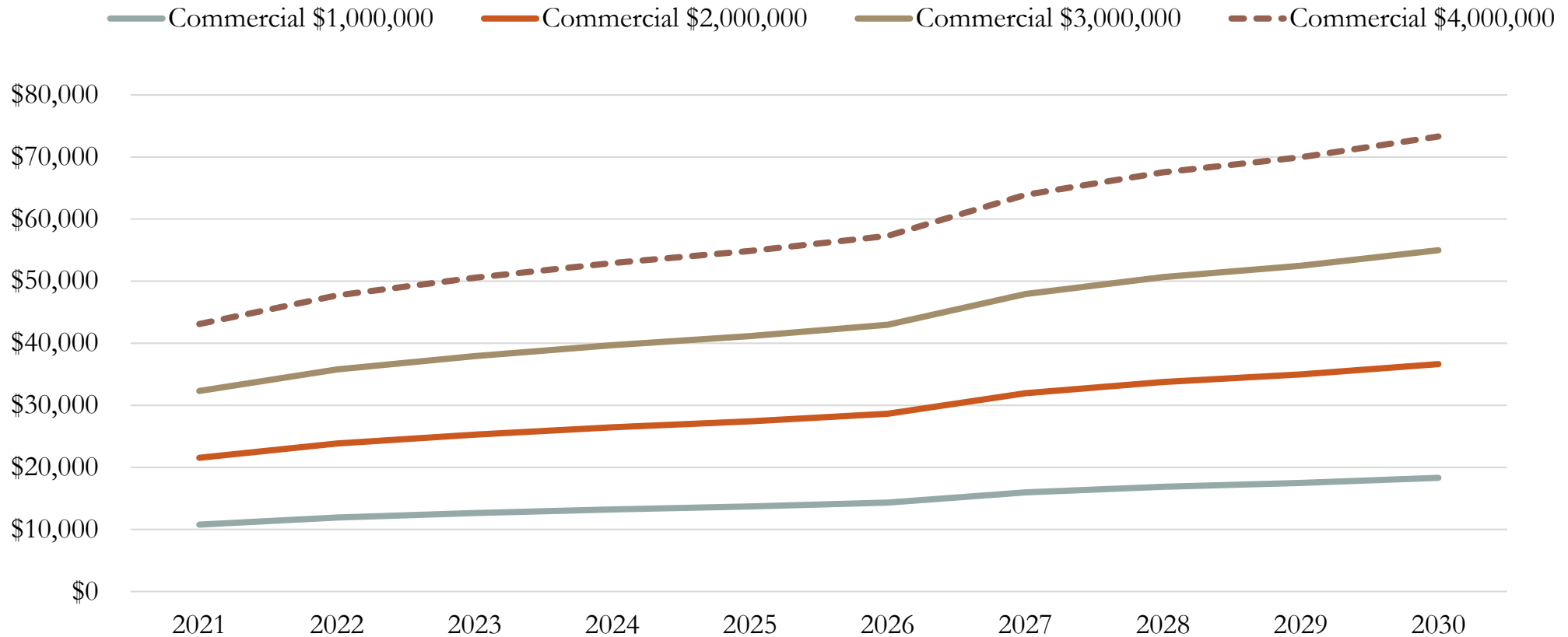
Projected Property Taxes

Residential Property
City Property Taxes for Different Valued Property



Commercial-Industrial Property
City Property Taxes for Different Valued Property

Projected Property Taxes



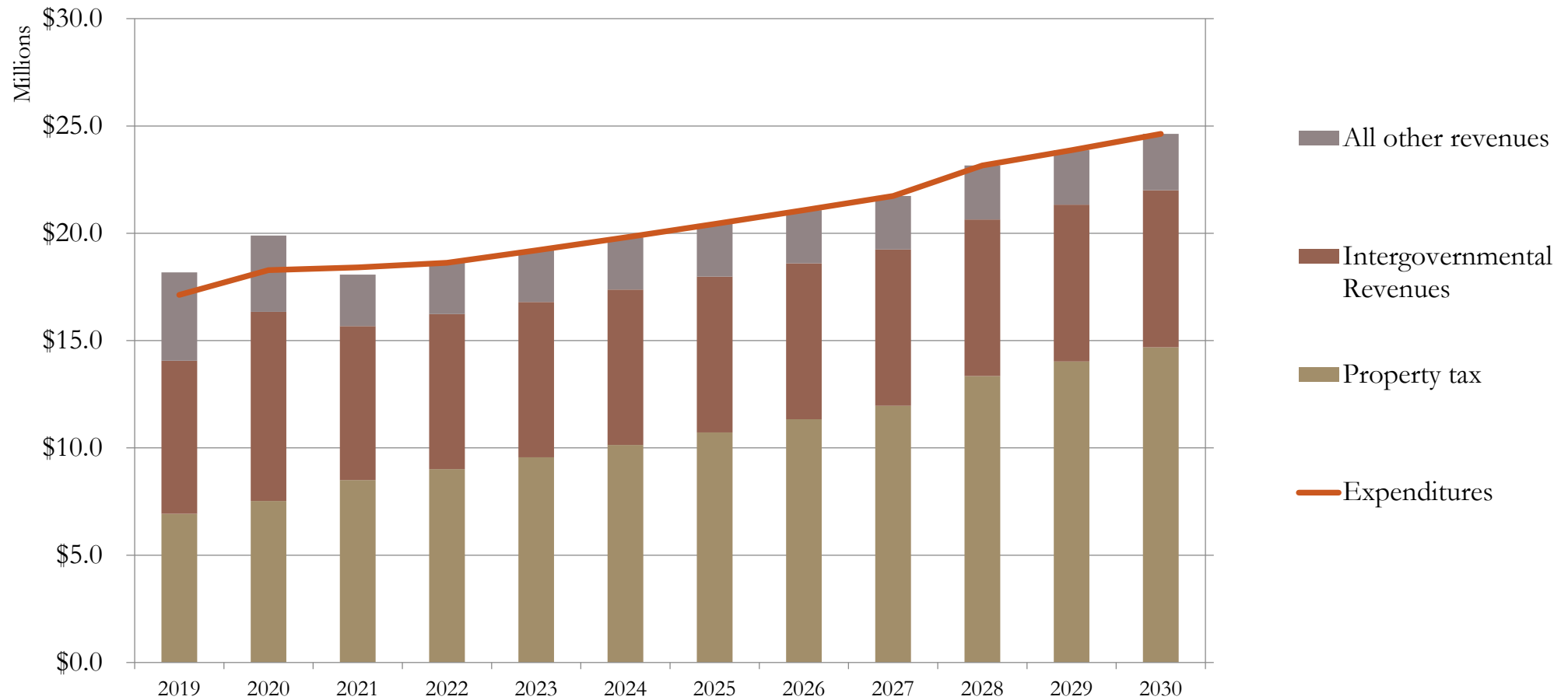
Tax Levy Summary

Funds Supported by Tax Levy

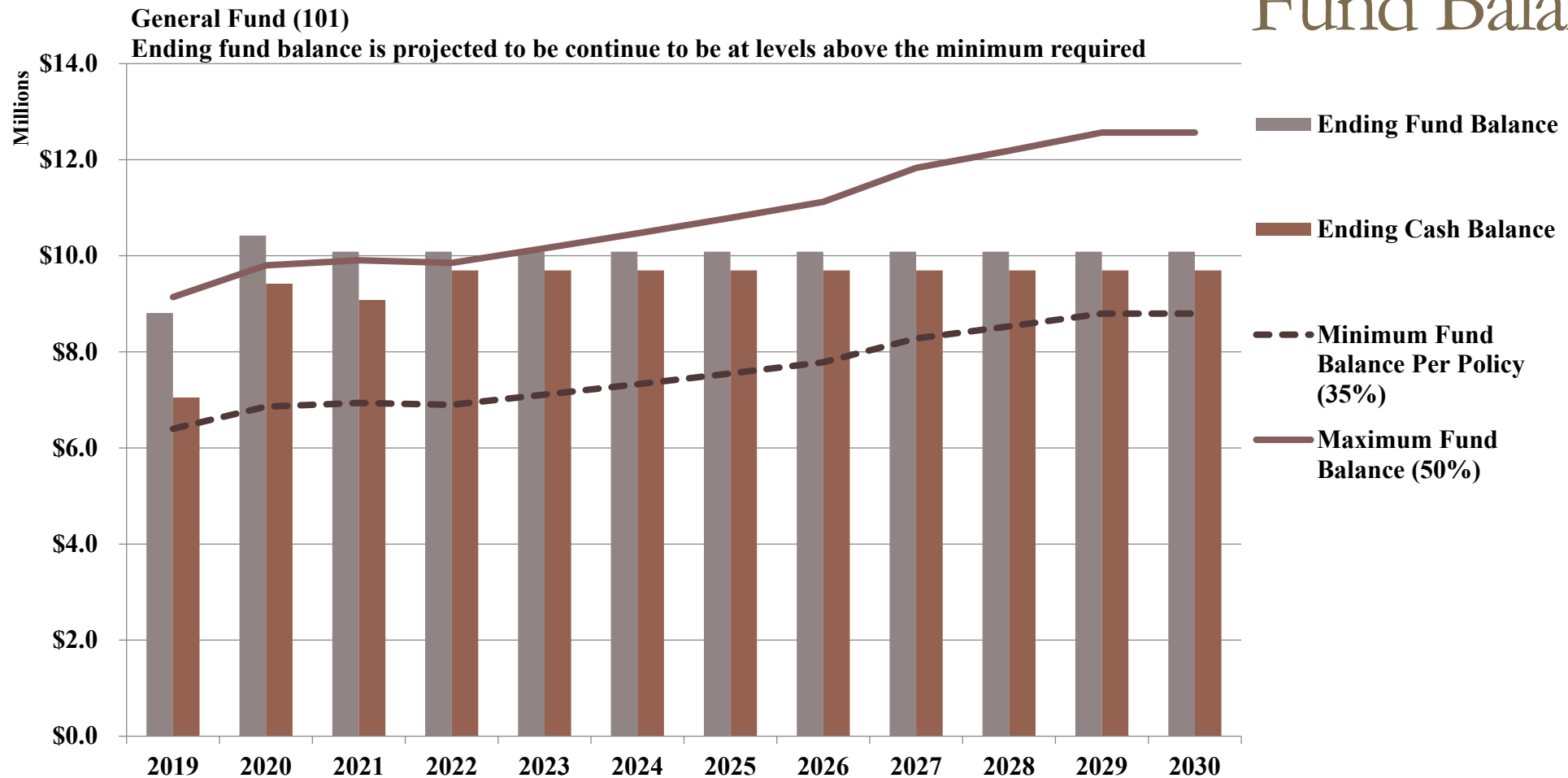
- General Fund (101)
- Special Revenue Funds
 - Airport (225)
 - Community Development Administration (240)
- Debt Services Funds (300's)
- Capital Improvement Funds
 - Street Improvement Fund (401)
 - Park Improvement Fund (404)
 - Capital Equipment Fund (431)
 - Public Facility Fund (437)
- Miscellaneous Levies
 - Special PERA/Tax Abatements

General Fund (101)
Expenditures and Revenues

General Fund



Fund Balance



City of Faribault
Finance Plan
Airport Fund (225)

Airport Fund

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	29,878	29,967	20,000	10,000	-	-	-	-	-	-	-	-
Other intergovernmental	-	562,801	-	-	-	-	-	-	-	-	-	-
Charges for services	93,981	117,942	126,845	129,382	129,382	140,370	148,770	151,745	151,745	154,780	154,780	157,876
Investment income	25,310	13,738	9,000	2,899	2,255	1,607	1,570	776	(1,278)	(2,108)	(2,542)	(3,868)
Other miscellaneous	820,938	-	-	-	-	-	-	-	-	-	-	-
Transfer in other	-	10,000	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	404,381	-	78,636	819,000	254,000	-	1,768,400	5,102,300	1,451,200	285,000	550,000	892,500
