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Posted: August 15, 2014

**CRYSTAL CITY COUNCIL
BUDGET WORK SESSION AGENDA**

**Thursday, August 21, 2014
6:30 p.m.
Community Room**

Pursuant to due call and notice given in the manner prescribed by Section 3.01 of the City Charter, the budget work session of the Crystal City Council was held at _____ p.m. on Thursday, August 21, 2014 in the Community Room located at 4141 Douglas Drive, Crystal, Minnesota.

I. Attendance

<u>Council members</u>	<u>Staff</u>
____ Libby	____ Norris
____ Peak	____ Therres
____ Selton	____ Hansen
____ Adams	____ Mathisen
____ Budziszewski	____ Peters
____ Deshler	____ Revering
____ Hoffmann	

II. Agenda

The purpose of the budget work session is to discuss the following agenda items:

1. Setting the Date for Discussion, Public Input and Adoption of the Final 2015 Budget and Tax Levy
2. Review 2015 Special Revenue Funds Budgets
3. Review 2015 Debt Service Funds Budgets
4. Review 2015 Internal Service Funds Budgets
5. Discuss 2015 Utility Funds Budgets
6. Discuss 2015 Street Reconstruction Fund Budget
7. Discuss 2015 Street Maintenance Fund Budget
8. Discuss Public Works Facility – Bid Opening/Construction Cost
9. Discuss Impact of Cash & Investments on City Bond Rating
10. General Fund Follow Up
11. Discuss the Preliminary Property Tax Levy to be Adopted on September 2nd Council

III. Adjournment

The work session adjourned at _____ p.m.

Auxiliary aids are available upon request to individuals with disabilities by calling the City Clerk at (763) 531-1145 at least 96 hours in advance. TTY users may call Minnesota Relay at 711 or 1-800-627-3529.



Memorandum

DATE: August 11, 2014

TO: Mayor and Council
Anne Norris, City Manager

FROM: Charles Hansen, Finance Director

SUBJECT: Setting the Date for Discussion, Public Input and Adoption of the Final 2015 Budget and Tax Levy.

Background:

The City Council must announce a date, time and place for a public meeting where the budget and tax levy will be discussed, citizens will have the opportunity to speak on the budget and the final budget and tax levy will be adopted. This may be at a regularly scheduled meeting between November 25 and December 30, 2014.

Discussion:

The 2014 City Council meeting schedule shows regular meetings on Tuesday, December 2nd and Tuesday December 16th. Either of these meetings could be used as the time for budget and tax levy to be discussed, citizen input allowed, and final adoption of the budget and tax levy.

Past practice has been to schedule the first meeting in December for the budget public hearing. If needed, the adoption of the 2015 budget and tax levy can be continued to the December 16th meeting.

City Council Actions:

I recommend that discussion, public input and adoption of the final 2015 budget and tax levy take place at a public hearing on Tuesday, December 2, 2014, at City Hall. As an alternative, the public hearing could be held at the meeting on Tuesday, December 16, 2014, except that if the public hearing is on the 16th, there isn't another meeting to continue it to. Final decisions would have to be made that night unless a special meeting was scheduled prior to December 30th.

The City Council can pass a motion at the September 2nd meeting to set a date, time and place for a public hearing for discussion of, public input on and adoption of the final 2015 budget and tax levy. A date should be chosen so that staff can prepare the motion for inclusion in the September 2, 2014 agenda.



Memorandum

DATE: August 11, 2014

TO: Mayor and City Council

FROM: Anne Norris, City Manager
Charles Hansen, Finance Director

SUBJECT: Review 2015 Special Revenue Funds Budgets

City Initiatives Fund #240:

This fund accounts for donations and other revenues that are pledged to be spent on particular projects.

Special Projects Fund #245:

This fund accounts for federal & state grants and proceeds from the sale of seized vehicles that are pledged to be spent on law enforcement. Operations are very similar to prior years with the exception that it is proposed to purchase a squad car for the traffic control unit in 2015.

Conclusion:

The City Council should review the attached budgets and discuss any changes that you want incorporated into them.

Fund: City Initiatives Fund
Fund Number: 240

DESCRIPTION OF ACTIVITY

The City Initiatives Fund accounts for donations and other miscellaneous revenues that the City receives that are pledged to be spent on particular projects. Exact donations and projects for 2015 are not yet known. The amounts budgeted for 2015 are similar to the totals received and spent in past years.

Donations for the Police Canine Unit may continue at modest levels in 2015 and future years. This money is being spent ongoing costs of the canine unit.

Beginning in 2015, the Cable Franchise Grant will be accounted for in the City Initiatives Fund instead of the Permanent Improvement Revolving Fund to provide for a better accounting of the grant.

FINANCIAL ANALYSIS

City Initiatives Fund	2014 Budget	2015 Budget
Available Resources - Beginning Balance	\$ 59,049	\$ 52,649
<i>Revenues</i>		
Miscellaneous Receipts	6,600	6,000
Cable Franchise Grant		32,000
Donations	15,000	18,000
<i>Expenditures</i>		
General Government	(5,600)	(7,200)
Public Safety	(8,000)	(8,000)
Public Safety – Canine Unit	(6,400)	(8,400)
Recreation	(8,000)	(7,150)
Available Resources - Ending Balance	\$ 52,649	\$ 77,899

Fund: Special Projects Fund
Fund Number: 245

DESCRIPTION OF ACTIVITY

The Special Projects/Grants Fund accounts for grants and forfeited vehicle revenues that the City receives and must spend on particular projects. Exact revenues and projects for 2015 are not yet known. The amounts budgeted for 2015 include activity similar to past years.

The Special Projects Fund includes a Forfeiture Account in which proceeds from the sale of seized vehicles is deposited. This money must be used for purposes related to traffic enforcement. In the 2015 budget, money from this account will be used to purchase a new traffic enforcement squad car. The Police Department will receive a total of three new vehicles in 2015, two purchased from the Police Equipment Revolving Fund and one purchased from the Special Projects Fund.

FINANCIAL ANALYSIS

Special Projects Fund	2014 Budget	2015 Budget
Available Resources - Beginning Balance	\$ 41,723	\$ 41,723
<i>Revenues</i>		
Federal Grants	21,000	24,000
Forfeitures	21,000	21,000
<i>Expenditures</i>		
Public Safety	(42,000)	(82,400)
Available Resources - Ending Balance	\$ 41,723	\$ 3,923



Memorandum

DATE: August 11, 2014

TO: Mayor and City Council
Anne Norris, City Manager

FROM: Charles Hansen, Finance Director

SUBJECT: Review 2015 Debt Service Funds Budgets

Discussion:

The budgets for debt service funds are set at the time the bonds are sold.

No new bonds were issued in 2014. Principal and interest payments will be made as scheduled on all existing bond issues

No arbitrage calculations will be needed in 2015.

The Series 2005A Improvement Bonds and the 2006A Improvement Bonds will reach their call date on February 1, 2016. It appears that the debt service funds for each of these bonds will accumulate enough cash to call all remaining bonds for early redemption in 2016.

Conclusion:

The City Council should review the attached budgets and discuss any changes that you want incorporated into them.

City of Crystal
Debt Service Funds
Combining Statement of 2015 Proposed Budgets

	2005A Improvmt Bonds <u>Phase 7</u>	2005B Pool Bonds	2006A Improvmt Bonds <u>Phase 8</u>	2008A Improvmt Bonds <u>Phase 9</u>	2009A Improvmt Bonds <u>Phase 10</u>	2011A Improvmt Bonds <u>Phase 11</u>	2012A Improvmt Bonds <u>Phase 12</u>	2013A Improvmt Bonds <u>Phase 13</u>	<u>TOTAL</u>
REVENUES									
Property Taxes		209,000							209,000
Special Assessments	84,690		142,651	165,336	282,617	203,504	317,065	439,285	1,635,148
Interest	4,800	1,800	6,400	6,000	10,500	3,700	3,900	2,250	39,350
Total Revenues	89,490	210,800	149,051	171,336	293,117	207,204	320,965	441,535	1,883,498
EXPENDITURES									
Contractual Services	400		700	600	750	900	1,200	900	5,450
Debt Service Principal	95,000	165,000	120,000	150,000	190,000	135,000	210,000	215,000	1,280,000
Debt Service Interest	23,600	41,200	34,470	52,710	91,141	33,646	45,531	82,587	404,885
Arbitrage Rebate Pymts									
Total Expenditures	119,000	206,200	155,170	203,310	281,891	169,546	256,731	298,487	1,690,335
SURPLUS -DEFICIT	-29,510	4,600	-6,119	-31,974	11,226	37,658	64,234	143,048	193,163
Est. Dec. 2015 Fund Balance	540,429	302,089	749,922	718,403	1,250,272	552,661	672,129	582,931	5,368,836



Memorandum

DATE: August 11, 2014

TO: Mayor and City Council
Anne Norris, City Manager

FROM: Charles Hansen, Finance Director

SUBJECT: Review 2015 Internal Service Funds Budgets

Self Insurance Fund:

The Self Insurance Fund purchases insurance policies on behalf of the city's operating departments and holds a balance of over \$1,000,000 to cover any uninsured losses. Its revenues include interest earnings, dividends from the L.M.C.I.T., and charges for services to the operating departments.

It is expected that insurance premiums will increase over the next several years due to high claims experience for both liability and worker's compensation insurance.

Post Employment Fund:

The Post Employment Fund holds assets to pay insurance benefits to a limited number of retired employees. The last obligation of this fund has been paid and the fund will be closed in 2014.

Approximately \$173,700 remains in the fund. The City Council will need to decide which other city fund this money will be transferred to. There are several capital funds that are the most likely candidates to receive the money.

Conclusion:

The City Council should review the attached budgets and discuss any changes that you want incorporated into them.

Fund: Self Insurance Internal Service Fund
Fund Number: 605

DESCRIPTION OF ACTIVITY

This fund is used to account for the property and liability insurance needs of the City. As an internal service fund, the insurance premium costs and claims are charged against this fund.

The City participates in a joint powers agreement with other cities around the state in the League of Minnesota Cities Insurance Trust (LMCIT). The LMCIT is self-sustaining in all areas of coverage and the City pays an annual premium to cover current and future losses. The LMCIT provides coverage for liability, errors and omissions and auto.

The City established this fund to account for and finance its uninsured risks of loss. Under this program, this fund provides coverage for up to a maximum \$25,000 for each general liability or property damage claim, with a maximum cost of \$75,000 per year. The City purchases insurance through the LMCIT for claims in excess of the coverage provided by this fund.

The Self-Insurance Fund will finance approximately 20% of the City's insurance and risk-related costs by using interest income and LMCIT dividends. The remaining 80% will be charged to each City fund based on their risks and coverage requirements.

FINANCIAL ANALYSIS

Self Insurance Internal Service Fund	2014 Budget	2014 Budget
Beginning Fund Balance	\$ 1,004,369	\$ 1,004,369
<i><u>Revenues</u></i>		
Department Billings – Insurance	173,512	191,352
Investment Income	9,481	10,000
LMCIT Dividends	30,000	36,000
<i><u>Expenditures</u></i>		
Insurance Premiums	(165,793)	(190,593)
Insurance Agent Fee	(7,200)	(7,200)
Estimated Claims Paid	(40,000)	(40,000)
Ending Fund Balance	\$ 1,004,369	\$ 1,004,369



Memorandum

DATE: August 12, 2014

TO: Mayor and City Council

FROM: Anne Norris, City Manager
Charles Hansen, Finance Director

SUBJECT: Discuss 2015 Utility Funds Budgets

Background:

This package includes a ten year rate trend history, the proposed 2015 utility fee schedule, sample utility bills, budget summaries and a rate study for each utility, and the capital improvement plan.

Rate increases are proposed for the Water, Sewer, Storm Drainage and Street Light utilities. Recycling rates are not proposed to increase in 2015. Several factors drive these proposed rate increases.

- First is general inflation in operating costs.
- Second is the addition of more capital projects to the capital improvement plan. Our aging systems are requiring more maintenance and more projects to replace systems that have reached the end of their useful lives. Current plans for a new Public Works Facility include contributions of \$400,000 from Water, \$400,000 from Sewer and \$200,000 from Storm Drainage.

Water Fund

The city purchases water from the Joint Water Commission (JWC). JWC billings include both an operating component and a capital component. Capital expenditures for 2015 and 2016 are higher than the JWC's long term average. This puts pressure on the Water Fund in terms of both profit/loss and cash flow. Crystal's own water capital projects are modest until 2017 when a major water main replacement/relining is proposed.

We are recommending a 3.92% increase in water rates for 2015 with additional increases in the following years. Despite these increases, the Water Fund's cash on hand declines over the next five years.

The Sewer Fund and the Street Light Fund each provide a \$300,000 loan to the Water Fund in 2014 to help pay for emergency wells. The loans will be repaid with interest over 10 years.

Sewer Fund

The single largest cost for the sewer fund is the disposal fee paid to the Metropolitan Council Environment Services (MCES). The MCES has not announced the fee they will charge to Crystal next year.

A 2.87% increase in sewer rates is proposed. The residential rate is shown increasing from \$48.60 per quarter in 2014 to \$50.00 per quarter in 2015. We won't be able to finalize the Sewer budget and rates until we hear a final disposal fee from MCES.

Significant capital outlays are projected for each of the coming years. Rate increases are projected for each of the coming five years. Despite these increases, the Sewer Fund's cash on hand declines over the next five years.

Storm Drainage

Operating expenses of the fund are fairly constant with the exception of a pond dredging project that is done every other year. Large capital outlays are projected in 2015 – 2018 for storm drainage mains constructed as part of the Street Reconstruction Phases 14 – 16. These put pressure on the fund's cash balance.

The fund could be in a cash deficit at the end of 2016. It may be possible to provide a loan from another fund to get Storm Drainage through the street projects. Capital outlays are expected to be lower after the street projects are complete.

Storm Drainage rates are shown going up by \$.90 per quarter in each of the next five years.

Street Light

A rate increase of \$0.15 per quarter is proposed for the Street Light utility in 2015. This is a 3.23% increase. The rate study shows a small operating net income and the cash balance is expected to increase each year.

We still haven't received the final bill from Hennepin County for the County Highway 81 street lights. No other large capital outlay is on the horizon after County Highway 81.

Recycling Fund

The residential recycling fee will stay at the 2014 level of \$10.65 per quarter.

Utility Fee Schedule

The proposed utility fee schedule is attached showing several changes in bold type.

Multi-Year Capital Improvement Plan

The capital improvement plan is attached along with justification forms for each project.

Conclusion:

The City Council should discuss the rate studies and give direction regarding changes or additions that should be brought back for further consideration.

QUARTERLY UTILITY BILLING RATES FOR PAST 10 YEARS

EFFECTIVE	WATER	WATER	65+/DISABLED	RESIDENTIAL	65+/DISABLED	COMMERCIAL	STREET LIGHTS	RECYCLING	RESIDENTIAL	SENIORS'	MINIMUM	
	(PER 100 CUFT)	MINIMUM	WATER	SEWER	SEWER	SEWER			STORM	MINIMUM	MINIMUM	BILL
			MINIMUM	FIXED	FIXED	VARIABLE			SEWER	BILL	BILL	(No Water)
2006	\$2.49	\$32.37	\$24.90	\$45.10	\$36.53	\$1.49	\$3.84	\$9.30	\$9.00	\$99.61	\$83.57	\$67.24
2007	\$2.65	\$34.45	\$26.50	\$45.10	\$36.53	\$1.49	\$3.84	\$9.75	\$9.30	\$102.44	\$85.92	\$67.99
2008	\$2.82	\$36.66	\$28.20	\$45.10	\$36.53	\$1.49	\$3.84	\$9.90	\$9.30	\$104.80	\$87.77	\$68.14
2009	\$3.00	\$39.00	\$30.00	\$45.10	\$36.53	\$1.49	\$4.00	\$10.35	\$9.60	\$108.05	\$90.48	\$69.05
2010	\$3.00	\$39.00	\$30.00	\$45.10	\$36.53	\$1.49	\$4.20	\$10.35	\$9.90	\$108.55	\$90.98	\$69.55
2011*	\$2.95 / 3.55	NA	NA	\$46.20	\$37.42	\$1.53	\$4.20	\$10.65	\$9.90	\$77.04	\$68.26	\$70.95
2012**	\$3.94 / 4.75	NA	NA	\$46.20	\$37.42	\$2.04	\$4.20	\$10.65	\$10.20	\$77.34	\$68.56	\$71.25
2013	\$4.05 / 4.85	NA	NA	\$46.80	\$37.91	\$2.07	\$4.35	\$10.65	\$10.80	\$78.39	\$69.50	\$72.60
2014	\$4.30 / 5.10	NA	NA	\$48.60	\$39.37	\$2.15	\$4.65	\$10.65	\$11.70	\$81.99	\$72.76	\$75.60
2015	\$4.50 / 5.30	NA	NA	\$50.00	\$40.50	\$2.21	\$4.80	\$10.65	\$12.60	\$84.44	\$74.94	\$78.05

Sales Tax is 7.275% charged on Commercial Water.

Commercial sewer variable rate is based on water consumption.

Non-residential storm sewer is based on size and use of property.

* 1/01/2011 water conservation rates take effect on this date. Cost per unit increases as water use increases within specified tiers of volume. There is no longer a minimum amount of water billed, but there is a service charge to cover certain fixed costs and the Minnesota Safe Water Testing Fee is passed through to customers.

Service charge based on meter size:

	2013	2014	2015
Meters 1" or less	\$4.60	\$4.75	\$4.80
1 1/2" meters	\$14.70	\$15.15	\$15.30
2" meters	\$18.40	\$18.95	\$19.15
3" meters	\$36.80	\$37.90	\$38.30
4" meters	\$73.60	\$75.80	\$76.60
6" meters	\$147.20	\$151.60	\$153.20
MN Safe Water Testing Fee, per quarter			\$1.59

** Water rates show in units of 1,000 gallons after 12/31/2010.

Utility bills are due on the 20th of the month.