Other revenue for capital	-	1,571,007	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	740,000	-	-	-	-	-	-
Total Revenues	1,374,488	2,305,455	234,481	961,281	385,637	881,976	1,918,740	5,254,821	1,601,667	437,673	702,239	1,046,508
Expenditures												
Materials and supplies	-	5,313	7,850	8,007	8,167	8,330	8,497	8,667	8,840	9,017	9,198	9,381
Other services and charges	222,171	161,398	123,136	125,599	128,111	130,673	133,286	135,952	138,671	141,445	144,273	147,159
Encumbrance (budget amendment)	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments	61,500	61,500	61,500	61,500	61,500	10,250	74,000	74,000	74,000	74,000	74,000	74,000
Capital outlay	1,300,166	1,810,900	155,000	895,000	317,500	740,000	1,861,900	5,447,000	1,546,000	300,000	740,000	1,275,000
Total Expenditures	1,583,837	2,039,111	347,486	1,090,106	515,278	889,253	2,077,683	5,665,619	1,767,512	524,462	967,471	1,505,540
Net Change in Fund Balances	(209,349)	266,344	(113,005)	(128,825)	(129,641)	(7,277)	(158,943)	(410,798)	(165,844)	(86,789)	(265,232)	(459,032)
Ending Fund Balance	426,473	692,817	579,812	450,987	321,346	314,069	155,126	(255,672)	(421,517)	(508,306)	(773,538)	(1,232,570)

**City of Faribault
Finance Plan**

Community Development Administration Fund

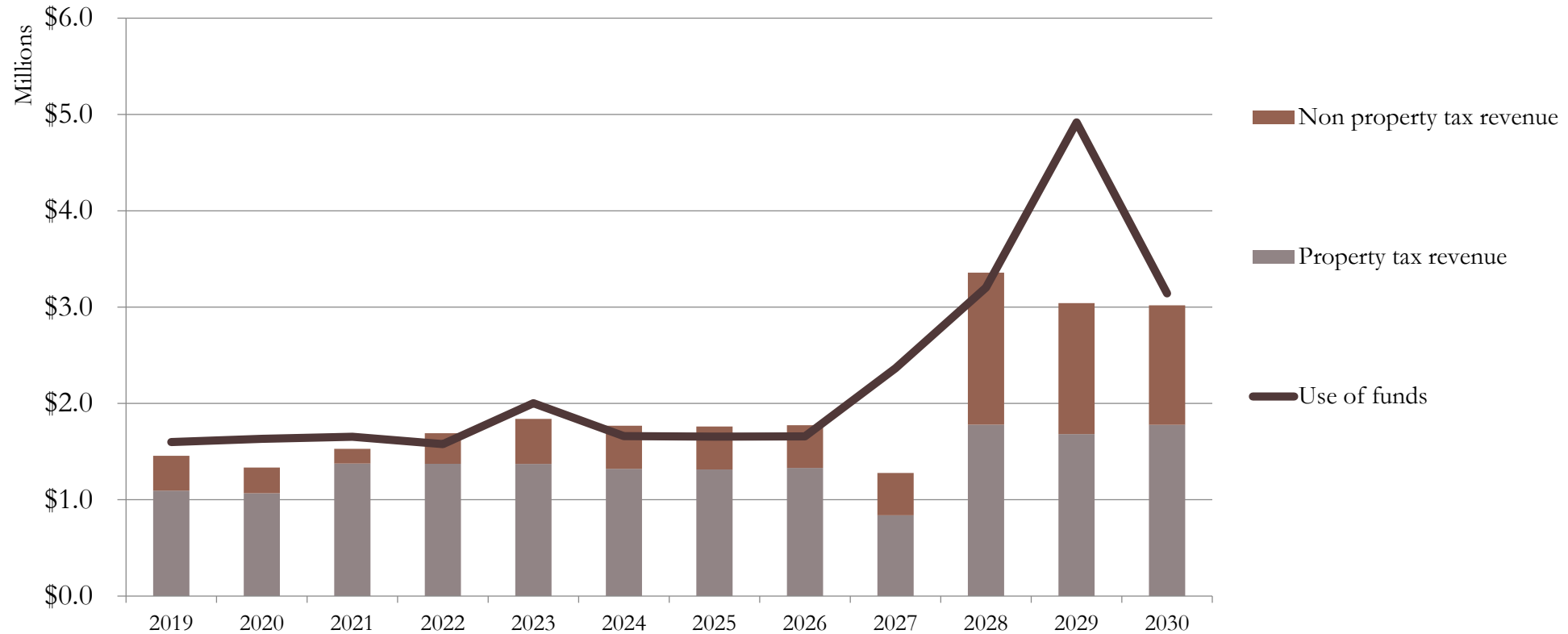
Community Development Fund(240)

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

Debt Service Funds

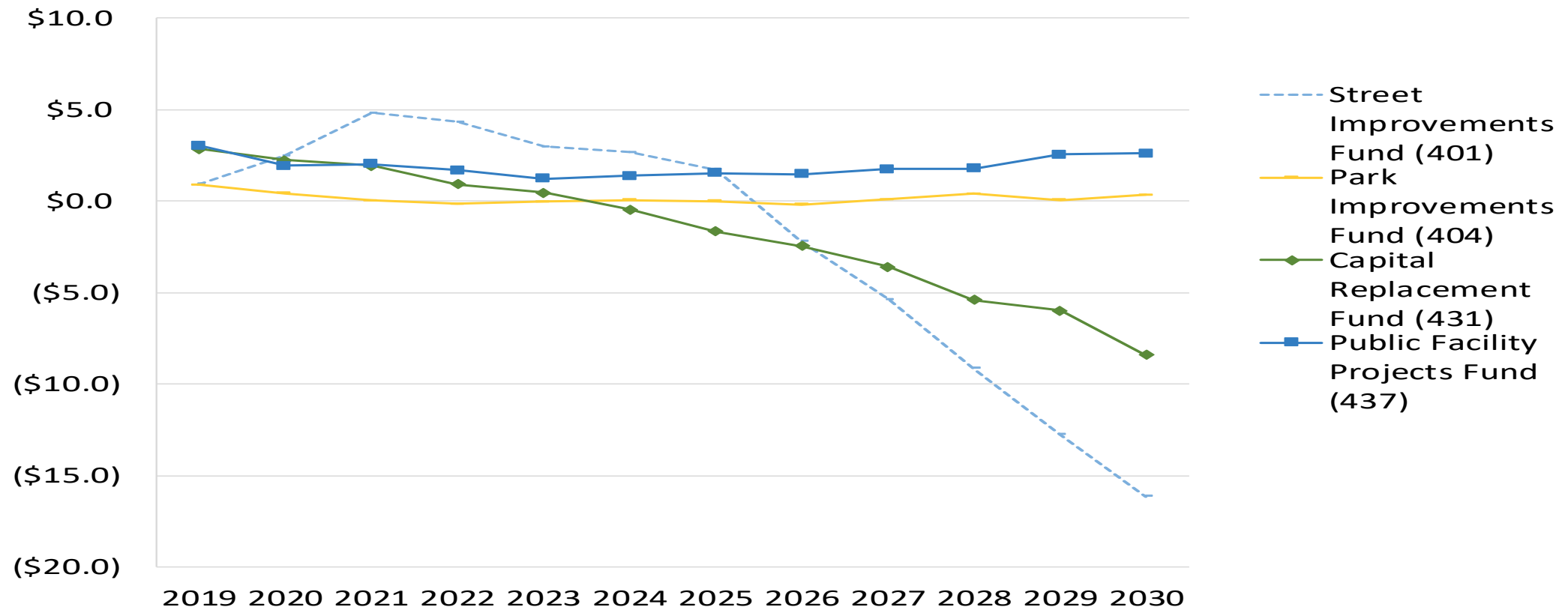
Debt Service Funds (300s)