Application for senior discount takes effect when application is filed with the City. Senior sewer discount is \$ 8.57 per qtr.

100 Cubic Feet = 748 Gallons 1 Acre = 43,560 sq ft

\$30 returned check fee, \$113 Access denied fee, \$35 Cert fee

CURRENT & PREVIOUS COMMERCIAL UTILITY BILLING RATES

Effective	WATER	SANITARY	STORM	STREET	STREET
Billings After	(PER 100 CUFT)	SEWER	SEWER	LIGHTS	LIGHTS
		(PER ACRE)	(PER UNIT)	(PER UNIT)	(PER UNIT)
12/31/06	\$2.49	\$1.49	225.00	\$3.84	\$3.84
12/31/07	\$2.65	\$1.49	232.50	\$3.84	\$3.84
12/31/08	\$2.82	\$1.49	232.50	\$3.84	\$3.84
12/31/09	\$3.00	\$1.49	240.00	\$4.00	\$4.00
12/31/10**	\$3.00	\$1.49	247.50	\$4.20	\$4.20
12/31/11	\$2.95 / 3.55	\$1.53	247.50	\$4.20	\$4.20
12/31/12	\$3.94 / 4.75	\$2.04	255.00	\$4.20	\$4.20
12/31/13	\$4.05 / 4.85	\$2.07	270.00	\$4.35	\$4.35
12/31/14	\$4.30 / 5.10	\$2.15	292.50	\$4.65	\$4.65
12/31/15	\$4.50 / 5.30	\$2.21	315.00	\$4.80	\$4.95

City of Crystal 2015 Proposed Fee Schedule - Utility Section

Dept.	Type	JDE Account		2013 Fee	2014 Fee	2015 Fee	Percentage		
		Code	Description				Increase	Comments	
Water	Other	0505.4655	Water charge per 1,000 gallons in tier 1	4.05	4.30	4.50	4.65%	per 1,000 gallons	
Water	Other	0505.4655	Water charge per 1,000 gallons in tier 2	4.45	4.70	4.90	4.26%	per 1,000 gallons	
Water	Other	0505.4655	Water charge per 1,000 gallons in tier 3	4.85	5.10	5.30	3.92%	per 1,000 gallons	
Water	Other	0505.4655	Water charge for water used for irrigation	4.85	5.10	5.30	3.92%	per 1,000 gallons	
Water	Other	0505.4655	Water charge for water used through a hydrant meter	4.85	5.10	5.30	3.92%	per 1,000 gallons	
Water	Other	0505.4655	City owned water fountains will no longer be metered, but will be charged for one unit of water per year. Past experience with metered fountains showed usage of less than one unit per year.	4.05	4.30	4.30	0.00%	per 1,000 gallons	
Water	Other	0505.4655	Emergency Well Surcharge			0.21	#DIV/0!	per 1,000 gallons	
Residential Tier Sizes									
	Tier 1	1,000 gallon units in tier	0 to 30 units						
	Tier 2	1,000 gallon units in tier	31 to 60 units						
	Tier 3	1,000 gallon units in tier	over 60 units						
Commercial / Industrial / Institutional Tier Sizes									
				Meter Size					
				1" or less	1 1/2"	2"	3"	4"	6"
	Tier 1	1,000 gallon units in tier		0 to 30	0 to 90	0 to 120	0 to 240	0 to 480	0 to 960
	Tier 2	1,000 gallon units in tier		31 to 60	91 to 180	121 to 240	241 to 480	481 to 960	961 to 1,920
	Tier 3	1,000 gallon units in tier		over 60	over 180	over 240	over 480	over 960	over 1,920
Water	Other	0505.4655	MN Safe Water Testing Fee	1.59	1.59	1.59	0.00%	per quarter	
Water	Other	0505.4655	Water service charge for meters of 1 inch or less	4.60	4.75	4.80	1.05%	per quarter	
Water	Other	0505.4655	Water service charge for 1 1/2 inch meters	14.70	15.15	15.30	0.99%	per quarter	
Water	Other	0505.4655	Water service charge for 2 inch meters	18.40	18.95	19.15	1.06%	per quarter	
Water	Other	0505.4655	Water service charge for 3 inch meters	36.80	37.90	38.30	1.06%	per quarter	
Water	Other	0505.4655	Water service charge for 4 inch meters	73.60	75.80	76.60	1.06%	per quarter	
Water	Other	0505.4655	Water service charge for 6 inch meters	147.20	151.60	153.20	1.06%	per quarter	

City of Crystal 2015 Proposed Fee Schedule - Utility Section

Dept.	Type	JDE Account		2013 Fee	2014 Fee	2015 Fee	Percentage	
		Code	Description				Increase	Comments
Water	Other	0505.4655	Fire Line - 2"	11.65	12.00	12.12	1.00%	per quarter
Water	Other	0505.4655	Fire Line - 3"	18.31	18.86	19.05	1.01%	per quarter
Water	Other	0505.4655	Fire Line - 4"	26.94	27.75	28.00	0.90%	per quarter
Water	Other	0505.4655	Fire Line - 6"	36.48	37.57	37.90	0.88%	per quarter
Water	Other	0505.4655	Fire Line - 8"	44.95	46.30	46.75	0.97%	per quarter
Water	Other	0505.4655	Fire Line - 10"	54.16	55.78	56.35	1.02%	per quarter
Sewer	Other	0510.4655	Sewer charge - metered, non-residential	2.07	2.15	2.21	2.79%	per 1,000 gallons
Sewer	Other	0510.4655	Sewer charge - metered, non-residential minimum	46.80	48.60	50.00	2.88%	per quarter
Sewer	Other	0510.4655	Sewer charge - non-metered, non-residential minimum	46.80	48.60	50.00	2.88%	per quarter
Sewer	Other	0510.4655	Sewer charge - non-commercial - MAC Airport (1/2 of non-residential minimum)	23.40	24.30	25.00	2.88%	per quarter
Sewer	Other	0510.4655	Sewer charge - school, minimum per classroom	15.12	15.70	16.15	2.87%	per quarter
Sewer	Other	0510.4655	Sewer charge - residential	46.80	48.60	50.00	2.88%	per quarter
Sewer	Other	0510.4695	Sewer - senior/disability discount	8.89	9.23	9.50	2.93%	per quarter
Sewer	Other	0510.4698	Sewer - senior/disability rental rebate	8.89	9.23	9.50	2.93%	per quarter
Sewer	Other	0510.4902	Sewer - failed sump pump inspection	100.00	100.00	100.00	0.00%	per month
Storm	Other	0515.4655	Single-family residential	10.80	11.70	12.60	7.69%	per quarter
Storm	Other	0515.4655	Two-family residential	10.80	11.70	12.60	7.69%	per quarter
Storm	Other	0515.4655	Cemetaries & vacant land, per acre	2.70	2.93	3.15	7.69%	per quarter
Storm	Other	0515.4655	Parks & railroads, per acre	8.10	8.78	9.45	7.69%	per quarter
Storm	Other	0515.4655	Schools, institutional uses & airport, per acre	13.50	14.63	15.75	7.69%	per quarter
Storm	Other	0515.4655	Multi-family residential and churches, per acre	32.40	35.10	37.80	7.69%	per quarter
Storm	Other	0515.4655	Storm drainage - commercial, per acre	270.00	292.50	315.00	7.69%	per quarter
Storm	Other	0515.4655	Storm drainage - commercial, per Residential Equivalency Factor	54.00	58.50	63.00	7.69%	per quarter
St Lights	Other	0520.4655	Street lights - commercial (per business)	4.35	4.65	4.80	3.23%	per quarter
St Lights	Other	0520.4655	Street lights - single-family residential	4.35	4.65	4.80	3.23%	per quarter
St Lights	Other	0520.4655	Street lights - multi-family residential (per unit)	3.26	3.49	3.60	3.15%	per quarter
Recycle	Other	0525.4655	Recycling - single-family residential	10.65	10.65	10.65	0.00%	per quarter

City of Crystal 2015 Proposed Fee Schedule - Utility Section

Dept.	Type	JDE Account		2013 Fee	2014 Fee	2015 Fee	Percentage	
		Code	Description				Increase	Comments
Utility	Other	0505.4902	Access to property denied	113.00	120.00	120.00	0.00%	per incident; maximum of once per quarter
Utility	Other	0505.4955	Administrative charge for certification of delinquent utilities	35.00	35.00	35.00	0.00%	
Utility	Other	0505.4902	Charge for unlawful water use	120.00	123.60	123.60	0.00%	per day
Utility	Permit	0505.4902	Hydrant rental - other	45.00	46.50	46.50	0.00%	
Utility	Other	0505.2210	Hydrant rental - meter deposit	800.00	850.00	850.00	0.00%	deposit against water use charges
Utility	Other	0505.4075	Interest rate for certification of delinquent utilities	12.00%	12.00%	12.00%	0.00%	per year
Utility	Other	0505.4902	Maintain private fire hydrants (operate, flush and paint only)	105.00	110.00	110.00	0.00%	per year - excludes repair costs
Utility	Other	0505.4902	Meter testing - when meter within 2% of accurate	actual cost	actual cost	actual cost	actual cost	based on billing rate for hours worked
Utility	Other	various.4660	Penalty for late payment	10.00%	10.00%	10.00%	0.00%	of amount past due
Utility	Other	0505.4902	Rental property - duplicate bill to occupant	1.00	1.00	1.00	0.00%	added to each quarterly bill
Utility	Other	0505.4902	Rental property - restart duplicate bill	5.00	5.00	5.00	0.00%	once when duplicate billing is restarted
Utility	Other	0505.4902	Rental property - pro-rata bill when occupant changes	15.00	15.00	15.00	0.00%	once at time of billing
Utility	Other	0505.4902	Service fee for water shut off/turn on (for code enforce purposes)	50.00	55.00	55.00	0.00%	per trip: shut off and turn on per hour, \$50 minimum
Utility	Other	0505.4902	Service fee - after hour call					Overtime rate, 2 hour minimum
Utility	Other	0505.4902	Service abandonment fee	actual cost	actual cost	actual cost	actual cost	water service disconnected & plugged
Utility	Other	0505.4902	Alternative service abandonment fee	6,000.00	6,200.00	6,200.00	0.00%	deposit for the city to disconnect service in the future, if needed
Utility	Other	0505.4947	5/8" x 3/4" Sensuswater meter with remote radio transmitter	224.04	235.25	235.25	0.00%	
Utility	Other	0505.4947	5/8" x 3/4" Sensuswater meter without remote radio transmitter	116.15	122.00	122.00	0.00%	
Utility	Other	0505.4947	5/8" or 3/4" Sensuswater registrar head	62.10	65.20	65.20	0.00%	
Utility	Other	0505.4947	3/4" meter horn #2 Ford for Model 25	86.21	112.07	112.07	0.00%	
Utility	Other	0505.4947	3/4" Ford Mpls. Pattern B-22-333M curb stop	54.03	70.24	70.24	0.00%	
Utility	Other	0505.4947	3/4" Mueller #H15010 w/1/8 bend corporation stop	49.75	64.68	64.68	0.00%	
Utility	Other	0505.4947	3/4" tail pieces (pair)	15.00	19.50	19.50	0.00%	
Utility	Other	0505.4947	1" Sensus fire line meter, no remote radio transmitter	187.97	197.40	197.40	0.00%	
Utility	Other	0505.4947	1" Sensus water meter with remote, also for lawn sprinkler meter	296.35	311.20	311.20	0.00%	
Utility	Other	0505.4947	1" meter horn #4 Ford for Model 40	91.97	119.56	119.56	0.00%	
Utility	Other	0505.4947	1" tail pieces (pair)	25.25	32.83	32.83	0.00%	
Utility	Other	0505.4947	1" curb box, Mpls pattern #5614A, tap 1 1/2" at btm curb box	35.63	37.40	37.40	0.00%	
Utility	Other	0505.4947	1" curb box, Mpls pattern #5615, tapped 2" at btm curb box	35.63	37.40	37.40	0.00%	

City of Crystal 2015 Proposed Fee Schedule - Utility Section

Dept.	Type	JDE Account		2013 Fee	2014 Fee	2015 Fee	Percentage	Comments
		Code	Description				Increase	
Utility	Other	0505.4947	1" Ford Mpls Pattern, #B22-444 m curb stop	69.68	90.58	90.58	0.00%	
Utility	Other	0505.4947	1" Mueller #15010, with 1/8 bend corp stop	71.98	93.57	93.57	0.00%	
Utility	Other	0505.4947	1 1/2" Sensus water meter with remote radio trans 13" LL w/conn.	573.43	602.10	602.10	0.00%	
Utility	Other	0505.4947	1 1/2" meter flanges (pair)	36.23	38.04	38.04	0.00%	
Utility	Other	0505.4947	1 1/2" Mueller with 1/8 bend corp stop #15010	168.53	219.09	219.09	0.00%	
Utility	Other	0505.4947	1 1/2" curb box #5631 or Mueller H-10395	233.23	244.89	244.89	0.00%	
Utility	Other	0505.4947	2" Sensus, compound, with remote 17" LL w/conn.	1,552.03	1,629.63	1,629.63	0.00%	
Utility	Other	0505.4947	2" meter flanges (pair)	36.23	38.04	38.04	0.00%	
Utility	Other	0505.4947	2" Sensus turbo with remote radio transmitter, 10" LL w/conn.	1,108.85	1,164.29	1,164.29	0.00%	
Utility	Other	0505.4947	2" curb box complete w/port ring	233.23	244.89	244.89	0.00%	
Utility	Other	0505.4947	2" Mueller 1/8 bend only	122.28	158.96	158.96	0.00%	
Utility	Other	0505.4947	2" Mueller with 1/8 bend corp stop #15010	281.95	366.54	366.54	0.00%	
Utility	Other	0505.4947	2" Mueller #15201 curb stop replaced w/15154 or Ford B22-777	239.39	311.21	311.21	0.00%	
Utility	Other	0505.4947	3" Sensus Compound, remote with remote radio/connection	1,964.91	2,063.16	2,063.16	0.00%	
Utility	Other	0505.4947	3" Sensus turbo with remote radio trans, 12" LL w/connection	1,433.00	1,504.65	1,504.65	0.00%	
Utility	Other	0505.4947	4" Sensus compound, with remote radio trans w/connection	3,321.67	3,487.75	3,487.75	0.00%	
Utility	Other	0505.4947	4" Sensus turbo, with remote radio trans w/connection	2,625.92	2,757.22	2,757.22	0.00%	
Utility	Other	0505.4947	4" meter connection	78.49	82.41	82.41	0.00%	pair
Utility	Other	0505.4947	Curb box lid, slip-on type Western Style 2"	40.46	42.48	42.48	0.00%	
Utility	Other	0505.4947	Curb box lid, #5627 for 2" screw on	23.25	24.41	24.41	0.00%	
Utility	Other	0505.4947	Meter sealing wire (per foot)	1.60	1.68	1.68	0.00%	
Utility	Other	0505.4947	Remote lead in wire (per foot)	0.25	0.25	0.25	0.00%	
Utility	Other	0505.4947	Remote lead in wire (per 1,000 feet)	264.50	264.50	264.50	0.00%	
Utility	Other	0505.4947	Remote lead in wire (per 500 feet)	132.25	132.25	132.25	0.00%	
Utility	Other	0505.4947	Remote radio transmitters for Sensus meters	133.59	140.25	140.25	0.00%	

CITY OF CRYSTAL
SAMPLE QUARTERLY UTILITY BILLS
Water, Sewer, Storm Drainage & Street Light Rates Increase for 2015

Low Residential Bill

	2013	2014	2015
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
Water Rates	4.05/4.85	4.30/5.10	4.50/5.30
Water Units	10	10	10
Water	40.50	43.00	45.00
Emerg Well Surchg			2.10
Sewer	46.80	48.60	50.00
Storm Drainage	10.80	11.70	12.60
Street Lights	4.35	4.65	4.80
HRG Recycling	10.65	10.65	10.65
Service & MN test	6.19	6.34	6.39
Total	<u>119.29</u>	<u>124.94</u>	<u>131.54</u>

% change from prior year 4.74% 5.28%

High Residential Bill

	2013	2014	2015
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
Water Rates	4.05/4.85	4.30/5.10	4.50/5.30
Water Units	60	60	60
Water	255.00	270.00	282.00
Emerg Well Surchg			12.60
Sewer	46.80	48.60	50.00
Storm Drainage	10.80	11.70	12.60
Street Lights	4.35	4.65	4.80
HRG Recycling	10.65	10.65	10.65
Service & MN test	6.19	6.34	6.39
Total	<u>333.79</u>	<u>351.94</u>	<u>379.04</u>

% change from prior year 5.44% 7.70%

Low Senior Bill

	2013	2014	2015
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
Water Units	8.0	8.0	8.0
Water	32.40	34.40	36.00
Emerg Well Surchg			1.68
Sewer	37.91	39.37	40.50
Storm Drainage	10.80	11.70	12.60
Street Lights	4.35	4.65	4.80
HRG Recycling	10.65	10.65	10.65
Service & MN test	6.19	6.34	6.39
Total	<u>102.30</u>	<u>107.11</u>	<u>112.62</u>

% change from prior year 4.70% 5.14%

High Senior Bill

	2013	2014	2015
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
Water Units	30	30	30
Water	121.50	129.00	135.00
Emerg Well Surchg			6.30
Sewer	37.91	39.37	40.50
Storm Drainage	10.80	11.70	12.60
Street Lights	4.35	4.65	4.80
HRG Recycling	10.65	10.65	10.65
Service & MN test	6.19	6.34	6.39
Total	<u>191.40</u>	<u>201.71</u>	<u>216.24</u>

% change from prior year 5.39% 7.20%

Medium Commercial Account
Single 4" Water Meter

	2013	2014	2015
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
Water Units	225	225	225
Water	911.25	967.50	1,012.50
Emerg Well Surchg			47.25
MN Sales Tax	66.07	70.14	73.41
Sewer	465.75	483.75	497.25
Storm Drainage	383.03	414.95	446.87
Street Lights	4.35	4.65	4.80
Service & MN test	75.19	77.39	78.19
Total	<u>1,905.63</u>	<u>2,018.38</u>	<u>2,160.26</u>

% change from prior year 5.92% 7.03%

Large Commercial Account
Single 6" Water Meter

	2013	2014	2015
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
Water Units	3,000	3,000	3,000
Water	13,398.00	14,148.00	14,748.00
Emerg Well Surchg			630.00
MN Sales Tax	971.36	1,025.73	1,069.23
Sewer	6,210.00	6,450.00	6,630.00
Storm Drainage	2,087.72	2,261.70	2,435.68
Street Lights	4.35	4.65	4.80
Service & MN test	148.79	153.19	154.79
Total	<u>22,820.22</u>	<u>24,043.27</u>	<u>25,672.50</u>

% change from prior year 5.36% 6.78%

Water Utility Fund Profile and Budget Summary

The Water Utility provides potable water to residents, businesses, and other customers of the City through approximately 8,400 metered accounts. The Cities of Crystal, Golden Valley, and New Hope established a joint water commission (JWC) in 1963 to provide for the creation and maintenance of a shared water supply, storage, and distribution system through which filtered and softened water purchased from the City of Minneapolis could be supplied to the population of the member cities.