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



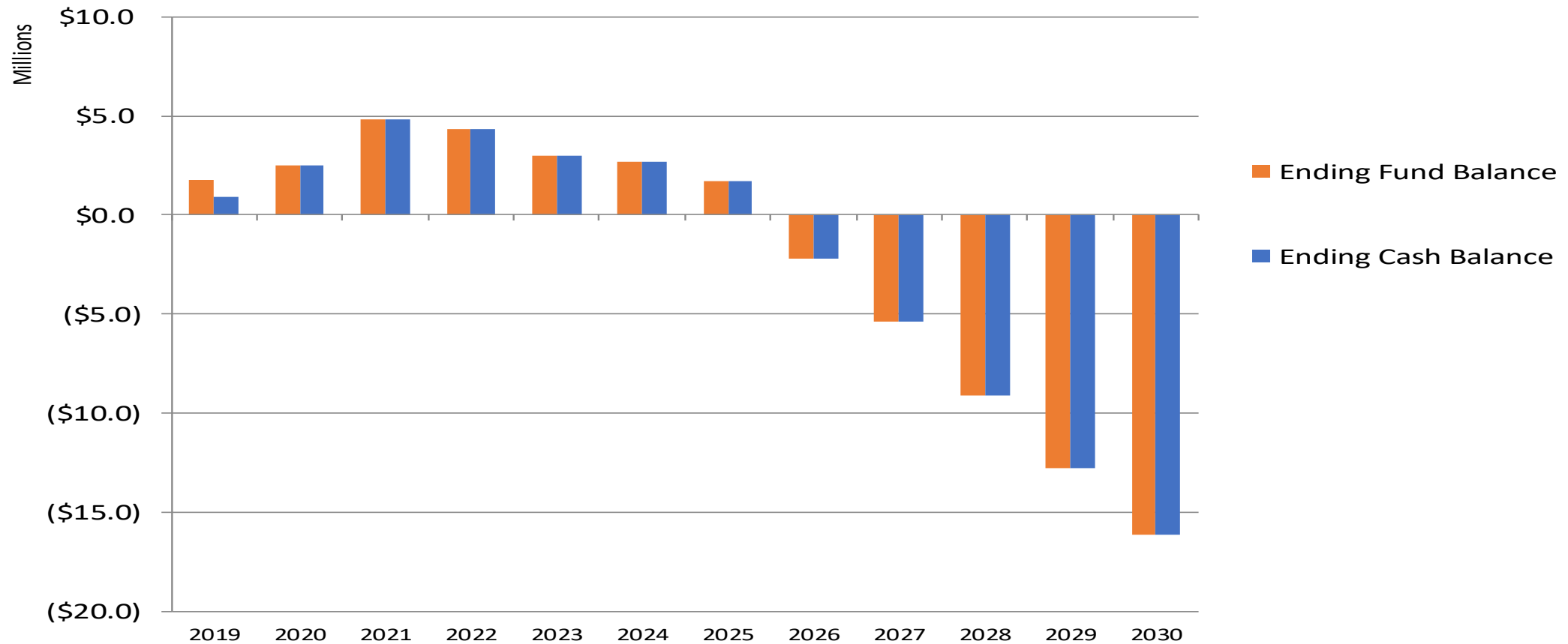
Capital Project Funds Cash Balances

Ending Cash balances for Capital Projects Funds



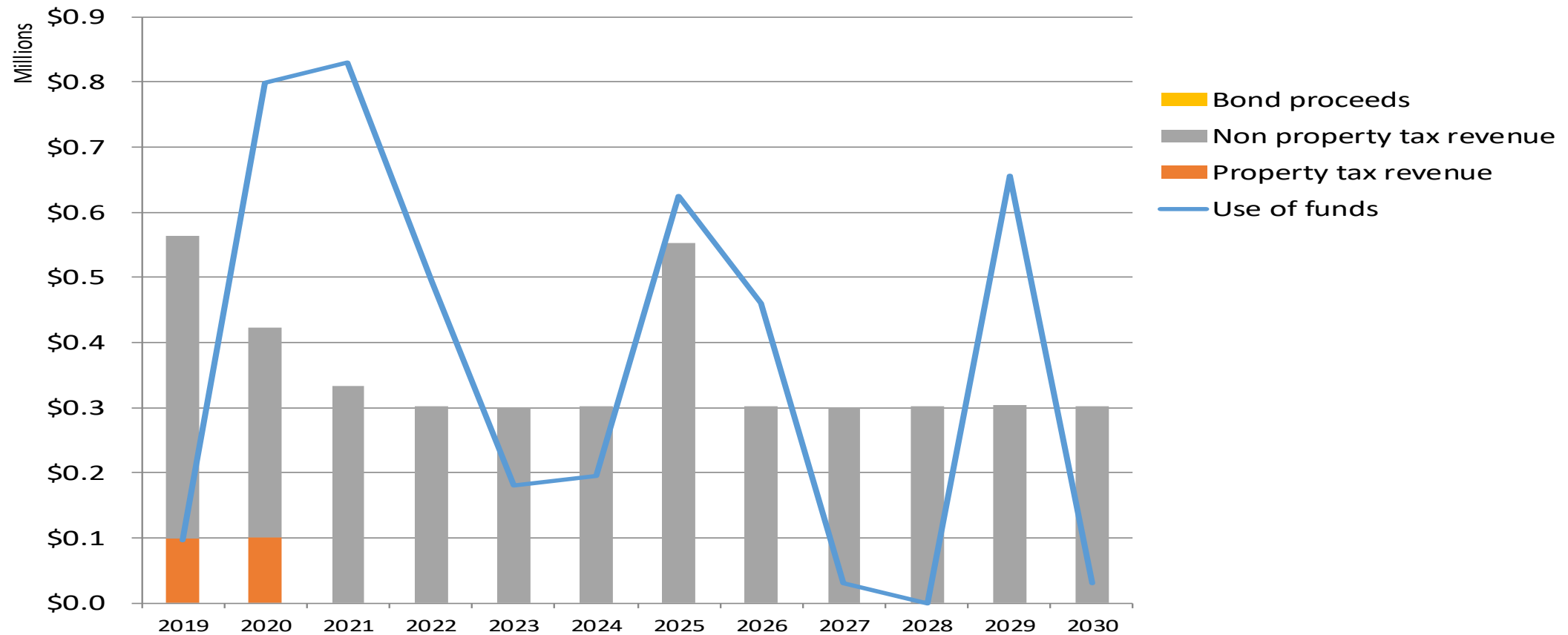
Street Improvement Fund

Street Improvements Fund (401)
Ending Fund Balance and Cash Balance



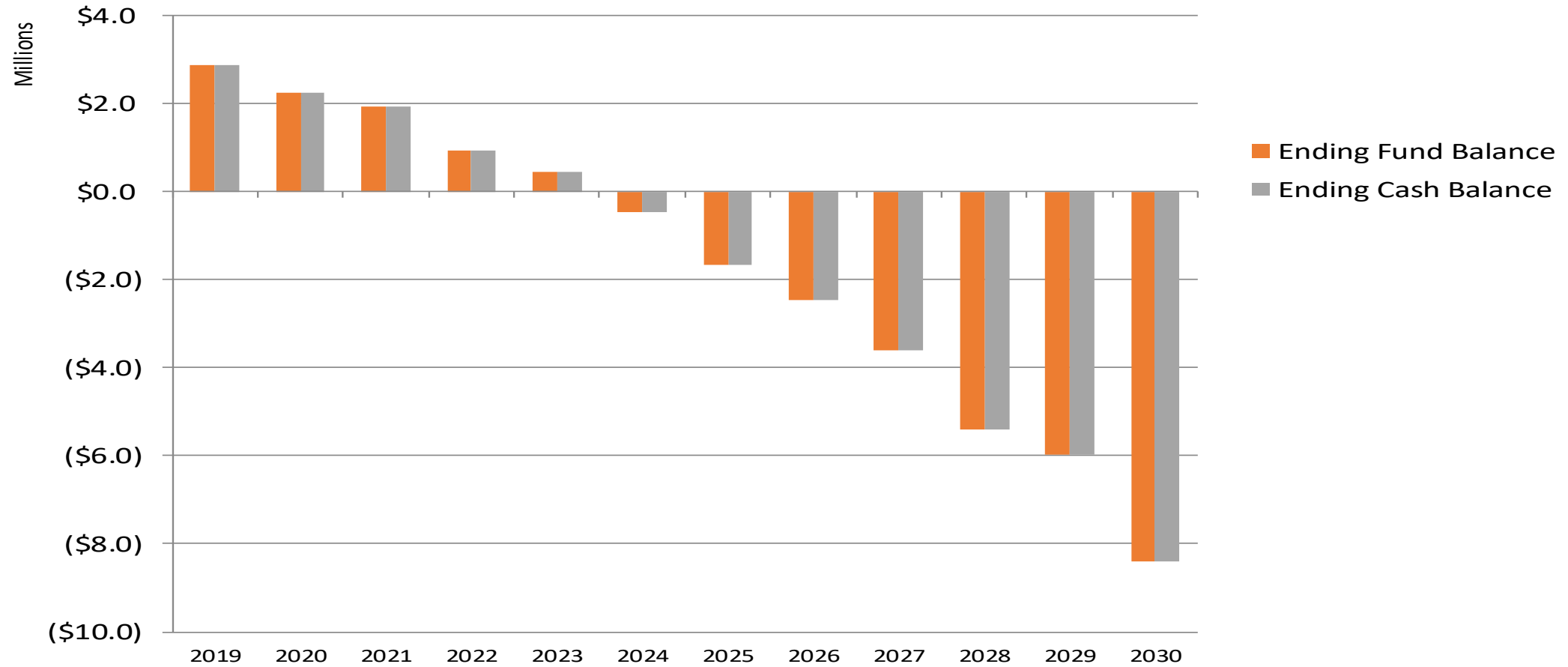
Park Improvement Fund

Park Improvements Fund (404)
Revenues and Use of Funds



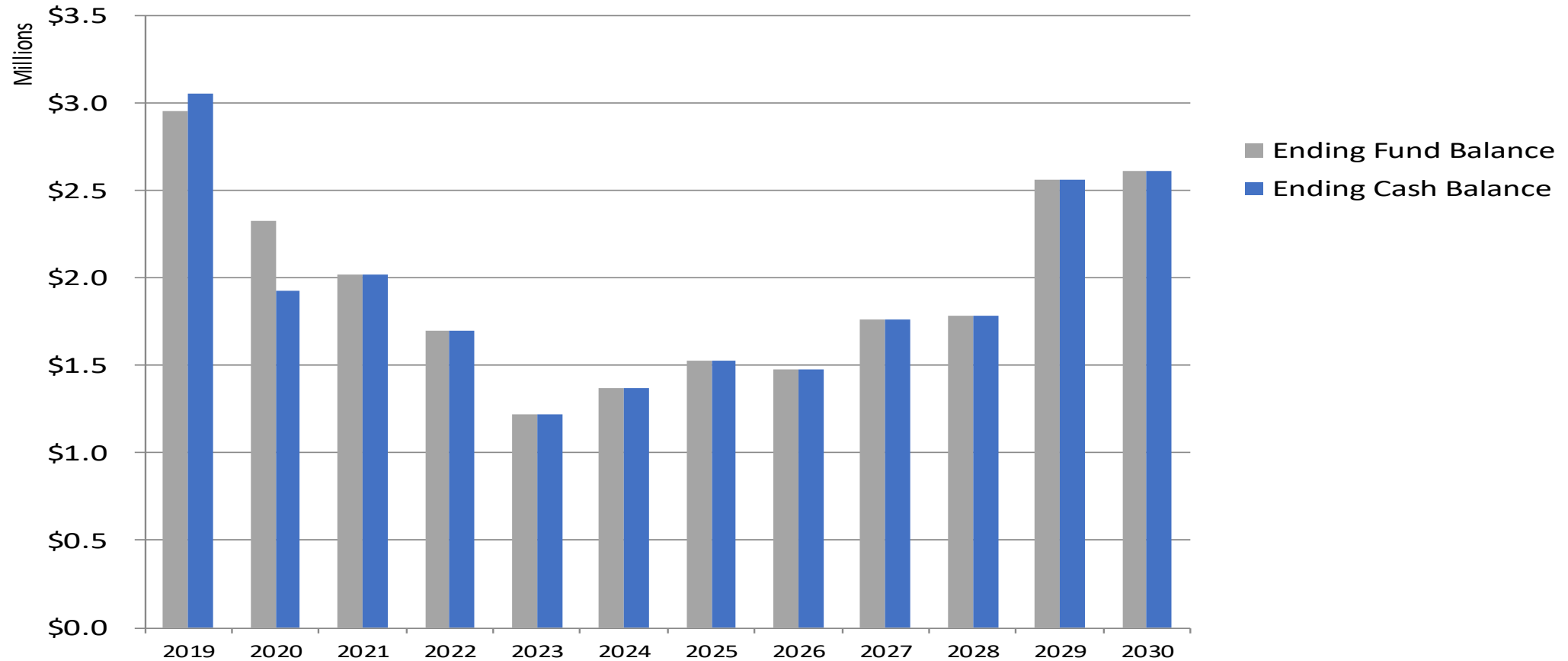
Capital Replacement Fund

Capital Replacement Fund (431)
Ending Fund Balance and Cash Balance



Public Facilities Fund

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



2022 Budget Schedule

July 20

Personnel

Fee Schedule

Franchise Fees

August 10 After Council Mtg

Civic/Non-Profits

General Fund

Levies & Tax Impact

September 7

Special Revenue

Enterprise Funds

September 14 Council Mtg

Preliminary Levy

Set Budget Hearing Date

Questions?

Long-Term Financial Management Plan

Budget Work
Session #2



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Delane James, Library and Communications Director
MEETING DATE: June 29, 2021
SUBJECT: Library Plaza Furnishings Discussion

Background:

The Friends of Buckham Memorial Library are interested in continuing the development of the Library Plaza and would like to purchase and donate furnishings for that area.

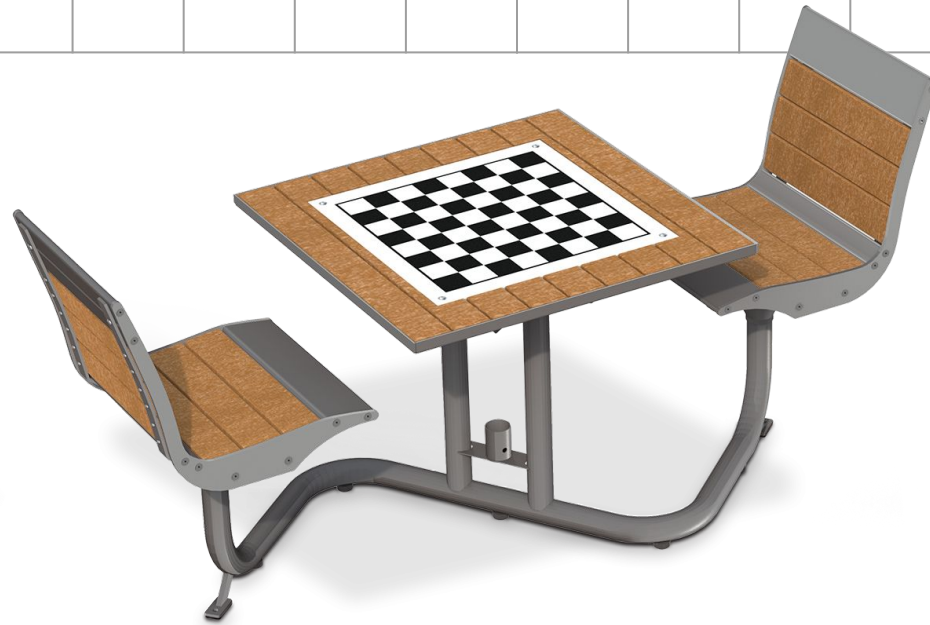
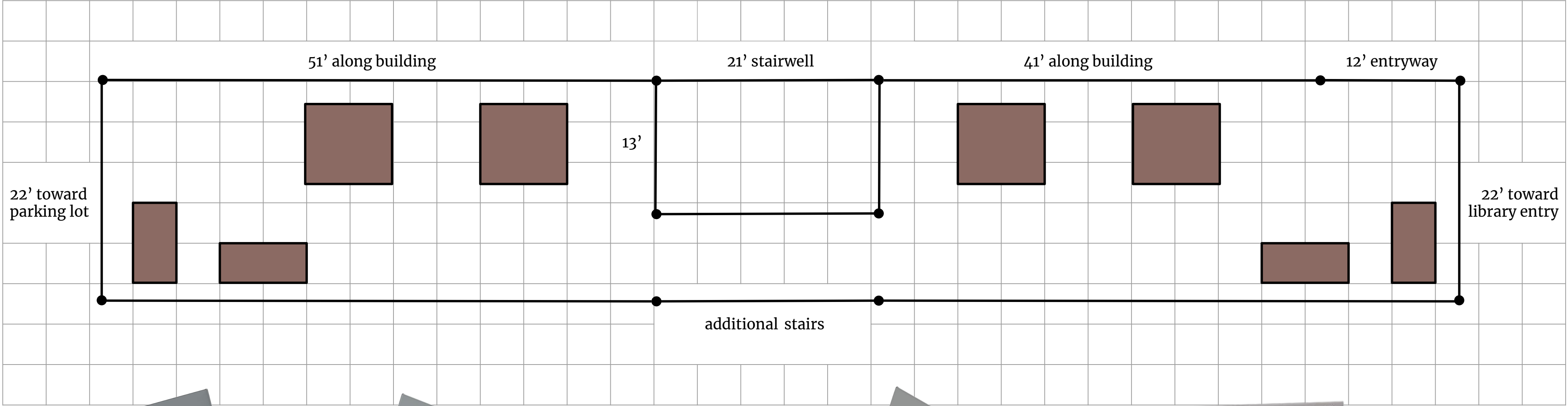
The Friends are asking for feedback on the furnishings they have selected and are seeking permission to proceed with ordering and donating these amenities for the Library Plaza. The Friends are hoping to have the furnishings in place before their Library Plaza Dedication Celebration that is currently scheduled for August 22, 2021.

Recommendation:

Staff is recommending that the Friends of Buckham Memorial Library receive Council permission to proceed with ordering furnishings for the Library Plaza.

Attachments:

1. Library Plaza Furnishings Proposal
2. Library Plaza Furnishings Anova Quote





Company Address 211 N Lindbergh Blvd
St. Louis, Missouri 63141
US

Created Date 3/18/2021
Expiration Date 9/14/2021
Quote Number SFQ-00048185

Prepared By Skyler Crane
Email scrane@anovafurnishings.com

Bill To Name Buckham Memorial Library
Bill To 208 1st Avenue NW
Fairbault, Minnesota 55021
US

Ship To Fairbault, Minnesota 55021
US

Product Image	Item	Description	Sales Price	Quantity	Total Price
 Not actual colors	BH1801R-GT	Beacon Hill Recycled Plastic Bistro Game Table, 2 Seats FRAME COLOR: TBD FRAME COLOR (2): TBD FRAME COLOR (3): TBD FRAME COLOR (4): TBD FRAME COLOR (5): TBD FRAME COLOR (6): TBD FRAME COLOR (7): TBD PLASTIC SLAT COLOR: TBD PLASTIC SLAT COLOR (2): TBD	\$3,010.00	4.00	\$12,040.00
 Not actual colors	BH1830R-GT	Beacon Hill Recycled Plastic ADA Game Table, 3 Seats FRAME COLOR: TBD FRAME COLOR (2): TBD FRAME COLOR (3): TBD FRAME COLOR (4): TBD FRAME COLOR (5): TBD FRAME COLOR (6): TBD PLASTIC SLAT COLOR: TBD PLASTIC SLAT COLOR (2): TBD	\$4,095.00	2.00	\$8,190.00
 Not actual colors	BH1840R-GT	Beacon Hill Recycled Plastic Bistro Game Table, 4 Seats FRAME COLOR: TBD FRAME COLOR (2): TBD FRAME COLOR (3): TBD FRAME COLOR (4): TBD FRAME COLOR (5): TBD FRAME COLOR (6): TBD PLASTIC SLAT COLOR: TBD PLASTIC SLAT COLOR (2): TBD	\$4,275.00	2.00	\$8,550.00
		70 Gallon Receptacle, Bonnet Top FRAME COLOR: TBD LABEL (1): TBD LABEL (2): TBD PLASTIC SLAT COLOR: TBD			

Initials _____



 Not actual colors	BH1870RBT	FRAME COLOR (2): TBD	\$1,690.00	1.00	\$1,690.00
		FRAME COLOR (3): TBD			
		FRAME COLOR (4): TBD			
		FRAME COLOR (5): TBD			
		FRAME COLOR (6): TBD			

Subtotal	\$30,470.00
Shipping and Handling	\$1,070.00
Subtotal before tax	\$31,540.00
Tax	\$2,326.07
Total	\$33,866.07

Terms and Conditions:

Lead times are an estimate and will be confirmed at time of order. Orders may be expedited upon request but will be assessed a 25% expedite fee. Expedited lead time will need to be confirmed prior to an order being placed.

Product prices are valid till expiration date, freight estimate for 90 days from created date. Orders may be placed up to 6 months in advance.

Sales tax may change at time of invoice due to changes in state, county, or local sales tax rates or laws. Any sales tax exemption certificate must be on file and approved by Anova prior to shipment or sales tax will be charged.