Personnel Expenses

This table illustrates the personnel that are charged to this department in full time equivalents (F.T.E.):

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>
Utilities Superintendent	0.40	0.40	0.40
Maintenance II	2.40	2.40	2.40
Seasonal part-time maintenance	0.13	0.13	0.13
PW administrative assistant	0.24	0.24	0.24
Utility billing specialist	0.40	0.40	0.40
Payroll/utility billing specialist	0.40	0.40	0.40

The Water, Sewer, and Storm Drainage Funds are supported by the same personnel with personnel costs being allocated 40% to Water, 40% to Sewer and 20% to Storm Drainage.

Staff

These personnel are supervised or work in this department, although part of their personnel expenses may be charged to another department in which they also work.

- **Utilities Superintendent (1)**: Supervisory work in directing the activities of three Utilities. This position is responsible for the overall maintenance and operation of the City's Utilities infrastructure, including the operation of the radio read water metering system.
- **Maintenance II (6)**: Maintains high service water pumps & reservoir, watermains, water meters, operates various trucks & equipment and is available to work on-call nights & weekends.
- **Public Works Administrative Assistant (0.6)**: Handles voice, email & mail communications for department prepares data & spreadsheets, copies & files documents and assists in setting up public meetings.
- **Utility Billing Specialist (1)**: Processes utility billing including meter readings, monthly billings, payments, ownership changes, meter changes and annual assessment of delinquent accounts and provides customer service to utility customers.

- Payroll/Utility Billing Specialist (1): Processes bi-weekly payrolls for employees. Acts as the backup to utility billing, scans daily utility payments into billing system, and provides customer service to utility customers.

Funding Sources

The Water Fund is supported by charges for water sales and related water service fees.

2015 Goals and Objectives

- Continue with the development of the emergency backup water supply including drilling 3 new wells and bringing the New Hope well on line.
- Continue with the replacement of control valves on large diameter mains.
- Oversee the construction of the replacement of a portion of the Robbinsdale section of the 36" water pipeline from Minneapolis as part of the Hennepin County reconstruction of County Road 9 (construction scheduled for 2014 – 2016).
- Continue to maintain the existing distribution system and pump station to deliver a reliable and quality domestic water supply to all Crystal consumers.

Budget Highlights

Line Item/Description	Amount	Discussion
6365 / Water charges Joint Water Commission	\$2,306,187	Cost of water purchased from the City of Minneapolis through the JWC (Cities of Crystal, Golden Valley & New Hope)
6370 / Service connection fees	\$50,000	Annual fee of \$6.36 per water connection charged by the MN Dept. of Health for water testing
7412 / Transfer out to General Fund	\$128,955	Cost for employees in the Administration, Engineering & Finance departments who are charged to the General Fund but spend part of their time supporting the Water Fund

Water Rates

Conservation water rates provide for the rate per unit of water to increase as the customer consumes more water.

In 2015, the water charges are scheduled to increase:

	<u>2014</u>	<u>2015</u>
Tier 1 - Retail rate per 1,000 gallons	4.30	4.50
Tier 2 – Retail rate per 1,000 gallons	4.70	4.90
Tier 3 – Retail rate per 1,000 gallons	5.10	5.30

In 2015 there will be a new emergency well surcharge of \$0.21 per 1,000 gallons to pay for Crystal's share of the JWC project to drill three emergency water wells.

**WATER UTILITY RATE STUDY
2015 Requested Budget**

PROFIT & LOSS	2013	2014	2015	2016	2017	2018	2019
REVENUES							
Water usage charges	2,417,565	2,550,000	2,670,000	2,790,000	2,910,000	3,030,000	3,150,000
Fixed service charges	151,964	150,000	150,000	150,000	150,000	150,000	150,000
Emergency well surcharge			126,000	126,000	126,000	126,000	126,000
Penalties	52,053	60,000	54,000	60,000	60,000	60,000	60,000
Special Assessments	69,218	60,000	60,000	60,000	60,000	60,000	60,000
FEMA reimbursemnt	14,293						
JWC reimbursement	16,247	12,000	12,000	12,000	12,000	12,000	12,000
Investment Income	4,429	23,300	15,000	19,534	9,380	537	-10,375
Miscellaneous	54,115	57,000	58,500	59,000	59,000	59,000	59,000
State testing fee billed	49,797	50,000	50,000	50,000	50,000	50,000	50,000
Ownership in Joint Water Comm	211,392	214,935	254,802	463,724	71,279	77,834	29,495
TOTAL REVENUES	3,041,073	3,177,235	3,450,302	3,790,258	3,507,660	3,625,371	3,686,120
EXPENSES							
Salaries & Wages	228,695	235,494	245,206	251,336	257,620	264,060	270,662
Fringe Benefits	83,689	89,084	97,280	102,144	107,251	112,614	118,244
JWC - Operations	1,840,727	1,964,229	1,881,517	2,075,766	2,133,887	2,193,636	2,255,058
JWC - Capital	229,500	358,225	424,670	772,873	118,799	129,723	49,158
JWC 2 cents/1,000 gal. fee	11,517	12,000	12,000	12,000	12,000	12,000	12,000
Professional/Contractual	90,750	97,755	97,336	100,256	103,264	106,362	109,553
Utilities	11,378	4,140	4,400	4,532	4,668	4,808	4,952
Repair & Maintenance	165,382	37,800	61,300	63,139	65,033	66,984	68,994
Supplies	42,227	50,500	52,900	54,487	56,122	57,805	59,539
Communications & Printing	1,460	3,500	3,500	3,605	3,713	3,825	3,939
Insurance & Training	11,398	12,703	14,375	14,806	15,250	15,708	16,179
Depreciation	183,574	183,470	187,691	195,000	200,000	210,000	220,000
Admin. Service Charge	117,472	118,451	128,955	132,179	135,483	138,870	142,342
Internal Loan Interest @2%			12,000	10,800	9,600	8,400	7,200
TOTAL EXPENSES	3,017,769	3,167,351	3,223,130	3,792,923	3,222,690	3,324,795	3,337,820
NET INCOME or -LOSS	23,304	9,884	227,172	-2,666	284,969	300,576	348,300
ENDING FUND BALANCE	7,421,651	7,431,535	7,658,707	7,656,041	7,941,011	8,241,587	8,589,887
CASH FLOW							
Cash & Investments, Beg. of Year	2,163,732	2,156,207	1,389,626	976,687	375,219	17,909	-345,827
Net income	23,304	9,884	227,172	-2,666	284,969	300,576	348,300
Add back Depreciation	183,574	183,470	187,691	195,000	200,000	210,000	220,000
Internal loan		600,000	-60,000	-60,000	-60,000	-60,000	-60,000
Deduct Capital Outlay	123,554	1,345,000	513,000	270,079	711,000	736,478	75,000
Ownership in Joint Water Comm	-211,392	-214,935	-254,802	-463,724	-71,279	-77,834	-29,495
Cash & Investments, End of Year	2,156,207	1,389,626	976,687	375,219	17,909	-345,827	57,978
Retail Rate per 1,000 gallons, Tier 1	4.05	\$4.30	\$4.50	\$4.70	\$4.90	\$5.10	\$5.30
Retail Rate per 1,000 gallons, Tier 2	4.45	\$4.70	\$4.90	\$5.10	\$5.30	\$5.50	\$5.70
Retail Rate per 1,000 gallons, Tier 3	4.85	\$5.10	\$5.30	\$5.50	\$5.70	\$5.90	\$6.10
Rate increase from prior year	2.11%	5.15%	3.92%	3.77%	3.64%	3.51%	3.39%
Emergency well surcharge		\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21
Mpls Rate per 1,000 gallons	\$2.57	\$2.64	\$2.73	\$2.73	\$2.73	\$2.73	\$2.73

Fiscal Period: 7 / 14

Budget Report

Level Of Rollup 6

Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
00505 WATER UTILITY								
4000 REVENUES AND EXPENDITURES								
4001 REVENUES								
4050 TOTAL SPECIAL ASSESSMENTS								
4055 SPECIAL ASSESS - INCOME	5,613	248		162				
4060 SPECIAL ASSESS - DELINQUENT		4,433-		6,121-				
4070 SPECIAL ASSESS - PENALTIES	10,001-	12,660-	8,848-	19,576-	6,926-	12,000-	15,000-	15,000-
4075 SPECIAL ASSESS - INTEREST	53,814-	45,781-	43,684-	43,684-	40,531-	48,000-	45,000-	45,000-
4050 TOTAL SPECIAL ASSESSMENTS	58,202-	62,626-	52,531-	69,218-	47,457-	60,000-	60,000-	60,000-
4300 TOTAL FED INTERGOVERNMENTAL								
4320 FEDERAL - FEMA DISASTER AID				14,293-				
4300 TOTAL FED INTERGOVERNMENTAL				14,293-				
4650 TOTAL CH. FOR SERV -ENTERPRISE								
4655 UTILITY SALES	2,484,167-	2,720,583-	1,448,184-	2,569,529-	1,173,219-	2,910,000-	2,946,000-	2,946,000-
4660 UTILITY PENALTIES	53,047-	57,437-	27,890-	52,053-	29,324-	60,000-	54,000-	54,000-
4665 REIMBURSEMENT -JWC	12,110-	12,344-	10,971-	16,247-	6,225-	12,000-	12,000-	12,000-
4650 TOTAL CH. FOR SERV -ENTERPRISE	2,549,323-	2,790,363-	1,487,045-	2,637,830-	1,208,768-	2,982,000-	3,012,000-	3,012,000-
4800 TOTAL INVESTMENT EARNINGS								
4805 INVESTMENT INCOME	56,953-	40,061-	925	24,253-	15,683-	23,300-	15,000-	15,000-
4880 CHANGE IN F.V. OF INVESTMENTS	14,844-	8,667		19,824				
4800 TOTAL INVESTMENT EARNINGS	71,798-	31,394-	925	4,429-	15,683-	23,300-	15,000-	15,000-
4900 TOTAL MISCELLANEOUS								
4902 MISCELLANEOUS RECEIPTS	10,916-	18,405-	6,667-	11,450-	6,919-	15,000-	12,000-	12,000-
4915 REIMBURSEMENT -OTHER	3,740-							
4946 JWC- \$.02/1000 GAL GEN/ADM FEE	11,512-	12,691-	4,899-	11,517-	4,920-	12,000-	12,000-	12,000-
4947 SALE OF METERS & PARTS	7,518-	4,821-	4,344-	8,574-	7,584-	6,000-	12,000-	12,000-
4948 STATE TESTING FEE BILLED	50,186-	49,531-	29,058-	49,797-	24,838-	50,000-	50,000-	50,000-
4955 CERTIFICATION FEES - UB	24,325-	22,995-		22,575-	35	24,000-	22,500-	22,500-
4900 TOTAL MISCELLANEOUS	108,197-	108,443-	44,968-	103,912-	44,225-	107,000-	108,500-	108,500-
5000 TOTAL OTHER FINANCING SOURCES								
5003 NET INCOME FROM JOINT VENTURE	193,633-	159,919-		211,392-			254,802-	254,802-
5040 GAIN ON DISPOSITION OF ASSETS	7,333-		16,033-	17,100-				
5000 TOTAL OTHER FINANCING SOURCES	200,966-	159,919-	16,033-	228,492-			254,802-	254,802-
4001 REVENUES	2,988,486-	3,152,745-	1,599,652-	3,058,174-	1,316,133-	3,172,300-	3,450,302-	3,450,302-

CITY OF CRYSTAL

Budget Report

R5509BUD CY001V

Fiscal Period: 7 / 14

Level Of Rollup: 6

Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
6001 EXPENDITURES AND EXPENSES								
6003 TOTAL SALARIES AND WAGES								
6010 SALARIES/WAGES-REG EMPLOYEES	195,317	211,305	124,618	218,339	140,090	225,894	235,006	235,006
6015 OVERTIME-REGULAR EMPLOYEES	5,773	5,525	5,281	8,194	9,101	6,400	6,400	6,400
6050 SALARIES/WAGES-TEMP EMPLOYEES	2,141	1,907	1,569	2,140	2,670	3,200	3,800	3,800
6055 OVERTIME-TEMP EMPLOYEES	12	6	22	22	33			
6060 DEMO REIMB FROM EDA/TIF FUNDS	2,198-	399-						
6003 TOTAL SALARIES AND WAGES	201,044	218,343	131,490	228,695	151,893	235,494	245,206	245,206
6100 TOTAL EMPLOYEE BENEFITS								
6105 S SEC / MEDICARE	14,803	15,820	9,463	16,474	11,044	18,015	18,758	18,758
6110 PERA - COORDINATED	14,577	15,100	8,769	15,775	10,816	16,841	18,105	18,105
6140 HEALTH INSURANCE	34,382	33,415	22,531	36,050	27,354	45,169	49,894	49,894
6142 HEALTH SAVINGS ACCOUNTS	1,995	2,650	2,386	3,818	3,655			
6145 DENTAL INSURANCE	361	461	288	461	317	461	461	461
6150 LIFE INSURANCE	78	86	54	87	60	83	88	88
6155 RETIRE HLTH SAVINGS PLAN	2,324	2,380	720	2,766	792	2,584	2,946	2,946
6170 CLOTHING & CLOTHING ALLOW	773	802	551	879	665	900	840	840
6185 WORKERS COMP INSURANCE	4,226	4,722	2,910	5,054	3,939	5,031	6,188	6,188
6188 OPEB ANNUAL ADJUSTMENT	939	2,390		2,325				
6195 COMPENSATED ABSENCES	882	3,695						
6100 TOTAL EMPLOYEE BENEFITS	75,339	81,520	47,673	83,689	58,641	89,084	97,280	97,280
6200 TOTAL PROFESSIONAL SERVICES								
6205 PROFESSIONAL SERVICES	8,663	8,038	5,732	8,842	5,239	12,000	12,000	12,000
6225 BANK CHARGES & CR CARD FEES	4,099	3,736	1,638	4,197	1,451	4,000	4,500	4,500
6200 TOTAL PROFESSIONAL SERVICES	12,762	11,774	7,370	13,039	6,690	16,000	16,500	16,500
6300 TOTAL CONTRACTUAL SERVICES								
6305 CONTRACTUAL SERVICES	2,758	5,178	3,500	8,885	2,485	9,600	9,600	9,600
6320 LOGIS SERVICES	19,068	18,720	10,926	19,569	11,572	20,155	21,236	21,236
6365 WATER CHARGES - JWC	2,107,594	2,258,408	1,184,782	2,070,227	1,106,445	2,322,454	2,306,187	2,306,187
6366 WATER- ADDTL \$.02/1000 GAL-JWC	11,512	12,691	4,899	11,517	4,920	12,000	12,000	12,000
6370 SERVICE CONN FEES - WATER	49,880	50,503	24,317	49,257	24,804	52,000	50,000	50,000
6300 TOTAL CONTRACTUAL SERVICES	2,190,812	2,345,500	1,228,425	2,159,455	1,150,226	2,416,209	2,399,023	2,399,023
6400 TOTAL UTILITIES								
6405 ELECTRIC SERVICE	1,375	1,259	740	1,472	749	1,440	1,600	1,600
6410 GAS SERVICE	1,084	727	678	1,136	1,140	1,200	1,200	1,200