Products are made to order. Any returns will be assessed a 30% restocking fee; custom orders cannot be returned. Returns need to be in original packaging and cannot have been installed.

Orders placed on account are subject to credit approval and verification.

Some assembly may be required. Reference assembly instructions for assembly and maintenance information. Installation not included. Products must be assembled to manufacturer's specifications.

Shipping & Additional Information. *Indicates Required Field for Order Placement

PO Number: NONE Add: _____

If applicable. This is referenced on all order & shipment information provided. NONE indicates no PO number.

*Call Ahead Shipping Contact: The carrier will call this person 24 hours prior to delivery to schedule and confirm delivery time.

Name: NONE Add Name: _____ Phone#: _____

*Lift Gate: If you do not have a dock or forklift available to accept delivery this must be selected

Liftgate ☒

Shipping Options: If left blank or not otherwise communicated, standard lead time will be selected.

___ Standard Lead Time. Will ship within communicated standard lead time.

___ I can accept delivery earlier than standard lead time, if available (this is not expediting)

___ Ship on certain date beyond the standard lead time. Note: this is the date of shipment, not delivery. Some restrictions apply.
Date Requested:

Products may ship from more than one location, resulting in multiple shipments.

Shipping Option: Standard Lead Time

Billing Information: Billing Address above must be correct. If not specified, we will mail invoices to the listed address at the time of shipment.

Invoice Email: NONE Add Email: _____

Initials _____



*Verify Colors: Colors above must be selected with each corresponding product.

The colors above are correct: Initials: _____

Accept and Place Order:

By signing I agree to all the terms and conditions above and am authorizing Anova to convert this quote to an order as described.
Please initial each page as well

Signature _____ Date _____ Printed Name _____

Initials _____



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Mark DuChene, City Engineer
MEETING DATE: June 29, 2021
SUBJECT: Revise City Sidewalk and Trail Improvement Plan

Background:

The City's Sidewalk and Trail Improvement Plan was last officially updated in December 2000, per Resolution 2000-193. The Faribault City Council adopted the 2000 Comprehensive Sidewalk/Trail Improvement Plan in an effort to systematically improve and extend the citywide sidewalk and trail network and which established objectives for enhancement of the pedestrian system and the prioritization of specific improvement projects that would satisfy plan objectives; and

Since that time much progress has been made on completing identified segments of trails and sidewalks and the City has seen some significant growth since the last plan was approved. With the completion and adoption of the City's Journey to 2040 Comprehensive Plan and Parks, Trails and Open Space Plan, City staff have reviewed and updated the Sidewalk and Trail Improvement Plan and will present it for Council review and feedback.

The intent of the Sidewalk and Trail Improvement Plan is to guide future capital improvement planning, design, implementation and maintenance of the citywide system of sidewalks and trails for the benefit of Faribault residents and visitors based on the adopted Journey to 2040 Comprehensive Plan.

Recommendation:

Staff is looking for Council feedback on the draft City Sidewalk and Trail Improvement Plan

Attachments:

1. DRAFT - 2021 Citywide Sidewalk and Trail Improvement Plan



SIDEWALK AND TRAIL
IMPROVEMENT PLAN
2021 UPDATE

Table of Contents

Background and Purpose	3
Objective	3
Assessment of Existing System.....	4
Goals and Policies.....	5-9
Project Identification and Prioritization.....	9-11
2021 Sidewalk and Trail Improvement Plan Map	Exhibit A
City Council Resolution #2021-XXX.....	Exhibit B

BACKGROUND / PURPOSE

In April 1992, the City Council adopted the Comprehensive Pedestrian Access Improvement Plan in an effort to systematically improve and extend the city-wide sidewalk network. The plan established objectives for enhancement of the pedestrian system and the prioritization of specific improvement projects that would satisfy plan objectives. Since that time, a number of the identified projects have been completed concurrent with street reconstruction or overlay projects. Additionally, the city has taken strides in establishing and furthering a system of bicycle/pedestrian trails to complement the sidewalk network. In December 2000, the most recent Comprehensive Sidewalk and Trail Improvement Plan was adopted. The purpose of that document was to both reiterate and build on the objectives and findings of the original plan, to add a trail component, to provide a current assessment of the city-wide sidewalk and trail system, and to evaluate and prioritize strategic sidewalk and trail installation projects. Since 2000, many improvements have been made in constructing both trails and sidewalks throughout the City. The purpose of this new document is to adopt an updated Sidewalk and Trail Capital Improvement Plan to reflect the improvements made and to complement the City's Journey to 2040 Comprehensive Plan and Parks Trails and Open Space Plan.

OBJECTIVE

The intent of this plan is to guide future planning, design, implementation, and maintenance of a city-wide system of sidewalks and trails for the benefit of Faribault residents and visitors. The City of Faribault supports the development and enhancement of this system in order to:

- Provide a viable and attractive transportation alternative to residents in lieu of automotive transportation.
- Be in compliance with the Americans with Disabilities Act (ADA) and the City's ADA Transition Plan.
- Improve vehicle traffic efficiency and safety by shifting pedestrian and bicycle use off of higher volume roadways.
- Provide safe and convenient linkages to schools, parks, and other community focal points.
- Promote and enhance local tourism.

ASSESSMENT OF EXISTING SYSTEM

During early development of the city, sidewalk construction was commonplace and resulted in a grid-like pattern of sidewalks throughout the city's core. In most cases, sidewalks were developed on both sides of the street. As the city developed outward from its core, less of an emphasis was placed on sidewalk construction, leaving significant gaps in pedestrian access throughout the community. Street reconstruction efforts starting in the 1980's added sidewalks in various locations to enhance the overall network. Since adoption of the first pedestrian access plan, a number of the identified projects have been completed, adding sidewalks in the following locations:

- Prairie Avenue from Division Street to 17th Street SW (Pre-2000)
- 9th Avenue SW from Division Street to 17th Street SW (Pre-2000)
- 14th Street N from 2nd Avenue NW to Shumway Avenue (Pre-2000)
- Glynview Trail from Willow Street to Buckingham Path (Pre-2000)
- 17th Street SW from Willow Street to Westwood Drive (Pre-2000)
- Western Avenue from Old 4th Street to 17th Street NW (2000-2021)
- 30th Street NW from TH 21 to TH 3 (2000-2021)
- 17th Street NW from Western Avenue to TH 21 (2000-2021)
- Shumway Avenue from Parshall Street to Legacy Court (2000-2021)
- 10th Street SW from Mills Place to 9th Avenue SW (2000-2021)

Following a nation-wide trend, the City of Faribault began to emphasize trail development during the 1980's. During that time, trail segments were constructed along the Straight River and adjacent to the Faribault Middle School. Additionally, the Sakatah-Singing Hills State Trail, which connects Faribault to Mankato along an abandoned rail line, was paved to enhance its functionality and extended by the City to the White Sands site at T.H. 21. Expansion of the municipal trail system continued during the 1990's, resulting in a continuous route from the southwest portion of the city, through downtown, and to Two Rivers Park at the confluence of the Straight and Cannon Rivers. The effort to construct trails continued in the 2000's and saw the

completion of the Park Avenue Trail, Northern Link Trail through North Alexander Park, the Mill Towns Trail from White Sands to TH 3 and the Batchelder Park and Prairie Ridge Park Trails. The attached map depicts current sidewalk and trail locations, illustrating both progress that has been made and areas that still lack adequate connections.

GOALS AND POLICIES

Sidewalks

- (1) Sidewalk improvements should be undertaken in a planned manner, based on the financial capability of the City of Faribault. Installation of sidewalks identified within this plan should occur in a comprehensive manner, crossing lines between subdivisions, new and old neighborhoods, in order to avoid incremental or piecemeal improvements lacking continuity.
- (2) On relatively high-volume public streets and other key streets that connect public areas of significant interest such as parks, schools, downtown and other attractions, there is a recognized and acknowledged need for designated pedestrian walkways.
- (3) The Comprehensive Pedestrian Trail Improvement Plan, as developed herein, does not relieve or preclude any private developer from sidewalk installation requirements in newly platted or newly improved areas, should the City of Faribault deem that such improvements meet the following requirements:
 - Such improvements are necessary for safe access of pedestrians in newly developed areas.
 - Such improvements are a logical extension of the existing city-wide system and satisfy the goal of the objectives identified herein.
- (4) Based on financial feasibility and level of pedestrian benefit, sidewalk installations in new or previously unserved areas should occur, in most cases, on a minimum of one side of the street. Such determination shall be made on the basis of engineering and financial feasibility.
- (5) Repair and replacement of existing sidewalks should continue to occur concurrent with the established process of street reconstruction and overlay per current City Code ordinances and Community Management Program policies.

- (6) Construction proximity, street reconstruction schedules, project costs, and other factors may demand that the prioritization of projects be modified to take advantage of available cost savings. Moreover, construction of portions of designated segments may be preferable based on various construction and cost factors, again to maximize cost versus benefit.
- (7) *Design standards.* Sidewalks running parallel within the public right-of-way shall be a minimum of five (5) feet in width and located one (1) foot off of the adjoining property line. Six (6) foot wide pedestrian sidewalks shall be considered in areas where: high-volume pedestrian traffic is anticipated, the adjoining street is an arterial, the public right-of-way is of sufficient width to maintain a boulevard area between the sidewalk and curb of at least six (6) feet in width. Sidewalks may be constructed adjoining the street curb line and at a varying width when recommended by the City Engineer and approved by the City Council; such as in commercial districts, where adjoining property is deemed undevelopable, or where typical construction standards are not technically feasible.

Sidewalks shall be constructed of concrete materials with four (4) inches of thickness. Sidewalks shall be thickened to six (6) inches through driveway locations and poured independently of the driveway. All sidewalk construction shall conform to the current City of Faribault standards as approved by the City Engineer. Alternate materials and/or construction may be considered by the City Council on a case by case basis.

- (8) *Funding sources and assessment policies.* Where sidewalk construction is ordered in a new subdivision or development, the cost of such improvements shall be borne 100% by the developer. Sidewalk construction shall be completed concurrent with installation of standard municipal improvements and may be financed utilizing special assessment to the adjoining property.

Where new sidewalk construction is undertaken in existing developed areas, adjoining properties shall be assessed a portion of the cost in accordance with current assessment policies as identified in the City's Community Management Program. Cost for sidewalk construction, repair, or replacement associated with a City street improvement project and not funded by special assessment policies shall be considered a cost to the general public. The City Council shall identify funding sources on a project basis, utilizing available funds in the following priority order:

- Municipal State Aid Funds
- Reserve Capital Project Funds
- General Fund Capital Replacement Funds

- (9) *Maintenance responsibilities.* The responsibility for maintenance, repair, and replacement of sidewalks is that of the adjoining property owner, as defined in Chapter 25, Sections 26 and 41, of the Faribault *Code of Ordinances*, including snow and ice removal. The City of Faribault is responsible for maintenance of all sidewalks adjoining city-owned buildings and properties. In addition, where sidewalks are constructed adjoining undeveloped property, the city may assume maintenance responsibility until development occurs. In new subdivisions, where sidewalk construction is required, the developer/property owner shall be responsible for maintenance. Where sidewalks are located in rear yard areas or adjoining undevelopable property, the city may designate those sections as trails for the purpose of long-term maintenance responsibilities.

Trails

- (1) Development of a comprehensive trail system is seen as a highly desirable amenity for the community, creating a safe and enjoyable form of transportation and recreation.
- (2) The local trail system should be developed to offer pedestrian and biking opportunities accessible from all points of the community, linking school, parks, and other community facilities.
- (3) The City of Faribault should continue to acquire properties and easements, when feasible, to facilitate the completion of a circular trail system throughout the community.
- (4) Connection to the Sakatah-Singing Hills State Trail and future Mill Towns State Trail should be viewed as a priority, given the enhanced recreational and tourism benefits that such connection would bring.
- (5) Due to safety and noise considerations, municipal trails are limited to non-motorized use only unless the City Council approves otherwise. The Sakatah State Trail, including that portion located within the city, is open to snowmobile traffic during winter months, subject to all pertinent state use regulations.
- (6) *Design standards.* Trail development and construction shall provide a minimum surface width of ten (10) feet and twelve (12) feet when practical and feasible. In acquiring property for trail corridors, a minimum desirable parcel width shall be thirty (30) feet to allow for landscaping and setback areas from adjoining properties.

Trails shall be constructed and surfaced as recommended by the City Engineer and approved by the City Council. Additional amenities, including such items as landscaping, lighting, benches, and trash receptacles will typically be included with second tier construction. It shall be the policy of the city to require trail corridor dedication in new subdivisions in order to provide logical connections to the city-wide trail network. Dedication of such corridors shall apply toward the satisfaction of parkland dedication requirements.

- (7) *Funding sources.* Typical funding for trail development, construction, and maintenance shall be included in the capital outlay and operations accounts of the park maintenance budget. Since general funds for trail improvements are limited, it is the city's intent to pursue additional outside funds, as may be available,

including Minnesota Department of Natural Resources grants, federal aid enhancement funds, or municipal state aid funds. The City Council may consider use of parkland dedication funds for purposes of property acquisition.

In some cases, initial trail development within a new subdivision may be required by the City Council as a public improvement, with the cost assigned to the developer. This situation will likely occur where a proposed trail will primarily serve the newly developed area or in cases where trail development is viewed as a substitute for sidewalk construction.

- (8) *Maintenance responsibilities.* The responsibility for maintenance and repair of the trail system shall be that of the City of Faribault. Typical maintenance shall include snow removal during winter months and cutting/mowing of a five (5) foot strip of land on each side of the trail surface. Vegetation within the mowed area is intended to maintain a six (6) inch maximum height. The balance of the trail corridor will be maintained in a natural state, with control of noxious weeds carried out as needed. Tree trimming and/or removal will be undertaken, when warranted, to maintain trail safety and aesthetics.

PROJECT IDENTIFICATION AND PRIORITIZATION

The following sidewalk and trail projects have been identified as furthering the goals and objectives of this plan. Scheduled projects are those that are being completed as part of planned capital improvement projects and are listed according to year. Other projects are shown based on an assumed schedule for street reconstruction or overlay, with short-term projects anticipated within a five (5) to ten (10) year window. Long-term projects are those that, for practical purposes, cannot be projected for construction within a specific time period. Future review and update of this plan will require additional prioritization of these projects. The implementation plan focuses on larger sidewalk installations and does not address existing repair deficiencies, which are left to routine inspection during the street reconstruction process. Furthermore, it does not include certain gaps in the existing infrastructure, which are to be addressed during eventual street reconstruction. The accompanying Sidewalk/Trail Plan map illustrates the projects listed below, in addition to logical neighborhood sidewalk connections made concurrent with new subdivision development and gaps to be completed on a feasibility basis.

Scheduled projects

Year	Project Description
2023	Trail - Northern Link Trail (Hulett Avenue to N. Alexander Park)
2023	Trail - Lyndale Avenue (LaDonna Lane to Town Square Lane)
2024	Sidewalk - Hulett Avenue (TH 60 to George L Street and 7 th Street NW to Bradley Rd)
2024	Sidewalk - 30 th Street NW (Industrial Drive to 1,100 feet east)
2025	Sidewalk – Westwood Drive (Highland Place to 8 th Street SW)
2026	Sidewalk – 3 rd Street SW (Prairie Avenue to 3 rd Street SW)

Short-term projects (5-10 years)

Project Description
Sidewalk – Hulett Avenue (Bradley Road to 20 th Street NW)
Sidewalk – 7 th Street NW (Park Avenue NW to Western Avenue)
Sidewalk - 13 th Street NW/7 th Avenue NW (RR to 2 nd Avenue NW)
Sidewalk – Old 4 th Street (Division Street to Wilson Avenue)
Sidewalk – Westwood Drive (17 th Street SW to Westwood Park)
Sidewalk – 9 th Street SW (Westwood Drive to Prairie Avenue)
Sidewalk – 12 th Street SW (9 th Avenue SW to Straight River Trail)
Sidewalk – Sunshine Lane (Sunbird Lane to Glynview Trail)
Sidewalk – Springwood Lane/Mitchell Drive (Prairie Avenue to Highland Place)
Sidewalk – 8 th Street SW (Prairie Avenue to 7 th Avenue SW)
Sidewalk – Ravine Street (Shumway Avenue to St. Paul Avenue)
Sidewalk – Cardinal Avenue (Park Avenue NW to 30 th Street NW)
Trail – Seabury Park (6 th Avenue NE to Rustad Road/RBNC)