CITY OF CRYSTAL

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Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
6415 RUBBISH REMOVAL	294	349	165	329	80	400	400	400
6420 CITY UTILITY CHARGES	896	1,080	8,145	8,440	14,754	1,100	1,200	1,200
6400 TOTAL UTILITIES	3,648	3,414	9,728	11,378	16,723	4,140	4,400	4,400
6440 TOTAL REPAIR & MAINT SERVICES								
6445 BUILDING R & M SERVICES	1,243	9			379	1,200	1,200	1,200
6450 EQUIPMENT R & M SERVICES	3,457	562	701	1,163	201	1,200	1,200	1,200
6455 VEHICLE R & M SERVICES	1,614	84	237	2,286	319	1,400	1,400	1,400
6466 WATER REPAIR - CONTRACTUAL	94,423	105,071	15,496	158,237		30,000	30,000	30,000
6470 SERVICE CONTRACTS	3,112	3,430	3,308	3,308		3,500	27,000	27,000
6440 TOTAL REPAIR & MAINT SERVICES	103,848	109,157	19,742	164,994	900	37,300	60,800	60,800
6480 TOTAL RENTALS								
6495 RENTALS - MACHINERY & EQUIP	253		388	388		500	500	500
6480 TOTAL RENTALS	253		388	388		500	500	500
6500 TOTAL SUPPLIES								
6505 OPERATING SUPPLIES	4,209	4,903	2,570	4,560	3,075	5,000	5,500	5,500
6525 BLDG REPAIR/MAINT SUPPLIES	85	220	599	599	77	1,000	1,000	1,000
6530 LANDSCAPE MAT'LS & SUPPLIES		634				500	500	500
6535 EQUIP MAINT SUPPLIES	1,056	2,185	689	811	1,315	4,000	4,000	4,000
6540 VEHICLE SUPPLIES	2,452	2,461	1,636	2,731	2,360	2,500	3,000	3,000
6545 MOTOR FUELS	10,314	10,169	4,347	11,542	5,811	10,600	12,000	12,000
6550 STREET MAINTENANCE MATERIALS	8,871	6,838	3,588	5,465	5,962	10,000	10,000	10,000
6555 SAFETY SUPPLIES	406	462	544	544	547	900	900	900
6575 UTILITY SYSTEM MAINT SUPPLIES	16,391	1,635	6,298	15,974	10,482	16,000	16,000	16,000
6500 TOTAL SUPPLIES	43,785	26,235	20,271	42,227	29,628	50,500	52,900	52,900
6600 TOTAL COMMUNICATIONS								
6605 POSTAGE	4,953	1,528				1,500	1,500	1,500
6610 PHONE SERVICES	389	509	382	642	333	700	700	700
6620 DELIVERY CHARGES	11	11				100	100	100
6600 TOTAL COMMUNICATIONS	5,352	2,047	382	642	333	2,300	2,300	2,300
6650 TOTAL PRINTING AND ADVERTISING								
6655 PRINTING - NEWSLETTERS	294	453	544	642	428	600	600	600
6660 PRINTING - NOTICES/ORDINANCES	189		176	176		600	600	600
6650 TOTAL PRINTING AND ADVERTISING	483	453	719	818	428	1,200	1,200	1,200
6700 TOTAL INSURANCE								

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6705 INSURANCE	7,172	7,599	3,683	7,365	2,402	4,803	4,975	4,975
6700 TOTAL INSURANCE	7,172	7,599	3,683	7,365	2,402	4,803	4,975	4,975
6800 TOTAL MISCELLANEOUS								
6810 TRAINING AND TRAVEL	1,640	1,578	606	1,291	1,819	2,000	3,500	3,500
6820 DUES AND SUBSCRIPTIONS	1,736	453	408	408	659	1,000	1,000	1,000
6830 LICENSES, PERMITS AND TAXES	823	269	601	866	231	800	800	800
6840 BOOKS AND PUBLICATIONS	131	78		78	30	100	100	100
6870 BAD DEBT - UB BANKRUPTCIES	4,036	1,366	499	1,390	563	4,000	4,000	4,000
6800 TOTAL MISCELLANEOUS	8,366	3,745	2,114	4,033	3,301	7,900	9,400	9,400
6900 TOTAL CAPITAL OUTLAY								
7000 TOTAL DEPRECIATION								
7005 DEPRECIATION			107,142		107,023			
7011 DEPR-BLDGS & STRUCTURES	3,754	3,754		3,754		3,884	1,656	1,656
7015 DEPR-IMPROVE OTHER THAN BLDGS						850		
7020 DEPR-MACHINERY & EQUIPMENT	110,120	120,026		120,026		120,018	120,018	120,018
7025 DEPR-OFFICE EQUIP & FURNITURE	5,858	5,858		5,858		5,858	14,000	14,000
7030 DEPR-VEHICLES & TRAILERS	7,881	7,881		7,881		4,530	3,618	3,618
7035 DEPR-INFRA-UTILITY SYSTEMS	31,201	35,119		46,055		48,330	48,399	48,399
7000 TOTAL DEPRECIATION	158,814	172,637	107,142	183,574	107,023	183,470	187,691	187,691
7100 TOTAL DEBT SERVICE								
7120 INTEREST EXPENSE							12,000	12,000
7100 TOTAL DEBT SERVICE							12,000	12,000
7180 TOTAL INTERFUND SERVICES USED								
7181 ADMIN SERV CHARGE BY GEN FUND	118,913	112,320	58,736	117,472				
7180 TOTAL INTERFUND SERVICES USED	118,913	112,320	58,736	117,472				
7200 TOTAL OTHER FINANCING USES								
7220 LOSS ON DISPOSITION OF ASSETS				74,887				
7200 TOTAL OTHER FINANCING USES				74,887				
7400 TOTAL TRANSFERS OUT								
7412 TRANSFER OUT-GENERAL FUND					59,226	118,451	128,955	128,955
7400 TOTAL TRANSFERS OUT					59,226	118,451	128,955	128,955
6001 EXPENDITURES AND EXPENSES	2,930,591	3,094,744	1,637,862	3,092,654	1,587,414	3,167,351	3,223,130	3,223,130

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Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
4000 REVENUES AND EXPENDITURES	57,895-	58,001-	38,210	34,481	271,281	4,949-	227,172-	227,172-
00505 WATER UTILITY	57,895-	58,001-	38,210	34,481	271,281	4,949-	227,172-	227,172-

Sewer Utility Fund – 510 Profile and Budget Summary

The Sanitary Sewer Utility manages the collection and pumping of sanitary sewage through a system of sewer lines and lift stations. Sewage is pumped through large interceptor lines to waste treatment plants owned by the Metropolitan Council Environmental Services in St. Paul. Fees paid by the City to the Metropolitan Council Environmental Services for its sewage treatment services exceed 60% of the sewer utility fund's operating budget. The cost of maintaining 87 miles of local sewer lines and 7 lift stations is the rest of the budget.

Personnel Expenses

This table illustrates the personnel that are charged to this department in full time equivalents (F.T.E.):

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>
Utilities Superintendent	0.40	0.40	0.40
Maintenance II	2.40	2.40	2.40
Seasonal part-time maintenance	0.13	0.13	0.13
PW administrative assistant	0.24	0.24	0.24
Utility billing specialist	0.40	0.40	0.40
Payroll/utility billing specialist	0.40	0.40	0.40

The Water, Sewer and Storm Drainage Funds are supported by the same personnel with personnel costs being allocated 40% to Water, 40% to Sewer and 20% to Storm Drainage.

Staff

These personnel are supervised or work in this department, although part of their personnel expenses may be charged to another department in which they also work.

- **Utilities Superintendent (1)**: Supervisory work in directing the activities of the three Utilities. This position is responsible for the overall maintenance and operation of the City's Utilities infrastructure, including the operation of 7 sanitary sewer lift station and a 24 hour computer based monitoring and control system.
- **Maintenance II (6)**: Maintains sanitary sewer lines and forcemains by jetting, root cutting, and general repair work; maintains sewer lift stations and control systems; maintain related heavy equipment and vehicles; be available to work on-call nights and weekends.
- **Public Works Administrative Assistant (0.6)**: Handles voice, email and mail communications for the department, prepares data and spreadsheets, copies and files documents and assists in setting up public meetings.
- **Utility Billing Specialist (1)**: Processes utility billing including meter readings, monthly billings, payments, ownership changes, meter changes and annual assessment of delinquent accounts and provides customer service to utility customers.

- Payroll/Utility Billing Specialist (1): Processes bi-weekly payrolls for employees. Acts as the backup to utility billing, scans daily utility payments into billing system, and provides customer service to utility customers.

Funding Sources

The Sewer Fund is supported by sewer service fees.

2015 Goals and Objectives

- Continue to reduce the amount of infiltration and inflow (I&I) that enters the sanitary sewer collection system including ground water, storm water, and other non-sewage water. This is accomplished by using the cured in place pipe (CIPP) relining process.

Budget Highlights

Line Item/Description	Amount	Discussion
6375 / Sewage disposal charges – Metro Council Environmental Services	\$1,350,000	Sewage treatment fee paid to the Metropolitan Council Environment Services. This is influenced by the MCES operating costs and the amount of infiltration & inflow.
7412 / Transfer out to General Fund	\$128,955	Cost for employees in the Administration, Engineering & Finance departments who are charged to the General Fund but spend part of their time supporting the Sewer Fund

Sewer Rates

The residential sewer rates will increase in 2015 to \$50.00 per quarter, up from the \$48.60 per quarter that is in effect for 2014. Commercial sewer rates will also increase to \$2.21 per unit of water as compared with the \$2.15 per unit of water that is in effect for 2014.

SEWER UTILITY RATE STUDY
2015 Requested Budget with \$300,000 Loan to Water Fund

PROFIT & LOSS	2013	2014	2015	2016	2017	2018	2019
REVENUES							
Billing Revenues	1,904,202	1,960,300	2,017,250	2,080,328	2,142,405	2,204,483	2,266,560
Delinquent Penalties	35,337	37,000	36,000	39,526	40,706	41,885	43,065
Investment Income	9,033	38,000	28,000	42,123	41,752	36,134	22,661
Internal Loan Interest @ 2%			6,000	5,400	4,800	4,200	3,600
Miscellaneous	2,569	6,000	3,600	7,200	7,200	7,200	7,200
TOTAL REVENUES	1,973,327	2,041,300	2,090,850	2,174,577	2,236,862	2,293,902	2,343,085
EXPENSES							
Salaries & Wages	228,695	235,494	245,206	251,336	257,620	264,060	270,662
Fringe Benefits	83,583	89,084	97,280	102,144	107,251	112,614	118,244
MCES Disposal Charges	1,270,154	1,319,193	1,350,000	1,383,750	1,418,344	1,453,802	1,490,147
Professional/Contractual	34,770	32,905	34,016	35,036	36,088	37,170	38,285
Utilities	21,932	21,200	23,600	24,308	25,037	25,788	26,562
Repair & Maintenance	17,650	20,900	20,400	21,012	21,642	22,292	22,960
Supplies	37,728	55,550	58,950	60,719	62,540	64,416	66,349
Communications & Printing	1,433	2,850	2,850	2,936	3,024	3,114	3,208
Insurance & Training	9,253	23,086	29,630	30,519	31,434	32,378	33,349
Depreciation	104,994	108,691	137,086	130,000	140,000	150,000	160,000
Admin. Service Charge	117,472	118,451	128,955	132,179	135,483	138,870	142,342
TOTAL EXPENSES	1,927,664	2,027,404	2,127,973	2,173,938	2,238,463	2,304,505	2,372,109
NET INCOME or -LOSS	45,663	13,896	-37,123	638	-1,601	-10,603	-29,023
ENDING FUND BALANCE	7,487,049	7,500,945	7,463,822	7,464,460	7,462,860	7,452,257	7,423,233
CASH FLOW							
Cash & Investments, Beg. of Year	4,477,742	4,622,938	3,317,525	2,447,378	1,795,569	1,572,969	855,360
Net income	45,663	13,896	-37,123	638	-1,601	-10,603	-29,023
Add back Depreciation	104,994	108,691	137,086	130,000	140,000	150,000	160,000
Deduct Capital Outlay	24,399	1,128,000	1,000,110	812,447	391,000	887,006	360,000
Water Fund internal loan		-300,000	30,000	30,000	30,000	30,000	30,000
Cash & Investments, End of Year	4,622,938	3,317,525	2,447,378	1,795,569	1,572,969	855,360	656,336
Commercial metered rate/1,000 gal	\$2.07	\$2.15	\$2.21	\$2.27	\$2.34	\$2.41	\$2.47
Standard residential rate/quarter	\$46.80	\$48.60	\$50.00	\$51.50	\$53.00	\$54.50	\$56.00
Senior residential rate/quarter	\$37.91	\$39.37	\$40.50	\$41.71	\$42.93	\$44.14	\$45.36
Rate increase from prior year	1.30%	3.86%	2.87%	3.00%	2.91%	2.83%	2.75%

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00510 SEWER UTILITY								
4000 REVENUES AND EXPENDITURES								
4001 REVENUES								
4300 TOTAL FED INTERGOVERNMENTAL								
4320 FEDERAL - FEMA DISASTER AID				5,086-				
4300 TOTAL FED INTERGOVERNMENTAL				5,086-				
4650 TOTAL CH. FOR SERV -ENTERPRISE								
4655 UTILITY SALES	1,931,083-	1,936,762-	1,139,978-	1,955,517-	989,923-	2,012,300-	2,069,250-	2,069,250-
4660 UTILITY PENALTIES	36,371-	35,792-	20,454-	35,337-	21,175-	37,000-	36,000-	36,000-
4695 CREDIT - SR/DISABLED DISCOUNT	47,711	45,208	26,749	45,454	23,223	46,000	46,000	46,000
4698 CREDIT - SENIOR RENTAL REBATE	6,579	7,620	5,827	5,861	7,210	6,000	6,000	6,000
4650 TOTAL CH. FOR SERV -ENTERPRISE	1,913,165-	1,919,725-	1,127,855-	1,939,539-	980,666-	1,997,300-	2,053,250-	2,053,250-
4800 TOTAL INVESTMENT EARNINGS								
4805 INVESTMENT INCOME	90,039-	69,059-	1,893	49,465-	33,483-	38,000-	28,000-	28,000-
4810 INTEREST - INTERNAL FUNDS							6,000-	6,000-
4880 CHANGE IN F.V. OF INVESTMENTS	23,468-	14,941		40,432				
4800 TOTAL INVESTMENT EARNINGS	113,507-	54,118-	1,893	9,033-	33,483-	38,000-	34,000-	34,000-
4900 TOTAL MISCELLANEOUS								
4902 MISCELLANEOUS RECEIPTS	11,558-	3,388-	904-	2,569-	186-	6,000-	3,600-	3,600-
4900 TOTAL MISCELLANEOUS	11,558-	3,388-	904-	2,569-	186-	6,000-	3,600-	3,600-
5000 TOTAL OTHER FINANCING SOURCES								
5040 GAIN ON DISPOSITION OF ASSETS	7,333-		16,033-	17,100-				
5000 TOTAL OTHER FINANCING SOURCES	7,333-		16,033-	17,100-				
4001 REVENUES	2,045,563-	1,977,231-	1,142,900-	1,973,327-	1,014,335-	2,041,300-	2,090,850-	2,090,850-
6001 EXPENDITURES AND EXPENSES								
6003 TOTAL SALARIES AND WAGES								
6010 SALARIES/WAGES-REG EMPLOYEES	195,317	211,305	124,618	218,339	118,602	225,894	235,006	235,006
6015 OVERTIME-REGULAR EMPLOYEES	5,773	5,525	5,281	8,194	8,705	6,400	6,400	6,400
6050 SALARIES/WAGES-TEMP EMPLOYEES	2,141	1,907	1,569	2,140	1,720	3,200	3,800	3,800
6055 OVERTIME-TEMP EMPLOYEES	12	6	22	22	33			
6060 DEMO REIMB FROM EDA/TIF FUNDS	2,198-	399-						
6003 TOTAL SALARIES AND WAGES	201,044	218,343	131,490	228,695	129,060	235,494	245,206	245,206
6100 TOTAL EMPLOYEE BENEFITS								

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6105 S SEC / MEDICARE	14,803	15,820	9,463	16,474	9,387	18,015	18,758	18,758
6110 PERA - COORDINATED	14,577	15,100	8,769	15,775	9,230	16,841	18,105	18,105
6140 HEALTH INSURANCE	34,382	33,570	22,531	36,050	23,209	45,169	49,894	49,894
6142 HEALTH SAVINGS ACCOUNTS	1,995	2,650	2,386	3,818	3,101			
6145 DENTAL INSURANCE	361	461	288	461	269	461	461	461
6150 LIFE INSURANCE	78	86	54	87	51	83	88	88
6155 RETIRE HLTH SAVINGS PLAN	2,324	2,380	720	2,766	672	2,584	2,946	2,946
6170 CLOTHING & CLOTHING ALLOW	773	802	22	773		900	840	840
6185 WORKERS COMP INSURANCE	4,226	4,722	2,910	5,054	3,345	5,031	6,188	6,188
6188 OPEB ANNUAL ADJUSTMENT	939	2,390		2,325				
6195 COMPENSATED ABSENCES	882	3,695						
6100 TOTAL EMPLOYEE BENEFITS	75,339	81,675	47,143	83,583	49,263	89,084	97,280	97,280
6200 TOTAL PROFESSIONAL SERVICES								
6205 PROFESSIONAL SERVICES	2,342	1,729	955	6,057	822	2,400	2,400	2,400
6225 BANK CHARGES & CR CARD FEES	253	444	308	614	519	750	780	780
6200 TOTAL PROFESSIONAL SERVICES	2,595	2,173	1,264	6,671	1,340	3,150	3,180	3,180
6300 TOTAL CONTRACTUAL SERVICES								
6305 CONTRACTUAL SERVICES	2,227	5,178	4,203	8,530	2,485	9,600	9,600	9,600
6320 LOGIS SERVICES	19,068	18,720	10,926	19,569	11,572	20,155	21,236	21,236
6375 SEWAGE DISPOSAL CHARGES - MCES	1,279,669	1,246,377	846,769	1,270,154	879,462	1,319,193	1,350,000	1,350,000
6300 TOTAL CONTRACTUAL SERVICES	1,300,963	1,270,275	861,899	1,298,253	893,519	1,348,948	1,380,836	1,380,836
6400 TOTAL UTILITIES								
6405 ELECTRIC SERVICE	19,912	15,381	10,562	18,930	11,787	18,000	20,000	20,000
6410 GAS SERVICE	1,519	1,076	985	1,649	1,535	1,600	1,700	1,700
6415 RUBBISH REMOVAL	294	349	165	329	80	400	400	400
6420 CITY UTILITY CHARGES	894	1,126	728	1,023	531	1,200	1,500	1,500
6400 TOTAL UTILITIES	22,619	17,932	12,440	21,932	13,932	21,200	23,600	23,600
6440 TOTAL REPAIR & MAINT SERVICES								
6445 BUILDING R & M SERVICES	2,664					1,200	1,200	1,200
6450 EQUIPMENT R & M SERVICES	286	3,518	1,390	1,996	1,228	1,500	1,500	1,500
6455 VEHICLE R & M SERVICES	1,485	65	30	2,079		1,000	1,000	1,000
6460 STREET R & M SERVICES						1,000	1,000	1,000
6467 SEWER REPAIR - CONTRACTUAL	3,767	10,471		300	8,137	10,000	10,000	10,000
6468 LIFT STAT REPAIR - CONTRACTUAL		5,084	522	13,121		5,000	5,000	5,000
6470 SERVICE CONTRACTS	112	224		111		200	200	200
6440 TOTAL REPAIR & MAINT SERVICES	8,314	19,362	1,941	17,607	9,365	19,900	19,900	19,900

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6480 TOTAL RENTALS								
6495 RENTALS - MACHINERY & EQUIP			43	43		1,000	500	500
6480 TOTAL RENTALS			43	43		1,000	500	500
6500 TOTAL SUPPLIES								
6505 OPERATING SUPPLIES	3,622	5,292	1,340	3,281	1,839	6,000	6,000	6,000
6525 BLDG REPAIR/MAINT SUPPLIES	105	167	472	472	68	1,500	1,500	1,500
6530 LANDSCAPE MAT'LS & SUPPLIES						200	200	200
6535 EQUIP MAINT SUPPLIES	3,849	5,379	1,006	1,588	3,670	6,500	6,500	6,500
6540 VEHICLE SUPPLIES	1,053	2,895	971	2,062	806	2,500	2,500	2,500
6545 MOTOR FUELS	10,314	10,169	4,347	11,542	5,742	10,600	12,000	12,000
6550 STREET MAINTENANCE MATERIALS		1,228		274	572	3,000	4,000	4,000
6555 SAFETY SUPPLIES	393	412	524	524	322	750	750	750
6575 UTILITY SYSTEM MAINT SUPPLIES	21,876	13,453	150	11,474	17,771	18,000	18,000	18,000
6580 SEWER LINE REPAIR SUPPLIES						2,500	2,500	2,500
6585 LIFT STATION REPAIR SUPPLIES	1,007	2,904	2,715	6,512	5,579	4,000	5,000	5,000
6500 TOTAL SUPPLIES	42,221	41,900	11,525	37,728	36,368	55,550	58,950	58,950
6600 TOTAL COMMUNICATIONS								
6605 POSTAGE	4,878	1,482				1,500	1,500	1,500
6610 PHONE SERVICES	896	1,016	752	1,433	925	1,100	1,100	1,100
6600 TOTAL COMMUNICATIONS	5,774	2,498	752	1,433	925	2,600	2,600	2,600
6650 TOTAL PRINTING AND ADVERTISING								
6690 ADVERTISING - GENERAL						250	250	250
6650 TOTAL PRINTING AND ADVERTISING						250	250	250
6700 TOTAL INSURANCE								
6705 INSURANCE	7,504	7,377	3,163	6,325	9,218	18,436	23,480	23,480
6700 TOTAL INSURANCE	7,504	7,377	3,163	6,325	9,218	18,436	23,480	23,480
6800 TOTAL MISCELLANEOUS								
6810 TRAINING AND TRAVEL	2,005	1,731	1,240	1,885	2,607	2,000	3,500	3,500
6820 DUES AND SUBSCRIPTIONS	40	370	150	150	96	600	600	600
6830 LICENSES, PERMITS AND TAXES	51	116	23	23	80	150	150	150
6840 BOOKS AND PUBLICATIONS	62	78		78		100	100	100
6870 BAD DEBT - UB BANKRUPTCIES	2,164	1,155	112	792	208	1,800	1,800	1,800
6800 TOTAL MISCELLANEOUS	4,322	3,450	1,525	2,928	2,991	4,650	6,150	6,150

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Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
6900 TOTAL CAPITAL OUTLAY								
6920 MACHINERY AND EQUIPMENT			5,503					
6935 INFRA- UTILITY SYSTEMS					131			
6900 TOTAL CAPITAL OUTLAY			5,503		131			
7000 TOTAL DEPRECIATION								
7005 DEPRECIATION			60,256		63,406			
7011 DEPR-BLDGS & STRUCTURES	3,681	3,681		3,681		3,810	3,677	3,677
7020 DEPR-MACHINERY & EQUIPMENT	20,785	20,168		20,117		18,028	30,204	30,204
7026 DEPR-SOFTWARE							4,000	4,000
7030 DEPR-VEHICLES & TRAILERS	7,880	7,880		7,880		4,530	7,507	7,507
7035 DEPR-INFRA-UTILITY SYSTEMS	107,022	65,663		72,115		82,323	91,698	91,698
7000 TOTAL DEPRECIATION	139,368	97,392	60,256	103,794	63,406	108,691	137,086	137,086
7180 TOTAL INTERFUND SERVICES USED								
7181 ADMIN SERV CHARGE BY GEN FUND	118,913	112,320	58,736	117,472				
7180 TOTAL INTERFUND SERVICES USED	118,913	112,320	58,736	117,472				
7200 TOTAL OTHER FINANCING USES								
7220 LOSS ON DISPOSITION OF ASSETS				1,200				
7200 TOTAL OTHER FINANCING USES				1,200				
7400 TOTAL TRANSFERS OUT								
7412 TRANSFER OUT-GENERAL FUND					59,226	118,451	128,955	128,955
7400 TOTAL TRANSFERS OUT					59,226	118,451	128,955	128,955
6001 EXPENDITURES AND EXPENSES	1,928,975	1,874,699	1,197,679	1,927,664	1,268,743	2,027,404	2,127,973	2,127,973
4000 REVENUES AND EXPENDITURES	116,587-	102,532-	54,779	45,663-	254,408	13,896-	37,123	37,123
00510 SEWER UTILITY	116,587-	102,532-	54,779	45,663-	254,408	13,896-	37,123	37,123

Storm Drainage Utility Fund – 515

Profile and Budget Summary

The Storm Drainage Fund provides for the operation, maintenance, and improvement of the storm drainage system. Federal and State mandates require the City to undertake projects to better handle the runoff from large storms and to improve the quality of water entering local lakes and streams. The City works closely with both the Shingle Creek and Bassett Creek Watershed Management Organizations.

Personnel Expenses

This table illustrates the personnel that are charged to this department in full time equivalents (F.T.E.):

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>
Utilities Superintendent	0.20	0.20	0.20
Maintenance II	1.20	1.20	1.20
Seasonal part-time maintenance	0.57	0.57	0.57
PW administrative assistant	0.12	0.12	0.12
Utility billing specialist	0.20	0.20	0.20
Payroll/utility billing specialist	0.20	0.20	0.20

The Water, Sewer and Storm Drainage Funds are supported by the same personnel with personnel costs being allocated 40% to Water, 40% to Sewer and 20% to Storm Drainage.

Staff

These personnel are supervised or work in this department, although part of their personnel expenses may be charged to another department in which they also work.

- **Utilities Superintendent (1)**: Supervisory work in directing the activities of the three Utilities. This position is responsible for the overall maintenance and operation of the City's Utilities infrastructure, including the operation of the Gaulke Pond stormwater lift station, cleaning water quality manholes, and maintaining the ponds, rain gardens, and collection system throughout the city.
- **Maintenance II (6)**: Maintains lift station, storm drains, inlets, outfalls and road crossings; maintains ponds, rain gardens, and North Branch Bassett Creek; operates and maintains various trucks & equipment and is available to work on-call nights & weekends.
- **Public Works Administrative Assistant (0.6)**: Handles voice, email & mail communications for department prepares data & spreadsheets, copies & files documents and assists in setting up public meetings.
- **Utility Billing Specialist (1)**: Processes utility billing including meter readings, monthly billings, payments, ownership changes, meter changes and annual assessment of delinquent accounts and provides customer service to utility customers.

- Payroll/Utility Billing Specialist (1): Processes bi-weekly payrolls for employees. Acts as the backup to utility billing, scans daily utility payments into billing system, and provides customer service to utility customers.

Funding Sources

The Storm Drainage Fund is supported by storm drainage service fees.

2015 Goals and Objectives

- Completion of the MAC Park 639W water quality channel project.
- Begin the design of the storm drainage collection system upgrades in the Phase 14 North Lions Park Street Reconstruction Project Area, to be built in 2015.

Budget Highlights

Line Item/Description	Amount	Discussion
7412 / Transfer out to General Fund	\$34,700	Cost for employees in the Administration, Engineering & Finance departments who are charged to the General Fund but spend part of their time supporting the Storm Drainage Fund
7430 / Transfer out – Permanent Improvement Revolving Fund	\$68,000	Transfer pays 40% of alley improvement projects since the projects improve drainage of storm water

Storm Drainage Rates

The residential storm drainage rates will increase from the \$11.70 per quarter that is in effect for 2014 to \$12.60 per quarter in 2015. Commercial storm drainage rates will increase from \$292.50 per acre in 2014 to \$315.00 per acre in 2015.

**STORM DRAINAGE UTILITY RATE STUDY
2015 Requested Budget**

PROFIT & LOSS	2013	2014	2015	2016	2017	2018	2019
REVENUES							
Billing Revenues	707,955	760,500	819,000	877,500	936,000	994,500	1,053,000
Delinquent Penalties	9,049	10,400	9,800	10,530	11,232	11,934	12,636
Bassett Creek Watershed	835,000					650,000	
Investment Income	1,269	100	300	6,831	-13,353	-5,748	-17,705
TOTAL REVENUES	1,553,273	771,000	829,100	894,861	933,879	1,650,686	1,047,931
EXPENSES							
Salaries & Wages	121,368	134,147	137,683	140,437	143,245	146,110	149,033
Fringe Benefits	44,160	46,337	50,386	52,905	55,551	58,328	61,244
Professional/Contractual	105,526	34,177	34,718	35,760	36,832	37,937	39,075
Utilities	6,503	6,400	7,020	7,231	7,448	7,671	7,901
Repair & Maintenance	3,794	3,000	4,500	4,635	4,774	4,917	5,065
Storm water pond dredging				75,000		80,000	
Supplies	34,793	17,450	18,750	19,313	19,892	20,489	21,103
Communications & Printing	369	1,250	1,250	1,288	1,326	1,366	1,407
Insurance, Training & Dues	57,023	61,414	64,283	66,211	68,198	70,244	72,351
Depreciation	292,012	276,539	324,570	330,000	340,000	350,000	360,000
Admin. Service Charge	31,610	31,874	34,700	35,394	36,102	36,824	37,560
Transfers to other funds	49,594	63,200	68,000	60,000			
TOTAL EXPENSES	746,752	675,788	745,860	828,173	713,368	813,886	754,740
NET INCOME or -LOSS	806,521	95,212	83,240	66,688	220,512	836,800	293,191
FUND BALANCE - ENDING	8,071,916	8,167,128	8,250,368	8,233,816	8,470,880	9,070,616	8,764,071
CASH FLOW							
Cash & Investments, Beg. of Year	657,240	394,514	616,265	341,541	-534,107	-191,595	-590,171
Net income	806,521	95,212	83,240	66,688	220,512	836,800	293,191
Add back Depreciation	292,012	276,539	324,570	330,000	340,000	350,000	360,000
Deduct Capital Outlay	1,200,038	150,000	682,534	1,272,336	218,000	1,585,376	0
Cash & Investments, End of Year	394,514	616,265	341,541	-534,107	-191,595	-590,171	63,020
Commercial & multi-residential rate per acre per quarter	\$270.00	\$292.50	\$315.00	\$337.50	\$360.00	\$382.50	\$405.00
Standard residential rate/quarter	\$10.80	\$11.70	\$12.60	\$13.50	\$14.40	\$15.30	\$16.20
Rate increase from prior year	5.88%	8.33%	7.69%	7.14%	6.67%	6.25%	5.88%

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00515 STORM DRAINAGE UTILITY								
4000 REVENUES AND EXPENDITURES								
4001 REVENUES								
4300 TOTAL FED INTERGOVERNMENTAL								
4320 FEDERAL - FEMA DISASTER AID				2,642-				
4300 TOTAL FED INTERGOVERNMENTAL				2,642-				
4345 TOTAL STATE INTERGOVERNMENTAL								
4347 STATE - MISCELLANEOUS	347,404-							
4345 TOTAL STATE INTERGOVERNMENTAL	347,404-							
4390 TOTAL OTHER INTERGOVERNMENTAL								
4393 LOCAL - MISCELLANEOUS		1,695-						
4390 TOTAL OTHER INTERGOVERNMENTAL		1,695-						
4650 TOTAL CH. FOR SERV -ENTERPRISE								
4655 UTILITY SALES	644,038-	667,073-	413,519-	707,955-	375,890-	760,500-	819,000-	819,000-
4660 UTILITY PENALTIES	8,971-	9,193-	5,212-	9,049-	5,958-	10,400-	9,800-	9,800-
4650 TOTAL CH. FOR SERV -ENTERPRISE	653,009-	676,265-	418,730-	717,005-	381,847-	770,900-	828,800-	828,800-
4800 TOTAL INVESTMENT EARNINGS								
4805 INVESTMENT INCOME	29,385-	18,139-	250	6,951-	3,471-	100-	300-	300-
4880 CHANGE IN F.V. OF INVESTMENTS	7,659-	3,924		5,682				
4800 TOTAL INVESTMENT EARNINGS	37,044-	14,215-	250	1,269-	3,471-	100-	300-	300-
4900 TOTAL MISCELLANEOUS								
4902 MISCELLANEOUS RECEIPTS	3,752-	1,354-		5,240-				
4900 TOTAL MISCELLANEOUS	3,752-	1,354-		5,240-				
5000 TOTAL OTHER FINANCING SOURCES								
5040 GAIN ON DISPOSITION OF ASSETS	7,333-	1,404-	16,033-	17,100-				
5000 TOTAL OTHER FINANCING SOURCES	7,333-	1,404-	16,033-	17,100-				
5095 TOTAL CAPITAL CONTRIBUTIONS								
5096 CAPITAL CONTRIBUTIONS	590,656-	251,239-		1,550,646-	11,612-			
5095 TOTAL CAPITAL CONTRIBUTIONS	590,656-	251,239-		1,550,646-	11,612-			
4001 REVENUES	1,639,199-	946,173-	434,514-	2,293,902-	396,931-	771,000-	829,100-	829,100-
6001 EXPENDITURES AND EXPENSES								

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6003 TOTAL SALARIES AND WAGES								
6010 SALARIES/WAGES-REG EMPLOYEES	97,658	105,652	62,309	109,170	59,301	112,947	117,503	117,503
6015 OVERTIME-REGULAR EMPLOYEES	2,887	2,762	2,641	4,097	4,352	3,200	3,200	3,200
6050 SALARIES/WAGES-TEMP EMPLOYEES	3,878	7,028	5,860	8,090	5,540	18,000	16,980	16,980
6055 OVERTIME-TEMP EMPLOYEES	94	3	11	11	17			
6060 DEMO REIMB FROM EDA/TIF FUNDS	1,099	199						
6003 TOTAL SALARIES AND WAGES	103,418	115,246	70,821	121,368	69,210	134,147	137,683	137,683
6100 TOTAL EMPLOYEE BENEFITS								
6105 S SEC / MEDICARE	7,623	8,375	5,120	8,774	5,052	10,262	10,533	10,533
6110 PERA - COORDINATED	7,288	7,550	4,385	7,888	4,615	8,421	9,053	9,053
6140 HEALTH INSURANCE	17,191	16,785	11,266	18,025	11,605	22,585	24,947	24,947
6142 HEALTH SAVINGS ACCOUNTS	956	1,325	1,193	1,909	1,551			
6145 DENTAL INSURANCE	222	230	144	230	134	230	230	230
6150 LIFE INSURANCE	39	43	27	43	25	42	44	44
6155 RETIRE HLTH SAVINGS PLAN	1,162	1,190	360	1,383	336	1,292	1,473	1,473
6170 CLOTHING & CLOTHING ALLOW	386	401	11	387	111	450	420	420
6185 WORKERS COMP INSURANCE	2,126	2,541	1,625	2,762	1,841	3,055	3,686	3,686
6188 OPEB ANNUAL ADJUSTMENT	469	1,194		1,163				
6190 UNEMPLOYMENT INSURANCE				1,596	428			
6195 COMPENSATED ABSENCES	441	1,847						
6100 TOTAL EMPLOYEE BENEFITS	37,904	41,481	24,130	44,160	25,698	46,337	50,386	50,386
6200 TOTAL PROFESSIONAL SERVICES								
6205 PROFESSIONAL SERVICES	43,900	3,215	2,801	6,197	1,178	15,000	15,000	15,000
6225 BANK CHARGES & CR CARD FEES	126	222	154	307	259	300	300	300
6200 TOTAL PROFESSIONAL SERVICES	44,027	3,437	2,955	6,504	1,437	15,300	15,300	15,300
6300 TOTAL CONTRACTUAL SERVICES								
6305 CONTRACTUAL SERVICES	81,261	170,756	1,830	89,238	2,668	4,800	4,800	4,800
6315 TREE TRIM / REMOVAL SERVICES						4,000	4,000	4,000
6320 LOGIS SERVICES	9,534	9,360	5,463	9,784	5,785	10,077	10,618	10,618
6300 TOTAL CONTRACTUAL SERVICES	90,795	180,116	7,293	99,022	8,453	18,877	19,418	19,418
6400 TOTAL UTILITIES								
6405 ELECTRIC SERVICE	6,015	4,152	3,522	5,151	4,459	5,000	5,400	5,400
6410 GAS SERVICE	542	363	339	568	570	600	600	600
6415 RUBBISH REMOVAL	147	174	82	273	40	200	300	300
6420 CITY UTILITY CHARGES	447	563	364	512	265	600	720	720
6400 TOTAL UTILITIES	7,151	5,253	4,307	6,503	5,334	6,400	7,020	7,020

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Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
6440 TOTAL REPAIR & MAINT SERVICES						500	500	500
6445 BUILDING R & M SERVICES	756					500	500	500
6450 EQUIPMENT R & M SERVICES		64	590	893	80	500	500	500
6455 VEHICLE R & M SERVICES	742			508		200	200	200
6460 STREET R & M SERVICES		252				500	500	500
6465 UTILITY SYSTEMS R & M SERVICES	4,475	60,841	1,278	1,532	688		1,500	1,500
6470 SERVICE CONTRACTS	224	186	223	445	111	300	300	300
6440 TOTAL REPAIR & MAINT SERVICES	6,197	61,343	2,090	3,378	879	2,000	3,500	3,500
6480 TOTAL RENTALS								
6495 RENTALS - MACHINERY & EQUIP	2,371		21	416		1,000	1,000	1,000
6480 TOTAL RENTALS	2,371		21	416		1,000	1,000	1,000
6500 TOTAL SUPPLIES								
6505 OPERATING SUPPLIES	1,877	1,778	993	1,402	930	3,000	3,000	3,000
6525 BLDG REPAIR/MAINT SUPPLIES	19	68	240	240		600	600	600
6530 LANDSCAPE MAT'L S & SUPPLIES	4,593	44,811	545	20,626	408	500	1,000	1,000
6535 EQUIP MAINT SUPPLIES	429	481	282	282	115	750	750	750
6540 VEHICLE SUPPLIES	359	480	216	224	359	1,000	600	600
6545 MOTOR FUELS	5,157	5,084	2,173	5,771	2,927	5,300	6,000	6,000
6550 STREET MAINTENANCE MATERIALS		316			1,531	1,000	1,500	1,500
6555 SAFETY SUPPLIES	197	206	262	262	134	300	300	300
6575 UTILITY SYSTEM MAINT SUPPLIES	6,046	899	6,343	5,985		4,000	4,000	4,000
6585 LIFT STATION REPAIR SUPPLIES		447			1,086	1,000	1,000	1,000
6500 TOTAL SUPPLIES	18,677	54,569	11,055	34,793	7,491	17,450	18,750	18,750
6600 TOTAL COMMUNICATIONS								
6605 POSTAGE	2,439	741				750	750	750
6610 PHONE SERVICES	194	247	187	314	164	300	300	300
6600 TOTAL COMMUNICATIONS	2,633	988	187	314	164	1,050	1,050	1,050
6650 TOTAL PRINTING AND ADVERTISING								
6660 PRINTING - NOTICES/ORDINANCES	46	229	55	55	53	200	200	200
6650 TOTAL PRINTING AND ADVERTISING	46	229	55	55	53	200	200	200
6700 TOTAL INSURANCE								
6705 INSURANCE	3,670	4,035	1,587	3,174	1,032	2,064	1,433	1,433
6700 TOTAL INSURANCE	3,670	4,035	1,587	3,174	1,032	2,064	1,433	1,433

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6800 TOTAL MISCELLANEOUS			300	300	1,294	300	1,800	1,800
6810 TRAINING AND TRAVEL	238	362						
6820 DUES AND SUBSCRIPTIONS	53,165	52,926	52,260	53,225	50,989	58,000	60,000	60,000
6830 LICENSES, PERMITS AND TAXES	120	420	620	120	136	500	500	500
6840 BOOKS AND PUBLICATIONS	31	39		39		100	100	100
6870 BAD DEBT - UB BANKRUPTCIES	989	250	14	165	48	450	450	450
6800 TOTAL MISCELLANEOUS	54,543	53,997	53,194	53,849	52,467	59,350	62,850	62,850
6900 TOTAL CAPITAL OUTLAY								
6920 MACHINERY AND EQUIPMENT			171,975					
6930 VEHICLES & TRAILERS			25,773					
6900 TOTAL CAPITAL OUTLAY			197,748					
7000 TOTAL DEPRECIATION								
7005 DEPRECIATION			150,696		161,315			
7011 DEPR-BLDGS & STRUCTURES	381	381		381		444	377	377
7020 DEPR-MACHINERY & EQUIPMENT	8,272	16,973		26,952		29,216	32,225	32,225
7030 DEPR-VEHICLES & TRAILERS	10,147	10,147		12,653		11,602	10,810	10,810
7035 DEPR-INFRA-UTILITY SYSTEMS	178,141	199,611		252,026		235,277	281,158	281,158
7000 TOTAL DEPRECIATION	196,941	227,112	150,696	292,012	161,315	276,539	324,570	324,570
7180 TOTAL INTERFUND SERVICES USED								
7181 ADMIN SERV CHARGE BY GEN FUND	31,998	30,224	15,805	31,610				
7180 TOTAL INTERFUND SERVICES USED	31,998	30,224	15,805	31,610				
7200 TOTAL OTHER FINANCING USES								
7220 LOSS ON DISPOSITION OF ASSETS		4,866		63,213				
7200 TOTAL OTHER FINANCING USES		4,866		63,213				
7400 TOTAL TRANSFERS OUT								
7412 TRANSFER OUT-GENERAL FUND					15,937	31,874	34,700	34,700
7425 TRANSFER OUT- EDA (ADMIN)	105,000							
7430 TRANSFER OUT- PIR FUND	35,203	73,659		49,594		63,200	68,000	68,000
7400 TOTAL TRANSFERS OUT	140,203	73,659		49,594	15,937	95,074	102,700	102,700
6001 EXPENDITURES AND EXPENSES	740,574	856,556	541,944	809,966	349,471	675,788	745,860	745,860
4000 REVENUES AND EXPENDITURES	898,625-	89,617-	107,431	1,483,936-	47,460-	95,212-	83,240-	83,240-

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00515 STORM DRAINAGE UTILITY	898,625-	89,617-	107,431	1,483,936-	47,460-	95,212-	83,240-	83,240-

Street Light Utility Fund - 520

Profile and Budget Summary

Personnel Expenses and Staff

The Street Light Utility is managed from the Engineering Department. There are no personnel expenses charged to the Utility.

Functions and Products

This fund accounts for the operation, maintenance, and improvement of the City's street lights. Light is provided to 93 miles of city streets and 12 miles of county streets by approximately 860 street lights. The standard local and county road "cobra head" wood pole mounted lights are installed and maintained by Xcel Energy. These lights are billed at a flat monthly rate based on wattage of the light.

The Utility also installs and maintains the City's decorative street lights. These lights are located along Bass Lake Road and West Broadway in all directions from the intersection of those two streets. Additional decorative lights are located on the Highway 100 pedestrian bridge, and most recently along the County Road 81 corridor, including the "backage" road by the new medical center. These lights are metered at individual control cabinets, and are maintained by a combination of Public Works forces and contract services.

Funding Sources

The Street Light Fund is funded by street light service fees billed to all properties in the city.

2015 Goals and Objectives

- Service and maintain street light system.
- Continue to review and act on requests for additional lights at various locations around the city.
- Continue to investigate new lighting methods and products to ultimately reduce energy costs and related greenhouse gas emissions.

Budget Highlights

Line Item/Description	Amount	Discussion
6405 / Electric service	\$120,000	Charges paid to Xcel Energy for electricity to power the street lights
7412 / Transfer out to General Fund	\$9,803	Cost for employees in the Administration, Engineering & Finance departments who are charged to the General Fund but spend part of their time supporting the Street Light Fund

Street Light Rates

The 2014 Street Light rate of \$4.65 per quarter rate will increase to \$4.80 per quarter in 2015.

STREET LIGHT UTILITY RATE STUDY
2015 Requested Budget with \$300,000 loan to Water Fund

PROFIT & LOSS	2013	2014	2015	2016	2017	2018	2019
REVENUES							
Billing Revenues	165,961	176,700	182,400	188,100	193,800	199,500	205,200
Delinquent Penalties	3,054	3,350	3,300	3,574	3,682	3,791	3,899
Investment Income	1,365	5,800	3,600	6,172	9,394	13,287	17,920
Internal loan interest			6,000	5,400	4,800	4,200	3,600
TOTAL REVENUES	241,787	185,850	195,300	203,246	211,677	220,778	230,619
EXPENSES							
Utilities	124,636	132,000	120,000	123,600	127,308	131,127	135,061
Repair & Maintenance	69,851	6,000	6,000	6,180	6,365	6,556	6,753
Supplies	10,593	13,000	13,000	13,390	13,792	14,205	14,632
Insurance & Miscellaneous	8,708	10,920	9,459	9,743	10,035	10,336	10,646
Depreciation	30,061	30,870	33,217	34,000	34,000	34,000	34,000
Admin. Service Charge	8,930	9,005	9,803	10,097	10,400	10,712	11,033
TOTAL EXPENSES	309,396	201,795	191,479	197,010	201,900	206,937	212,125
NET INCOME or -LOSS	-67,609	-15,945	3,821	6,236	9,776	13,841	18,494
ENDING FUND BALANCE	1,152,693	1,136,748	1,140,569	1,146,805	1,156,582	1,170,423	1,188,916
CASH FLOW							
Cash & Investments, Beg. of Year	683,772	653,523	356,448	411,486	469,722	531,499	597,340
Net income	-67,609	-15,945	3,821	6,236	9,776	13,841	18,494
Add back Depreciation	30,061	30,870	33,217	34,000	34,000	34,000	34,000
Deduct Capital Outlay	51,096	12,000	12,000	12,000	12,000	12,000	12,000
Water Fund internal loan		-300,000	30,000	30,000	30,000	30,000	30,000
Cash & Investments, End of Year	653,523	356,448	411,486	469,722	531,499	597,340	667,833
Commercial per quarter	\$4.35	\$4.65	\$4.80	\$4.95	\$5.10	\$5.25	\$5.40
Multi residential rate per quarter	\$3.26	\$3.49	\$3.60	\$3.71	\$3.83	\$3.94	\$4.05
Residential rate per quarter	\$4.35	\$4.65	\$4.80	\$4.95	\$5.10	\$5.25	\$5.40
Rate increase from prior year	3.57%	6.90%	3.23%	3.13%	3.03%	2.94%	2.86%

Budget Report

Fiscal Period: 7 / 14

Level Of Rollup 6

Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
00520 STREET LIGHTS UTILITY								
4000 REVENUES AND EXPENDITURES								
4001 REVENUES								
4650 TOTAL CH. FOR SERV -ENTERPRISE								
4655 UTILITY SALES	159,609-	159,170-	95,973-	165,961-	103,203-	176,700-	182,400-	182,400-
4660 UTILITY PENALTIES	3,114-	2,948-	1,696-	3,054-	1,798-	3,350-	3,300-	3,300-
4650 TOTAL CH. FOR SERV -ENTERPRISE	162,722-	162,119-	97,669-	169,015-	105,001-	180,050-	185,700-	185,700-
4800 TOTAL INVESTMENT EARNINGS								
4805 INVESTMENT INCOME	13,115-	10,737-	290	7,473-	4,570-	5,800-	3,600-	3,600-
4810 INTEREST - INTERNAL FUNDS							6,000-	6,000-
4880 CHANGE IN F.V. OF INVESTMENTS	3,418-	2,323		6,108				
4800 TOTAL INVESTMENT EARNINGS	16,533-	8,414-	290	1,365-	4,570-	5,800-	9,600-	9,600-
4900 TOTAL MISCELLANEOUS								
4915 REIMBURSEMENT -OTHER	290-	374-		182-				
4900 TOTAL MISCELLANEOUS	290-	374-		182-				
5000 TOTAL OTHER FINANCING SOURCES								
5095 TOTAL CAPITAL CONTRIBUTIONS								
5096 CAPITAL CONTRIBUTIONS				71,226-				
5095 TOTAL CAPITAL CONTRIBUTIONS				71,226-				
4001 REVENUES	179,545-	170,907-	97,379-	241,787-	109,571-	185,850-	195,300-	195,300-
6001 EXPENDITURES AND EXPENSES								
6400 TOTAL UTILITIES								
6405 ELECTRIC SERVICE	131,207	124,619	70,119	124,636	56,632	132,000	120,000	120,000
6400 TOTAL UTILITIES	131,207	124,619	70,119	124,636	56,632	132,000	120,000	120,000
6440 TOTAL REPAIR & MAINT SERVICES								
6450 EQUIPMENT R & M SERVICES	17,035	2,276	993	69,785	2,762	6,000	6,000	6,000
6440 TOTAL REPAIR & MAINT SERVICES	17,035	2,276	993	69,785	2,762	6,000	6,000	6,000
6500 TOTAL SUPPLIES								
6505 OPERATING SUPPLIES	978	497				1,000	1,000	1,000
6535 EQUIP MAINT SUPPLIES		9,028	10,593	10,593	9,700	12,000	12,000	12,000
6500 TOTAL SUPPLIES	978	9,525	10,593	10,593	9,700	13,000	13,000	13,000

CITY OF CRYSTAL

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Budget Report

R5509BUD CY001V

Fiscal Period: 7 / 14

Level Of Rollup 6

Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
6700 TOTAL INSURANCE								
6705 INSURANCE	3,412	3,321	7,045	8,708	5,400	10,800	9,339	9,339
6700 TOTAL INSURANCE	3,412	3,321	7,045	8,708	5,400	10,800	9,339	9,339
6800 TOTAL MISCELLANEOUS								
6830 LICENSES, PERMITS AND TAXES	265							
6870 BAD DEBT - UB BANKRUPTCIES	130	105	5	67	19	120	120	120
6800 TOTAL MISCELLANEOUS	395	105	5	67	19	120	120	120
6900 TOTAL CAPITAL OUTLAY								
6936 INFRA- TRAFFIC & TRANSPORT SYS			18,953					
6900 TOTAL CAPITAL OUTLAY			18,953					
7000 TOTAL DEPRECIATION								
7005 DEPRECIATION			18,011		18,011			
7015 DEPR-IMPROVE OTHER THAN BLDGS	843	843		843		843	843	843
7036 DEPR-INFRA-TRAFFIC & TRANS SYS	24,081	24,081		29,217		30,027	32,374	32,374
7000 TOTAL DEPRECIATION	24,924	24,924	18,011	30,061	18,011	30,870	33,217	33,217
7180 TOTAL INTERFUND SERVICES USED								
7181 ADMIN SERV CHARGE BY GEN FUND	9,040	8,539	4,465	8,930				
7180 TOTAL INTERFUND SERVICES USED	9,040	8,539	4,465	8,930				
7200 TOTAL OTHER FINANCING USES								
7220 LOSS ON DISPOSITION OF ASSETS				56,617				
7200 TOTAL OTHER FINANCING USES				56,617				
7400 TOTAL TRANSFERS OUT								
7412 TRANSFER OUT-GENERAL FUND					4,503	9,005	9,803	9,803
7400 TOTAL TRANSFERS OUT					4,503	9,005	9,803	9,803
6001 EXPENDITURES AND EXPENSES	186,990	173,308	130,183	309,396	97,027	201,795	191,479	191,479
4000 REVENUES AND EXPENDITURES	7,446	2,402	32,804	67,609	12,544	15,945	3,821	3,821
00520 STREET LIGHTS UTILITY	7,446	2,402	32,804	67,609	12,544	15,945	3,821	3,821

Recycling Utility Fund Profile and Budget Summary

This fund accounts for the provision of the City's recycling services to Crystal residents. The service is provided through a cooperative agreement known as the Hennepin Recycling Group (HRG) with the cities of Brooklyn Center, Brooklyn Park, and New Hope. Curbside pickup of recyclable materials is made every other week. There is also a curbside cleanup day held every other year in which larger items such as furniture, appliances, lumber and scrap metal are accepted.

The City of Crystal has served as the fiscal agent for the HRG for several years. This means we provide accounting services for the HRG. Recycling fees collected from Crystal residents were simply deposited in the HRG. The HRG was left out of Crystal's budget and annual financial statement because it would be misleading to include it when so much of the operations are outside of Crystal.

The Recycling Utility Fund accounts for the services that are provided to and paid for by Crystal residents.

Personnel Expenses

No personnel are charged to the Recycling Fund.

Funding Sources

The Recycling Fund is supported by recycling service fees.

Budget Highlights

Line Item/Description	Amount	Discussion
6353 / Recycling charges	\$328,020	Charges paid to the Hennepin Recycling Group for payment to recycling contractors hired by the HRG.
7412 / Transfer out to General Fund	\$5,800	Cost for employees in the Administration, Engineering & Finance departments who are charged to the General Fund but spend part of their time supporting the Recycling Fund

Recycling Rates

The residential recycling fee will remain at \$10.65 per quarter in 2015, the same that it was in 2013 and 2014. Rates the City pays to the HRG will increase from \$10.50 in 2014 to \$10.65 in 2015. Enough income is received from investment income and delinquent penalties to cover administrative expenses of the Recycling Fund. Therefore it is possible to charge residents the same fee that HRG charges the City.

**RECYCLING UTILITY RATE STUDY
2015 Requested Budget**

PROFIT & LOSS	2013	2014	2015	2016	2017	2018	2019
REVENUES							
Billing Revenues	328,020	332,152	328,020	332,640	337,260	341,880	346,500
Delinquent Penalties	6,000	6,600	6,560	6,653	6,745	6,838	6,930
Investment Income	600	600	750	1,476	1,877	2,297	2,350
TOTAL REVENUES	334,620	339,352	335,330	340,768	345,882	351,015	355,780
EXPENSES							
Professional/Contractual	323,400	327,474	328,020	332,640	337,260	341,880	346,500
Insurance & Training	413	394	421	434	447	460	474
Admin. Service Charges	5,284	5,328	5,800	5,974	6,153	6,338	6,528
TOTAL EXPENSES	329,097	333,196	334,241	339,048	343,860	348,678	353,502
NET INCOME	5,523	6,156	1,089	1,721	2,022	2,337	2,278
ENDING BALANCE	153,749	159,905	160,994	162,715	164,737	167,074	169,353
CASH FLOW							
Cash & Investments, Beg. of Year	86,223	91,123	97,279	98,368	100,089	102,111	104,448
Net income	5,523	6,156	1,089	1,721	2,022	2,337	2,278
Cash & Investments, End of Year	91,123	97,279	98,368	100,089	102,111	104,448	106,727
HRG Rate to City - quarterly	\$10.50	\$10.50	\$10.65	\$10.80	\$10.95	\$11.10	\$11.25
Residential rate - quarterly	\$10.65	\$10.65	\$10.65	\$10.80	\$10.95	\$11.10	\$11.25
Rate increase from prior year	0.00%	0.00%	0.00%	1.41%	1.39%	1.37%	1.35%

Budget Report

Fiscal Period: 7 / 14

Level Of Rollup 6

Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
00525 RECYCLING UTILITY								
4000 REVENUES AND EXPENDITURES								
4001 REVENUES								
4650 TOTAL CH. FOR SERV -ENTERPRISE								
4655 UTILITY SALES	327,591-	328,522-	191,104-	327,405-	162,942-	332,152-	328,020-	328,020-
4660 UTILITY PENALTIES	7,064-	6,692-	3,833-	6,757-	3,880-	6,600-	6,560-	6,560-
4650 TOTAL CH. FOR SERV -ENTERPRISE	334,655-	335,214-	194,937-	334,163-	166,822-	338,752-	334,580-	334,580-
4800 TOTAL INVESTMENT EARNINGS								
4805 INVESTMENT INCOME	1,055-	954-	31	797-	565-	600-	750-	750-
4880 CHANGE IN F.V. OF INVESTMENTS	275-	206		652				
4800 TOTAL INVESTMENT EARNINGS	1,331-	747-	31	146-	565-	600-	750-	750-
5100 TOTAL TRANSFERS IN								
4001 REVENUES	335,986-	335,961-	194,906-	334,308-	167,387-	339,352-	335,330-	335,330-
6001 EXPENDITURES AND EXPENSES								
6300 TOTAL CONTRACTUAL SERVICES								
6353 RECYCLING CHARGES	326,172	323,652	188,748	323,568	188,944	327,474	328,020	328,020
6300 TOTAL CONTRACTUAL SERVICES	326,172	323,652	188,748	323,568	188,944	327,474	328,020	328,020
6700 TOTAL INSURANCE								
6705 INSURANCE	154	172	57	113	77	154	181	181
6700 TOTAL INSURANCE	154	172	57	113	77	154	181	181
6800 TOTAL MISCELLANEOUS								
6870 BAD DEBT - UB BANKRUPTCIES	243	230	13	166	47	240	240	240
6800 TOTAL MISCELLANEOUS	243	230	13	166	47	240	240	240
7180 TOTAL INTERFUND SERVICES USED								
7181 ADMIN SERV CHARGE BY GEN FUND	5,349	5,052	2,642	5,284				
7180 TOTAL INTERFUND SERVICES USED	5,349	5,052	2,642	5,284				
7400 TOTAL TRANSFERS OUT								
7412 TRANSFER OUT-GENERAL FUND					2,664	5,328	5,800	5,800
7400 TOTAL TRANSFERS OUT					2,664	5,328	5,800	5,800
6001 EXPENDITURES AND EXPENSES	331,918	329,106	191,459	329,131	191,732	333,196	334,241	334,241

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CITY OF CRYSTAL

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Budget Report

Fiscal Period: 7 / 14

Level Of Rollup 6

Object Code / Description	2011 Actual Amount	2012 Actual Amount	7/31/2013 Prior YTD Actual	2013 Actual Amount	7/31/2014 YTD Actual	2014 Final Budget	2015 Requested Budget	2015 Approved Budget
4000 REVENUES AND EXPENDITURES	4,067-	6,855-	3,446-	5,177-	24,345	6,156-	1,089-	1,089-
00525 RECYCLING UTILITY	4,067-	6,855-	3,446-	5,177-	24,345	6,156-	1,089-	1,089-

Utility Funds (Funds 505, 510, 515 and 520)
Multi-Year Capital Improvement Plan
2015 Requested Budget

BU	Project Description	Adopted 2014	YTD as of 08/01/14	2015	2016	2017	2018	2019
Water, Sewer & Storm Drainage (40%, 40%, 20%)								
6228	Utility building - new public works facility			1,000,000				
6228	Reroof utility building					90,000		
	Total	0	0	1,000,000	0	90,000	0	0
Water (100%)								
6207	Replace Sensus meter servers	70,000						
6230	Water main replacement/relining					600,000	600,000	
6234	Water mains & hydrants in street reconstruction projects			38,000	49,079		73,478	
	Paint radio tower				1,500			
6235	Gate valve and hydrant replacement	75,000		75,000		75,000		75,000
	Replace #436 - 1996 portable streamer				9,500			
6215	Replace #447 - 2002 tandem dump truck				210,000			
	Replace #427 - 2004 Chevy 3/4 ton truck						45,000	
	Replace #434 - 1996 air compressor						18,000	
	Water Total	145,000	0	113,000	270,079	675,000	736,478	75,000
Sewer (100%)								
6504	Reline deteriorated sanitary sewers	450,000	131	300,000	450,000	300,000	450,000	300,000
6510	South Lift #9 - force main lining	650,000						
6519	Replace sewer mains within street reconstruction projects			105,110	144,947		217,006	
6527	Truck mounted manhole lifter	8,000						
6500	Sanitary sewer maintenance software	20,000						
6508	Replace truck #449 - 2000 televising van			175,000				
	Replace East lift station pumps			20,000				
	Replace Welcome lift station pumps				20,000			
6500	Replace computer and printer				2,500			
6523	Replace Maryland lift pumps				25,000			
	Replace #426 - 1996 trailer mounted vector				135,000			
	Replace #439 - 1991 trailer mounted generator				35,000			
	Replace #429 - 2003 Chevy 1 ton truck					55,000		
	Replace #431 - 2004 Sreco sewer jetter						220,000	
	Replace #430 - 1994 sewer rodder							35,000
	Replace Perry lift station pumps and controls							25,000
	Sewer Total	1,128,000	131	600,110	812,447	355,000	887,006	360,000

Utility Funds (Funds 505, 510, 515 and 520)
Multi-Year Capital Improvement Plan
2015 Requested Budget

BU	Project Description	Adopted 2014	YTD as of 08/01/14	2015	2016	2017	2018	2019
Storm Drainage (100%)								
6800	Laptop & software for #429							
6803	Erosion control for storm sewer areas			10,000		10,000		
6805	DNR Wetland 639W restoration		1,722					
6808	Replace #323 - 2002 Crosswind street sweeper					190,000		
6809	Trunk line storm sewer - within street reconstruction projects			449,534	622,336		935,376	
	Replace #443 - 3" trash pump			3,000				
6818	Memory Pond force main and manhole	150,000		20,000				
	Dredge Gaulke pond				650,000			
	Dredge Bassett Creek Park pond (reimbursed by BCWD)						650,000	
	Storm Drainage Total	150,000	1,722	482,534	1,272,336	200,000	1,585,376	0
Street Lights (100%)								
6950	New street light poles	12,000		12,000	12,000	12,000	12,000	12,000
6952	Bass Lake Road / County Highway 81 lights							
	Street Light Total	12,000	0	12,000	12,000	12,000	12,000	12,000
	Total Utilities	1,435,000	1,853	2,207,644	2,366,862	1,332,000	3,220,860	447,000
Allocation By Fund -								
	Total Water Fund	145,000	0	513,000	270,079	711,000	736,478	75,000
	Total Sewer Fund	1,128,000	131	1,000,110	812,447	391,000	887,006	360,000
	Total Storm Drainage Fund	150,000	1,722	682,534	1,272,336	218,000	1,585,376	0
	Total Street Lights Fund	12,000	0	12,000	12,000	12,000	12,000	12,000
	Total Utilities	1,435,000	1,853	2,207,644	2,366,862	1,332,000	3,220,860	447,000

Utility Funds (Funds 505, 510, 515 and 520)
Multi-Year Capital Improvement Plan
2015 Requested Budget

<u>BU</u>	<u>Project Description</u>	<u>Adopted</u> <u>2014</u>	<u>YTD as of</u> <u>08/01/14</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water, Sewer & Storm Drainage (40%, 40%, 20%)								
6228	Utility building - new public works facility			1,000,000				
6228	Reroof utility building					90,000		
	Total	0	0	1,000,000	0	90,000	0	0

Utility Funds (Funds 505, 510, 515 and 520)
Multi-Year Capital Improvement Plan
2015 Requested Budget

<u>BU</u>	<u>Project Description</u>	Adopted <u>2014</u>	YTD as of <u>08/01/14</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water (100%)								
6207	Replace Sensus meter servers	70,000						
6230	Water main replacement/relining					600,000	600,000	
6234	Water mains & hydrants in street reconstruction projects			38,000	49,079		73,478	
	Paint radio tower				1,500			
6235	Gate valve and hydrant replacement	75,000		75,000		75,000		75,000
	Replace #436 - 1996 portable streamer				9,500			
6215	Replace #447 - 2002 tandem dump truck				210,000			
	Replace #427 - 2004 Chevy 3/4 ton truck						45,000	
	Replace #434 - 1996 air compressor						18,000	
	Water Total	145,000	0	113,000	270,079	675,000	736,478	75,000

CONSTRUCTION CIP JUSTIFICATION FORM
2015 – 2019

Project Name: 6234 – Water main and hydrant replacement work within street reconstruction projects.

Department: 0090 Water Department

Estimated Cost: \$38,000

Funding Source: CIP

Year to be Purchased: 2015

Description: Replacement and relocation of water mains and hydrants in street reconstruction Phase 14 project.

Justification: During street reconstruction projects instances arise where it is cost effective to replace sections of water main or replace hydrants as part of the relocation process. Doing the work during the street project allows us to take advantage of the favorable pricing we can receive as the curbing and pavement have already been removed

Operational Impact / Other - staff, supplies or contractual: NA

For construction projects – list planned start date and planned end date.
Start Date: May 1, 2015 End Date: December 2015

For construction projects, the description should specify if it is a new item or replaces an existing item and if the work will be done by city staff or contracted out. You should cover how the item fits into the replacement schedule for structures and improvements.

CONSTRUCTION CIP JUSTIFICATION FORM
2015 – 2019

Project Name: Gate Valve Replacement
Department: Water Department
Estimated Cost: \$75,000
Funding Source: CIP
Year to be Purchased: 2015

Description: Replacement of existing gate valves and fittings. The quantity of this work is beyond the scope of City staff to perform and will be contracted out.

Justification: Due to the corrosion that is occurring on bonnet and flange bolts, gate valves with the water system are beginning to fail and leak. To reduce the need to deal with the valve leaks on an emergency basis this program replaces gate valves in the areas where the problem is most prevalent.

Operational Impact / Other - staff, supplies or contractual: This will reduce valve failures that have to be repaired on an emergency basis.

List the planned start date and planned end date of the construction.

Start Date: May 2015

End Date: October 2015

The description should specify if the construction is a new item or replaces an existing item and if the work will be done by city staff or contracted out. You should cover how the item fits into the replacement schedule for structures and improvements.

Utility Funds (Funds 505, 510, 515 and 520)
Multi-Year Capital Improvement Plan
2015 Requested Budget

<u>BU</u>	<u>Project Description</u>	<u>Adopted</u> <u>2014</u>	<u>YTD as of</u> <u>08/01/14</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Sewer (100%)								
6504	Reline deteriorated sanitary sewers	450,000	131	300,000	450,000	300,000	450,000	300,000
6510	South Lift #9 - force main lining	650,000						
6519	Replace sewer mains within street reconstruction projects			105,110	144,947		217,006	
6527	Truck mounted manhole lifter	8,000						
6500	Sanitary sewer maintenance software	20,000						
6508	Replace truck #449 - 2000 televising van			175,000				
	Replace East lift station pumps			20,000				
	Replace Welcome lift station pumps				20,000			
6500	Replace computer and printer				2,500			
6523	Replace Maryland lift pumps				25,000			
	Replace #426 - 1996 trailer mounted vactor				135,000			
	Replace #439 - 1991 trailer mounted generator				35,000			
	Replace #429 - 2003 Chevy 1 ton truck					55,000		
	Replace #431 - 2004 Sreco sewer jetter						220,000	
	Replace #430 - 1994 sewer rodder							35,000
	Replace Perry lift station pumps and controls							25,000
	Sewer Total	1,128,000	131	600,110	812,447	355,000	887,006	360,000

CONSTRUCTION CIP JUSTIFICATION FORM
2015– 2019

Project Name: 6504 – Relining deteriorated sanitary sewers
Department: 0092 Sewer
Estimated Cost: \$300,000
Funding Source: CIP
Year to be Purchased: 2015

Description: Line sanitary sewer mains.

Justification: The City is seeing continued root intrusion into the sanitary sewer mains and as the mains having been installed in the mid 1950s, they are continuing to reach the end of the life cycle. The Utilities Dept. is continuing to move forward with a program of rehabilitating the mains through a combination of repairs and lining to extend the useful life of the pipes.

Operational Impact / Other - staff, supplies or contractual: Contracted.

List the planned start date and planned end date of the construction.

Start Date: _____

End Date: _____

NA

The description should specify if the construction is a new item or replaces an existing item and if the work will be done by city staff or contracted out. You should cover how the item fits into the replacement schedule for structures and improvements.

CONSTRUCTION CIP JUSTIFICATION FORM
2015 – 2019

Project Name: 6508 – Replace truck 449 – Televising Van
Department: 0092 Sewer
Estimated Cost: \$ 175,000
Funding Source: CIP
Year to be Purchased: 2015

Description: Replace existing 1999 1-ton Chevy televising van purchased in the year 2000, with a new televising van with all necessary equipment and technology for televising sewers in size range 6” to 36”.

Justification: Our existing televising van, purchased in 2000, is 15 years old and will require extensive upgrades to the technology and equipment to remain functional. This unit is used to televise an average of 40,000 feet on sewers per year.

Operational Impact / Other - staff, supplies or contractual:

For equipment purchases – list item to be replaced: Depending on trade values at the time of purchase this equipment will be traded or sold at Auction..
Televising Van #449

The description should specify if the equipment is a new item or replaces an existing item. You should cover how the item fits into the replacement schedule for equipment.

EQUIPMENT CIP JUSTIFICATION FORM
2015 – 2019

Project Name: Replace Submersible Pump At #1 East Lift Station
Department: 0092 Sewer
Estimated Cost: \$ 20,000
Funding Source: CIP
Year to be Purchased: 2015

Description: Replacement of #1 pump at East sewage lift station

Justification: The #1 pump has 10,000 hours of run time and is reaching the point where replacement will be required.

Operational Impact / Other - staff, supplies or contractual: Lessen chance of breakdown during critical demand periods.

For equipment purchases – list item to be replaced: #1 pump – 10 hp – pump will possibly be rebuilt as a backup should its condition warrant upon removal.

The description should specify if the equipment is a new item or replaces an existing item. You should cover how the item fits into the replacement schedule for equipment.

CONSTRUCTION CIP JUSTIFICATION FORM
2015 – 2019

Project Name: 6803 - Erosion Control for Storm Water Areas
Department:0094 Storm Drainage
Estimated Cost: \$10,000
Funding Source: CIP
Year to be Purchased: 2015

Description: Install erosion control measures to include rip rap, silt fence, and bio logs to minimize erosion around storm sewer areas. This work will be performed by a combination of City staff and private contractors.

Justification: Without the installation of erosion control in storm sewer areas silt and other runoff will enter our storm sewer system clogging pipes and filling ponds, requiring additional labor for cleaning and restoration.

Operational Impact / Other - staff, supplies or contractual: NA

List the planned start date and planned end date of the construction.

Start Date: March 2015

End Date: November 2015

The description should specify if the construction is a new item or replaces an existing item and if the work will be done by city staff or contracted out. You should cover how the item fits into the replacement schedule for structures and improvements.

CONSTRUCTION CIP JUSTIFICATION FORM
2015 – 2019

Project Name: 6809 - Trunk Line Storm Sewer, in Phase 14 street reconstruction project
Department: 0094 Storm Drainage
Estimated Cost: \$ 449,534
Funding Source: CIP
Year to be Purchased: 2015

Description: Addition of new trunk storm sewer line within street reconstruction area to decrease street flooding and control erosion. This work will be performed by the Phase 14 street contractor.

Justification: There are areas within the Phase 14 street reconstruction area where localized street flooding occurs due to inadequate drainage. The addition of trunk line storm sewer will help to reduce this problem.

Operational Impact / Other - staff, supplies or contractual: NA

List the planned start date and planned end date of the construction.

Start Date: May 2015

End Date: December 2015

The description should specify if the construction is a new item or replaces an existing item and if the work will be done by city staff or contracted out. You should cover how the item fits into the replacement schedule for structures and improvements.

EQUIPMENT CIP JUSTIFICATION FORM
2015 – 2019

Project Name: Replace #443 - 3” trash pump and hose
Department: 0094
Estimated Cost: 3,000
Source: CIP - 0094
Year to be Purchased: 2015

Description: #443 - 3” trash pump is used by the Utility Department for normal dewatering activities and also for emergencies. #443 is 25 years old. The pump would be replaced including the suction and discharge lines.

Justification: Portable 3” pumps are essential to the daily operations of the Utility department, pump #443 is 25 years of age and repair parts are becoming increasingly difficult to obtain. Along with the replacement of the pump we would also replace the hoses due to their becoming worn with use.

Operational Impact / Other - staff, supplies or contractual: Being the unit will be 25 years old upon replacement parts are becoming hard to locate.

For equipment purchases – list item to be replaced: Pump # 443 Homelite 3” trash pump. Depending on trade values at the time of purchase this equipment will be traded or sold at Auction.

The description should specify if the equipment is a new item or replaces an existing item. You should cover how the item fits into the replacement schedule for equipment.

CONSTRUCTION CIP JUSTIFICATION FORM
2015 – 2019

Project Name: Discharge Manhole for Memory Lane Bypass
Department: 0094
Estimated Cost: 20,000
Funding Source: CIP
Year to be Purchased: 2015

Description: As a completion to the storm water bypass installed for the Memory Lane drainage a connection manhole will be installed with a suction line and discharge connection.

Justification: In 2014 a bypass line for the Memory Lane drainage was installed on Douglas Drive from 40th Ave To 38th Ave, this manhole will finish the project and allow for the connection of the needed pump for the bypass.

Operational Impact / Other - staff, supplies or contractual: The installation of this system will reduce the time to lower the water levels in the Memory Lane drainage area and reduce the potential of flooding.

List the planned start date and planned end date of the construction.

Start Date: March 2015

End Date: November 2015

The description should specify if the construction is a new item or replaces an existing item and if the work will be done by city staff or contracted out. You should cover how the item fits into the replacement schedule for structures and improvements.

Utility Funds (Funds 505, 510, 515 and 520)
Multi-Year Capital Improvement Plan
2015 Requested Budget

<u>BU</u> <u>Project Description</u>		<u>Adopted</u> <u>2014</u>	<u>YTD as of</u> <u>08/01/14</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Street Lights (100%)								
6950	New street light poles	12,000		12,000	12,000	12,000	12,000	12,000
6952	Bass Lake Road / County Highway 81 lights							
	Street Light Total	12,000	0	12,000	12,000	12,000	12,000	12,000
Total Utilities		1,435,000	1,853	2,207,644	2,366,862	1,332,000	3,220,860	447,000

Street Reconstruction Fund

The 2015 budget includes construction of the Phase 14 streets in the Lions Park Neighborhood and engineering work for Phase 15.

The attached schedule shows Phases 14, 15 and 16 being reconstructed in the years 2015, 2016 and 2017, respectively. The schedule has not been updated with current cost estimates from the consulting engineer, Short Elliott Hendrickson.

Phase 13 special assessments included a 7.5% annual rate of increase. If this rate of increase is continued for Phases 14 through 16, it will be possible to hold to the schedule and complete Phase 16 in 2017. A lower rate of increase may force Phase 16 to be delayed until 2018.

Another issue is the Storm Drainage Fund, which pays for all storm drainage improvements that aren't paid for by Municipal State Aid for Streets. Cash in the Storm Drainage Fund is being rapidly depleted by multiple capital projects. A possible solution would be for the Sanitary Sewer Fund to loan money to the Storm Drainage Fund. It is anticipated that there will be fewer large capital projects for the Storm Drainage Fund to pay for after the street reconstruction projects are finished and the loan could be repaid at that time.

Street Reconstruction Fund (Fund 415)

Multi-Year Capital Improvement Plan

Long Range Projection, Construction Three Out of Four Years - With 7.5% Annual Increase in Unit Assessment

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>PROJECT DESCRIPTION</u>										
<u>Fund Administrative Costs</u>	1,666	1,750	1,230	1,850	1,900	1,950	2,000	2,050	2,100	2,150
<u>Pavement Management Study Update</u>		13,000			15,000			17,000		
<u>Phase 9 - Cavanagh Oaks Neighborhood</u>	62,636									
<u>Winnetka Avenue</u>	55,321	6,120	-34,642							
<u>Phase 10 - Welcome Park Neighborhood</u>	1,041,823	32,657	41,775							
<u>Phase 11 - Broadway Neighborhood</u>	140,307	3,389,498	292,475							
<u>Phase 12 - Forest North Neighborhood</u>	12,185	223,153	5,359,645	1,130,104						
<u>Phase 13 - Becker Park Neighborhood</u>	12,185		202,602	6,095,451	566,077					
<u>Phase 14 - Lions Park Neighborhood</u>				15,000	221,335	5,002,534	1,187,919			
<u>Phase 15 - Twin Oaks Neighborhood</u>				15,000		227,168	5,657,215	1,478,894	0	
<u>Phase 16 - Skyway Neighborhood</u>						25,000	230,370	7,028,442	2,051,762	0
<u>36th Ave Lane Conversion Study</u>			8,745							
TOTAL EXPENDITURES	1,326,123	3,666,178	5,871,830	7,257,405	804,312	5,256,652	7,077,504	8,526,386	2,053,862	2,150

Street Reconstruction Fund (Fund 415)

Multi-Year Capital Improvement Plan

Long Range Projection, Construction Three Out of Four Years - With 7.5% Annual Increase in Unit Assessment

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
FUNDING SOURCES										
Streets - Prepaid Special Assessments	6,503	629,000	1,018,728	872,131	0	701,118	1,112,265	1,111,528	0	0
Retired Debt - Special Assessment Annual Collections	177,037	135,829	82,492	25,370	27,648	90,213	79,190	109,179	172,455	151,097
Driveway & Sewer - Prepaid Special Assessments	0	78,542	171,753	138,458	0	100,580	139,244	209,284	0	0
Driveway & Sewer - Special Ass. Annual Collections	108,741	120,910	134,596	191,674	226,227	206,747	188,495	255,765	310,096	281,988
Special Assessment Interest	102,273	86,356	41,678	84,014	92,417	93,872	76,887	116,500	151,378	123,064
Municipal State Aid for Street Construction	469,159	1,730,209	530,682	501,059	245,072	500,000	500,000	500,000	0	470,000
Municipal State Aid for Street Maintenance	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Investment Income	64,691	84,692	50,488	6,484	22,612	24,930	32,728	47,104	38,092	17,459
Reimbursements - other cities	128	180,474	222,044	39,875	322,136	0	183,254	0	340,110	0
Water Utility Reimbursement	0	79,705	103,742	104,554	0	38,000	49,079	73,478	0	0
Sewer Utility Reimbursement	0	267	0	16,968	0	105,110	144,947	217,006	0	0
Storm Drainage Utility Reimbursement	0	662,919	420,157	947,063	0	449,534	622,336	935,376	0	0
Sale of Bonds	0	1,704,489	2,705,531	3,293,626	0	2,535,498	4,022,355	4,019,689	0	0
Transfers from closed debt service funds										
TOTAL FUNDING SOURCES	1,028,533	5,593,392	5,581,891	6,321,276	1,036,111	4,945,600	7,250,780	7,694,909	1,112,132	1,143,607
ANNUAL SURPLUS OR (DEFICIT)	-297,590	1,927,214	-289,939	-936,129	231,799	-311,052	173,276	-831,477	-941,730	1,141,457

Fund Balance at Year End

2,103,795 3,487,220 3,197,281 2,261,152 2,492,951 2,181,899 2,355,175 1,523,698 581,968 1,723,426

Street Maintenance Fund

The Street Maintenance Fund accounts for the cost of seal coating streets that have been reconstructed under the Crystal Local Street Reconstruction program.

These responsibilities were expanded in recent years to include future mill & overlay projects. Overlays will be 60% assessed to the property owners (street reconstruction assessments will be paid off by then).

The remaining 40% will be paid from the fund balance and eventually covered by M.S.A. revenues, investment earnings and transfers from the General Fund. Special assessment and M.S.A. revenues that pay for the mill and overlay projects won't be received until several years after the work is done.

For the 2015 budget, \$74,300 will be transferred in from the General Fund.

This scenario shows the fund balance becoming a negative number in 2015 and remaining negative in most years until after the Phase 16 mill and overlay. Collection of MSA and special assessments from earlier phases then return the fund balance to a positive number.

**CITY OF CRYSTAL
STREET MAINTENANCE FUND ANALYSIS**

Special assess 60% of the mill and overlay costs. Fund balance pays 40%.

Mill & overlay assessment will pay off over 5 years and 5% interest will be charged. Second and third seal coat assessments will pay off over 3 years and 5% interest will be charged. Assumes 20% of properties will prepay special assessments. MSA will pay for mill & overlay of MSA streets. The combination of General Fund contribution, MSA reimbursement and other city reimbursement will cover the 40% of mill & overlay costs that are not assessed.

Year	Gen FD Contrib.	Overlay Special Assmt.	Sealcoat Special Assmt.	M.S.A.	Other City Reimb.	Invest Earnings	Business Unit 5865						5867	Business Unit 5866		Ending Fund Balance
							First Sealcoat		Second Sealcoat		Third Sealcoat		Patch	Mill & Overlay		
							Phase	Costs	Phase	Costs	Phase	Costs	Ph 1 - 3	Phase	Costs	
2010	65,300	53,460			272,773	55,419			1	101,366				36th Ave	752,012	1,936,532
2011	167,250	34,992			9,425	47,107			2&3	289,528			8,738	36th Ave	41,862	1,820,186
2012	69,300	37,387				23,159	6	158,450					7,025	36th Ave	84	1,747,086
2013	71,400	45,904			20,726	3,815	7	114,355					45,626		79	1,682,967
2014	72,800	144,731			46,938	16,830	8	156,389	4	120,717			40,000	1	1,000,000	502,429
2015	74,300	302,967			116,837	5,024							40,000	2	1,270,000	-308,443
2016	76,529	310,698	18,590			-4,627	9	158,042	5	92,948			20,000	3	1,365,000	-1,543,243
2017	78,825	379,710	44,615			-30,865	10	226,399						4	903,000	-2,200,358
2018	81,190	364,415	35,134	528,000		-55,009										-1,246,627
2019	83,625	308,673	39,039	97,788		-37,399	11	124,064	6	195,193						-1,074,159
2020	86,134	198,642	117,614	304,178		-32,225	12	184,011	7	119,607				5	760,000	-1,463,434
2021	88,718	97,678	204,199	361,025		-43,903			8	192,339	1	172,684				-948,056
2022	91,380	169,247	263,515	318,428	151,127	-28,442	13	195,940			2	215,462				-178,741
2023	94,121	119,563	325,926	61,937		-5,362					3	228,256				223,072
2024	96,945	104,349	372,441			6,692	14	191,381	10	278,443	4	162,233				333,675
2025	99,853	280,405	371,277	221,992	8,122	10,010								6	1,597,257	-271,923
2026	102,849	398,743	197,092	337,400	153,364	-8,158	15	202,223	11	152,582				7	978,740	-424,178
2027	105,934	550,661	118,502	287,208	109,139	-12,725			12	226,310	5	256,904		8	1,573,902	-1,065,672
2028	109,112	488,457	166,305			-31,970	16	242,596								-576,364
2029	112,385	602,025	133,742	164,538	97,504	-17,291			13	240,982				9	1,590,531	-1,314,974
2030	115,757	813,763	115,671	527,252	235,380	-39,449								10	2,278,482	-1,825,082
2031	119,230	679,507	138,166			-54,752			14	235,375						-1,178,306
2032	122,807	668,661	170,310		76,579	-35,349					6	286,648		11	1,248,575	-1,423,874
2033	126,491	733,145	172,720	596,719	168,042	-42,716			15	248,708	7	175,647		12	1,851,887	-1,770,068
2034	130,285	917,469	249,155	480,393	21,194	-53,102					8	282,457		13	1,914,508	-1,939,181
2035	134,194	960,141	201,974	338,359	170,999	-58,175			16	298,363				14	1,815,497	-2,305,549
2036	138,220	768,518	163,857			-69,166					9	285,441				-1,304,121
2037	142,366	887,215	137,012	358,965		-39,124					10	408,902		15	1,918,341	-1,736,028
2038	146,637	1,012,182	189,677	270,343	99,391	-52,081								16	2,234,308	-2,304,186
2039	151,037	841,492	241,088			-69,126					11	224,073				-1,139,696
2040	155,568	599,232	328,589			-34,191					12	332,344				-90,498
2041		411,999	312,941			-2,715					13	343,583				631,728
							2,244,562		2,986,833		3,374,634		161,389	25,094,065		



Memorandum

DATE: August 13, 2014

TO: Mayor and City Council

FROM: Anne Norris, City Manager

SUBJECT: Public Works Facility – Bid Opening/Construction Cost

Earlier this year, the Council identified a site for a new Public Works facility for the city's public works operations. Since then, staff has acquired and prepared the site at 5501 West Broadway for this project.

Staff has worked with Kodet Architects to develop plans for the proposed facility and earlier this summer, the Planning Commission and City Council approved the site plan for the building. Bids received for the proposed facility will be opened on August 19 at 1 p.m. and will be reviewed with the Council at the August 19 work session. A more detailed discussion of the project costs and financing is scheduled for the August 21 work session.

Late last year in a work session, the City Council discussed ways to pay for a new Public Works facility, estimated to cost approximately \$13. While no formal vote was taken, it appeared the preferred option was utilizing the balance of the Major Building Replacement Fund (MBRF) – approximately \$10,300,000 – and funds from the utility and EDA funds. Once the bid price is known for the Public Works facility project, the Council will need to review and possibly revise its financing plan for this facility.



Memorandum

DATE: August 14, 2014

TO: Mayor and City Council
Anne Norris, City Manager

FROM: Charles Hansen, Finance Director

SUBJECT: Discuss Impact of Cash & Investments on City Bond Rating

Background:

The following paragraph appears in the 2013 Comprehensive Annual Financial Report.

- The City is acquiring property and will initiate construction of a new public works facility in 2014. This is expected to cost \$3,000,000 for land acquisition and \$10,000,000 for construction. Construction is expected to be completed in the summer of 2015. Funding will come entirely from internal sources. The Major Building Replacement Fund will provide \$10,000,000 and several other funds will make smaller contributions to the project. Although this will reduce the amount of cash and investments held by the City, about \$40,000,000 of cash and investments will remain after the project. This is more than adequate for cash flow and emergency purposes.

Since the above was written, there have been the following developments:

- Total cost of the public works facility has increased to perhaps \$15,000,000.
- The City will pay cash for its \$1,200,000 share of the JWC emergency wells.
- The City will pay cash for 40% of the mill and overlay projects. This will cost \$400,000 in 2014, \$508,000 in 2015, \$546,000 in 2016 and \$361,000 in 2017.

If cash is paid for the public works facility, the emergency wells and 40% of the mill & overlay projects, the City's cash and investment position could be reduced to something more like \$35,000,000. If other projects or events draw on cash, then it could go lower.

Bond Rating

The City of Crystal currently holds a AA2 bond rating from Moody's. This is a good bond rating for a city such as Crystal.

Moody's doesn't say this publicly, but a major factor in their rating is the affluence of the community since that is a major factor in a city's ability to repay debt. Crystal is not an affluent city. That is a negative factor in Crystal's bond rating.

An offsetting positive factor has been Crystal's strong cash and investment position. This has been an important point each year in the rating interview with the Moody's analyst. Paying cash for the projects listed above and perhaps some unforeseen projects that may come up may reduce cash and investments to \$35,000,000 or less.

If this happens, Moody's will be concerned both about the balance being \$35,000,000 or less instead of the \$50,000,000 plus that Moody's is used to seeing and about the pace of the change in a short period of time. Moody's will be concerned that the new spending pattern will continue so that cash and investment balance will continue to fall.

There is a very good chance that this will result in a downgrade in the City's bond rating from AA2 to A1 or less. An A1 bond rating is nothing to be ashamed about, but the downgrade from AA2 would indicate that an independent observer views the City's financial management as being less responsible than it has been in the past.



Memorandum

DATE: August 14, 2014

TO: Mayor and City Council

FROM: Anne Norris, City Manager
Charles Hansen, Finance Director

SUBJECT: General Fund Follow Up.

Staff is still researching several issues that were raised at the first budget work session. No documentation is available for inclusion in this agenda packet. Some documentation may be sent out later if research can be completed on some issues.



Memorandum

DATE: August 14, 2014

TO: Mayor and City Council

FROM: Anne Norris, City Manager
Charles Hansen, Finance Director

SUBJECT: Discuss the Preliminary Property Tax Levy to be Adopted on September 2nd.

State law requires cities to adopt a proposed 2015 property tax levy and report it to the county auditor no later than September 30, 2014. Whatever property tax levy the City Council adopts in September may be reduced with the final adoption of the budget in December, but it may not be increased.

The current draft of the budget prepared by staff shows a \$366,000 increase in the General Fund tax levy, no change in the two debt service tax levies and a \$31,000 increase in the Economic Development Authority tax levy.

Staff needs direction from the City Council regarding the proposed 2015 property tax levy so that a resolution adopting it may be prepared for the September 2 council meeting. We still recommend that the proposed property tax levy be adopted at the September 2nd meeting, but the City Council has the option of adopting it at the September 16th meeting.

CITY OF CRYSTAL
TOTAL PROPERTY TAX LEVY
Proposed 2015 Tax Levy

	<u>2014</u>	<u>2015</u>	<u>Change</u>	<u>Percent</u>
<u>Property Taxes</u>				
General Fund Tax Levy	8,237,000	8,603,000	366,000	4.44%
Pool bonds debt service	209,000	209,000	0	0.00%
Henn Cty Rd 81 debt service	563,153	563,153	0	0.00%
Total Gen. Fd. & Debt Tax Levies	<u>9,009,153</u>	<u>9,375,153</u>	<u>366,000</u>	<u>4.06%</u>
EDA	208,000	239,000	31,000	14.90%
Total All Property Tax Levies	<u>9,217,153</u>	<u>9,614,153</u>	<u>397,000</u>	<u>4.31%</u>