Long-term projects

Project Description
Trail – Straight River Trail (Two Rivers Park to Eastview Drive)
Trail – Eastview Drive (Straight River Trail to TH 3)
Trail – 20 th Street NW/TH 3 (RR to Straight River Trail)
Trail – West Airport Drive (Fredrickson Drive to Airtech Drive)
Trail – Belview Trail (Roberds Lake Boulevard to Fredrickson Drive)
Trail – Teepee Tonka Park (teepee Tonka Park to RBNC)
Trail – RBNC (Glynview Trail teepee Tonka Trail/RBNC Trails)
Trail – CSAH 45 (Sunbird Lane to CSAH 39)
Trail – CSAH 39 (CSAH 45 to CSAH 18)
Trail – CSAH 18 (CSAH 39 to 17 th Street SW)
Trail – CPRR (Spring Greenway Park to North Alexander Park/20 th Street NW)
Trail – 1 st Street NE (Erblang Avenue to Eastview Drive)
Sidewalk – St. Paul Avenue (Parshall Street to Eastview Drive)
Sidewalk – 17 th Street NW (Western Avenue to 25 th Avenue NW)
Sidewalk – 25 th Avenue NW (15 ½ Street NW to 17 th Street NW)
Sidewalk – Park Avenue NW (Old 4 th Street to TH 60)
Sidewalk – Matteson Street (11 th Avenue NE to Eastview Drive)
Sidewalk – 10 th Avenue SE (Division Street E to Barron Road)
Sidewalk – Barron Road (10 th Avenue SE to 5 th Street SE)
Sidewalk – Division Street E (10 th Avenue SE to Brand Avenue)

Exhibit A

Sidewalk and Trail Improvement Plan Map – 2021

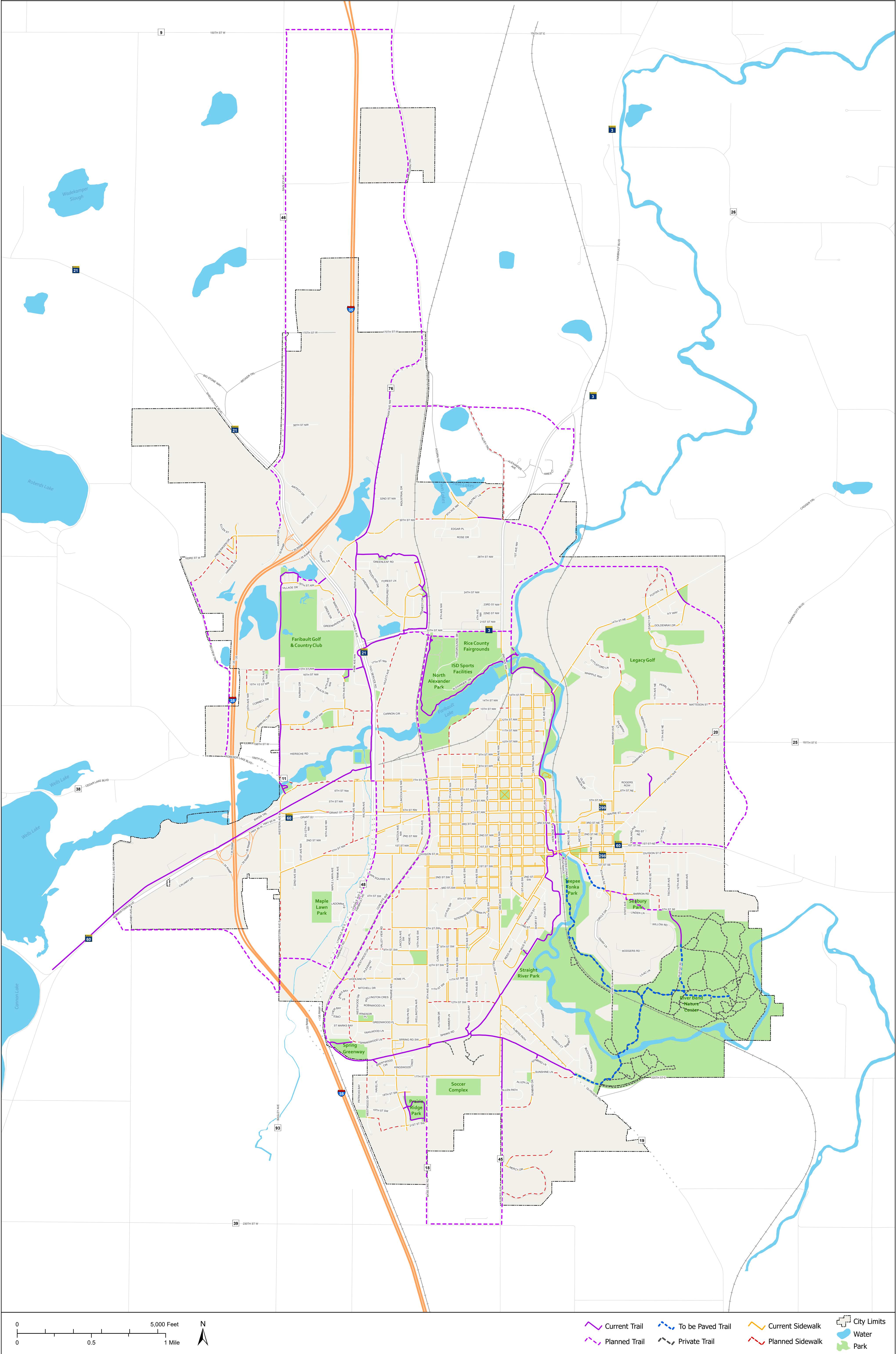


Exhibit B

City Council Resolution #2021-XXX

CITY OF FARIBAULT

RESOLUTION #2021-XXX

ADOPTION OF THE SIDEWALK AND TRAIL IMPROVEMENT PLAN

WHEREAS, on December 12, 2000, per Resolution 2000-193 the Faribault City Council adopted the 2000 Comprehensive Sidewalk/Trail Improvement Plan in an effort to systematically improve and extend the citywide sidewalk and trail network and which established objectives for enhancement of the pedestrian system and the prioritization of specific improvement projects that would satisfy plan objectives; and

WHEREAS, on September 22, 2020, per Resolution 2020-149 and following a properly noticed public hearing before the City of Faribault Planning Commission on September 14, 2020, the Faribault City Council approved the Journey to 2040 Comprehensive Plan which included the Journey to 2040 Parks, Trails and Open Space Plan approved by the Council on December 23, 2019, per Resolution 2019-265; and

WHEREAS, the intent of the Sidewalk and Trail Improvement Plan is to guide future capital improvement planning, design, implementation and maintenance of the citywide system of sidewalks and trails for the benefit of Faribault residents and visitors based on the adopted Journey to 2040 Comprehensive Plan.

NOW, THEREFORE BE IT RESOLVED, that the Faribault City Council does hereby approve and adopt the Sidewalk and Trail Improvement Plan a copy of which is attached to this resolution; and

THEREFORE ALSO BE IT RESOLVED, that said Sidewalk and Trail Improvement Plan shall be in effect immediately and shall be reviewed and updated as necessary as determined by the City Council.

Date Adopted: July 13, 2021

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray
FROM: Paul J Peanasky
MEETING DATE: June 29, 2021
SUBJECT: Fleckenstein Bluffs Park Discussion on Shelter and Restroom

Background:

At the June 8, 2021, City Council meeting, bids were accepted for the picnic shelter/restroom facility at Fleckenstein Bluffs Park. The bid came in \$41,500 above the estimate. Staff has reviewed the project with the contractor, Healy Construction of Faribault, to try and identify some cost saving items to bring the facility cost closer to the estimate. One item identified is that the project was inadvertently bid with a prevailing wage requirement. Since there are no state or federal funds involved in this project, this is not required, and Healy has stated they could reduce the cost by \$8,000 by eliminating that. Also, by substituting PEX tubing instead of copper piping and changing several fixtures to a different brand, we can save \$3,500 in the plumbing area. Lastly, we are looking at possible cost savings for reducing the building from a two restroom facility to a single restroom. We have not received these numbers yet but hope to have them by the Tuesday meeting. If any or all changes are agreed to, we will move to process change orders with the deducts.

Recommendation:

Provide direction to staff on which contract changes to process.

Attachments: