

**CITY OF SAINT PETER, MINNESOTA  
AGENDA AND NOTICE OF MEETING**

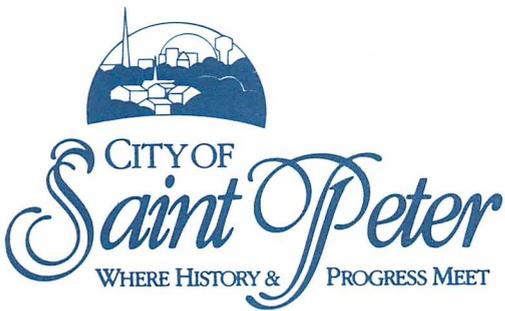
Regular Workshop Session of Monday, April 18, 2016  
Library Meeting Room – 5:30 p.m.\*  
601 South Washington Street

- I. **CALL TO ORDER**
  
- II. **DISCUSSION**
  - A. City Regulations – Urban Chickens
  - B. Traverse Green Subdivision RFP
  - C. Electric Fund Budget Report
  - D. Fire Station Project Update
  - E. Regional Transit Update
  - F. Others
  
- III. **ADJOURNMENT**

Office of the City Administrator  
Todd Prafke

TP/bal

\*Councilmember Carlin will be participating through a remote video feed from Community Room, 5th Floor, 77 Jalan Dato Keramat, Birch Plaza, Penang Times Square, Georgetown, Penang, Malaysia. Time at her location will be 7:30 a.m. Tuesday.



## Memorandum

**TO:** Honorable Mayor Zieman  
Members of the City Council

**DATE:** 4/13/16

**FROM:** Todd Prafke  
City Administrator

**RE:** Chicken Regulations

### ACTION/RECOMMENDATION

None needed. For your information and discussion only.

### BACKGROUND

As per Council direction, I have provided some information on sample ordinances used by cities in Minnesota to regulate the keeping and care of chickens within the City limits. You may remember that you spent a considerable amount of energy discussing the number of chickens that would be allowed.

My goal for your discussion is to organize it in a way that gives staff direction as to whether you want to pursue allowing "urban chickens" and, if so, under what circumstances they should be allowed. As you may note, some of the sample ordinances set up fencing provisions or provisions related to sex of the chickens as well as other rules.

In addition you asked that I provide some background related to nuisances and how any changes might be impacted by those ordinances. You do have ordinances related to noise, odor and upkeep that can readily apply should the upkeep on the animal(s) be insufficient. I believe that those would need very little to no changes if you pursue allowing chickens by permit. If you change your ordinance to allow them as a matter of right, then you may license or just allow them (change the definition to exclude them).

It may be helpful to remember our discussion on the difference between a goldfish and a dog. A goldfish is not mentioned in our current Ordinance. It is not prohibited and you can just go buy it and have it. A dog requires a license, but there is really no rule about how it is kept. Licenses and permits are very similar but under this example the license is in place to help ensure the dog has shots and is trackable. If you don't keep it well you could be fined for barking, but things like not picking up waste and others fall within the nuisance ordinance. The last level is a permitted use which means that you have to have a permit, but in order to get a permit you have to meet certain conditions which could be sex of chicken(s), size of lot, disposal of waste and others. This permitting is different than a license in that we are providing for stipulation not of the animal, but for the locations in which the animal is kept. There is a fundamental difference

in licensing and permitting and I hope the fish, dog and chicken example make that more clear so that you can decide what type of regulation, if any, best suits your community needs.

It is my opinion that the "permit" approach might be most effective here based on your previous goals. If that is the approach you take, the process is to change your ordinance related to farm animals allowing chickens with a permit. The permit process would need the development of stipulations or conditions which would provide for issues like the sex, number, housing and disposal of waste. Then violations would result in the pulling of the permit and the owner would no longer be allowed to keep them. In this way you have set clear conditions for allowing them and it is something that can be regulated more readily and takes it out of the realm of a ticketable offense, for the most part. Those people that are really interested in having chickens will likely be happy to meet most reasonable conditions. Those that are really not that committed will either try to do it without a permit or say, "not worth the hassle". Then the key is "reasonable" regulation and I think you have some guidance or experience from other communities that have looked at this before you.

We have attached some other samples and ideas that you may find of use. We can then look at ways to allow, permit and/or regulate if the Council desires.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal

**RELEVANT LINKS:**

21 C.F.R. § 1240.62.  
Minn. Stat. § 145.365.  
Minn. Stat. § 346.155.  
Section VII-E, *Exotic or regulated animals.*

Minn. Stat. § 347.51, subd. 4.

Minn. Stat. § 343.20, subd. 7.  
Minn. Stat. § 256C.02.

Minn. Stat. § 363A.19.  
Minn. Stat. § 363A.09.  
Minn. Stat. § 256C.02.  
“ADA Guide for Small Towns,” U.S. Department of Justice.

Minn. Stat. § 343.21, subd. 8a.

State and federal law prohibit ownership of certain animals as pets based on health and safety concerns related to those particular animals. Small turtles, skunks, and exotic animals are a few examples of animals that generally cannot be owned as pets.

**B. Police dogs and service animals**

Police dogs and service animals bear special consideration when the city is drafting ordinances. State law regularly exempts these two special categories of animals from regulation based on the work they do. Cities should also exclude these animals from ordinances where appropriate.

**1. Police dogs**

State laws often explicitly exempt police dogs from state requirements. For example, state statutes regulating dangerous dogs do not apply to dogs used by law enforcement for police work. It makes sense for cities to also consider when it might be appropriate to exempt police dogs from city ordinances, such as ordinances regulating dangerous animals. Exempting police dogs from certain requirements reflect the unique nature and use of police dogs.

**2. Service animals**

A service animal is an animal that has been trained to assist a person with a disability. A city cannot prohibit a person who is blind or deaf or has a different physical or sensory disability from taking a service animal into a public place or conveyance. The animal must be properly harnessed or leashed so that the person can maintain control of the animal. A blind, physically disabled, or deaf person cannot be required to pay an additional charge when taking a service animal into a public place.

Under state law, a person must not intentionally and without justification do either of the following to a service animal while it is providing service to or while it is in the custody of the person it serves:

- Cause bodily harm to the service animal.
- Otherwise render the animal unable to perform its duties.

**C. Farm animals**

Farm animals generally include animals that live on farms, such as cattle, sheep, goats, pigs, and horses. A city can define “farm animals” in its ordinance to include whatever animals it wishes.

## RELEVANT LINKS:

Section III-A, *Minnesota Pet and Companion Animal Welfare Act*.

Minn. Stat. § 346.16.

*Stewart v. Frisch*, 381 N.W.2d 1 (Minn. Ct. App. 1986).

*State v. Nelson*, 499 N.W.2d 512 (Minn. Ct. App. 1993).

“Keeping Backyard Poultry,” Centers for Disease Control and Prevention (Feb. 12, 2015).

Contact the LMC Research Department for sample ordinances.

In addition to the Animal Welfare Act requirements, cities take different approaches in how they regulate farm animals in their communities. Some cities will only allow farm animals in certain zoning districts, such as land zoned for agricultural uses. Other cities allow some farm animals anywhere in the city as long as the requirements in the ordinances are met, such as having a lot over a specified size. It is important to be clear what animals the ordinance covers and to provide clear definitions.

### 1. Farm animals at large

If any person herds cattle, horses, asses, mules, sheep, swine, or goats on land over the protest of the land owner, the animals are considered to be running at large. Court opinions have determined that “at large” means when animals are not restrained or confined. Any person who knowingly allows animals to run at large is liable for damage caused.

### 2. Chickens

Like other animals, cities take different approaches for regulating chickens. Some cities include chickens in the same regulations that apply to other farm animals or livestock. Other cities have ordinances that allow chickens in the city under certain circumstances. However the city decides to regulate chickens, it is important to be clear about the regulations.

A Minnesota court has found that, unless specifically included in the definition, chickens and roosters do not fall under the regulation of ordinances that reference livestock. If the city would like to include chickens in this category, it may do so by defining the term to include chickens, poultry, fowl, or other similar descriptions. The bottom line here is that if the city wants to regulate chickens, it should make sure that chickens are covered by the ordinance.

“Urban chickens,” also called “city chickens,” are becoming a more common issue in cities across the state and country. The urban chicken “movement” is often linked to the increased desire for people to be closer to their food sources. Urban chickens allow people to raise chickens at their homes to have access to fresh eggs on a regular basis.

This small-scale keeping of chickens is different than a business that raises hens for eggs and meat. Those businesses are regulated differently than residents who want to keep a few chickens in their backyards.

There are no state laws that address urban chickens or keeping of chickens in cities, so it is up to the city council to decide if it wants to regulate the keeping of chickens. The city may choose to allow, allow if a permit is obtained from the city, or prohibit urban chickens. The city can do this in a number of ways, including regulation under the general animal or farm-animal ordinance or by passing an ordinance specific to keeping chickens.

**RELEVANT LINKS:**

If the city chooses to regulate the keeping of urban chickens, some common requirements include:

- Allowing only hens (no roosters).
- Limiting the number of hens allowed.
- Maintaining coops or runs in a sanitary and humane condition.
- Keeping chickens contained or under control at all times.
- Locating coops a certain distance from property lines and other structures like houses.

### **3. Farm animals as pets**

It is not uncommon for a resident to want to keep a farm animal, such as a miniature horse or potbelly pig, as a pet. Some city ordinances would not allow for these animals as pets because the ordinance includes them as farm animals and prohibits them in residentially-zoned areas. Other cities may allow for these types of animals by specific ordinance provisions, sometimes requiring a permit from the city. Given that these animals have been gaining in popularity, it is a good idea for the city to consider the issue and have an ordinance in place.

### **D. Insects and bugs**

Insects and bugs are a part of life in Minnesota. While cities cannot regulate where insects and bugs choose to live, there are some things a city can do, such as regulating beekeeping or abating mosquitoes.

#### **1. Beekeeping**

Since 2006, beekeeping is no longer regulated by state law, except for apiary inspection services related to the transportation of bees to other states. Cities may choose to regulate beekeeping within city limits. Some cities prohibit the practice while others allow it after obtaining a permit or allow it outright.

#### **2. Mosquitoes**

The abatement or suppression of mosquitoes is advisable and necessary for the maintenance and improvement of the health, welfare, and prosperity of the people. Areas where mosquitoes incubate or hatch are considered public nuisances and may be abated under state law. Cities have the direct authority to participate in mosquito abatement efforts. If the city engages in mosquito abatement, it must establish a mosquito abatement board to oversee abatement efforts. The city may also levy a tax or issue certificates of indebtedness to pay for the program.

“Apiary Program Information,” Minnesota Department of Agriculture. Minn. Stat. § 17.445.

Minn. Stat. § 18G.14.

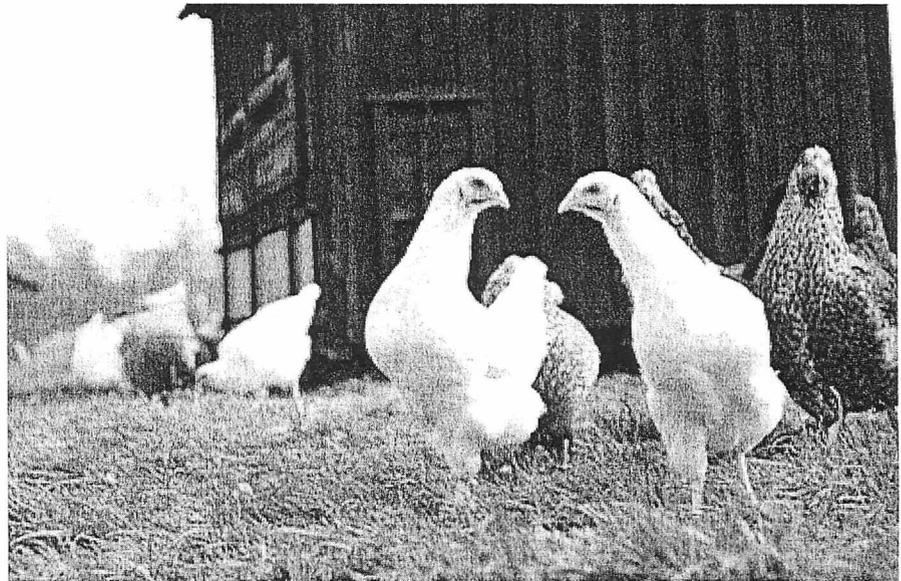


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## Keeping Backyard Poultry

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Live poultry, such as chickens, ducks, geese, and turkeys, often carry harmful germs called *Salmonella*. After you touch a bird, or anything in the area where they live and roam, wash your hands so you don't get sick!



An increasing number of people around the country are choosing to keep live poultry, such as chickens or ducks, as part of a greener, healthier lifestyle. While you enjoy the benefits of backyard chickens and other poultry, it is important to consider the risk of illness, especially for children, which can result from handling live poultry or anything in the area where they live and roam.

### What is the risk of getting *Salmonella* from live poultry?

It's common for chickens, ducks, and other poultry to carry *Salmonella*. *Salmonella* is a type of germ that naturally lives in the intestines of poultry and many other animals. Even organically fed poultry can have *Salmonella*. While it usually doesn't make the birds sick, *Salmonella* can cause serious illness when it is passed to people.

Check out the questions and answers below for more information on *Salmonella* infection and how to prevent getting germs from live poultry. You may also get more information by talking to your health care provider or your animal's veterinarian.

### Gastrointestinal (Enteric) Diseases from Animals

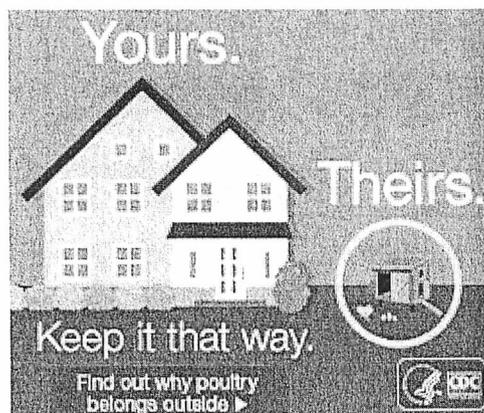
Check out CDC's [Gastrointestinal \(Enteric\) Diseases from Animals](http://www.cdc.gov/zoonotic/gi/index.html) (<http://www.cdc.gov/zoonotic/gi/index.html>) website, your one-stop-shop for information about zoonotic outbreaks, prevention messages, and helpful resources.

## How do people get *Salmonella* infections from live poultry?

Live poultry may have *Salmonella* germs in their droppings and on their bodies (feathers, feet, and beaks) even when they appear healthy and clean. The germs can also get on cages, coops, feed and water dishes, hay, plants, and soil in the area where the birds live and roam. Additionally, the germs can be found on the hands, shoes, and clothing of those who handle the birds or work or play where they live and roam.

People become infected with *Salmonella* when they put their hands or other things that have been in contact with feces in or around their mouth. Young children are especially at risk for illness because their immune systems are still developing and because they are more likely than others to put their fingers or other items into their mouths. It is important to wash hands immediately after touching poultry or anything in the area where they live and roam, because the germs on your hands can easily spread to other people or things.

[View these and additional posters.](#)



<http://www.cdc.gov/zoonotic/gi/education.html>

## How do I reduce the risk of a *Salmonella* infection from live poultry?

- DO
  - Wash hands thoroughly with soap and water right after touching live poultry or anything in the area where they live and roam. Use hand sanitizer if soap and water are not readily available.
    - Adults should supervise hand washing for young children.
    - Wash hands after removing soiled clothes and shoes.
  - If you collect eggs from the hens, thoroughly cook them, as *Salmonella* can pass from healthy looking hens into the interior of normal looking eggs.
  - Clean any equipment or materials associated with raising or caring for live poultry outside the house, such as cages or feed or water containers.

- If you have free-roaming live poultry, assume where they live and roam is contaminated
- DON'T
  - Don't let children younger than 5 years of age, older adults, or people with weak immune systems handle or touch chicks, ducklings, or other live poultry.
  - Don't eat or drink in the area where the birds live or roam.
  - Don't let live poultry inside the house, in bathrooms, or especially in areas where food or drink is prepared, served, or stored, such as kitchens or outdoor patios.
  - In recent outbreaks (<http://www.cdc.gov/zoonotic/gi/outbreaks.html>) of *Salmonella* infections linked to contact with live poultry, ill people reported bringing live poultry into their homes.

What are the signs, symptoms, and types of treatment available for *Salmonella* infections?

*Salmonella* can make people sick with

- Diarrhea
- Vomiting
- Fever
- Abdominal cramps

Sometimes, people can become so sick from a *Salmonella* infection that they have to go to the hospital. Children under the age of 5 years, older adults, and people with weakened immune systems, including pregnant women, are more likely to have a serious illness. When severe infection occurs, *Salmonella* may spread from the intestines to the bloodstream and then to other body sites and can cause death unless the person is treated promptly with antibiotics.

You can learn more about the signs, symptoms and treatment of *Salmonella* infection by visiting the CDC's *Salmonella* website (<http://www.cdc.gov/salmonella>). If you suspect you or your child has *Salmonella* infection, please contact your health care provider immediately.

Are there any policies about owning live poultry?

Rules and regulations vary by city, county, and state ordinances, so check with your local government to determine rules and regulations about owning live poultry.

More Information

## Barbara A. Luker

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**From:** Cadman, Edward <ecadman@lmc.org>  
**Sent:** Monday, January 11, 2016 11:04 AM  
**To:** Barbara A. Luker  
**Subject:** FW: inquiry  
**Attachments:** INQRES-JMB-20071105-ORD-ChickensRochester.doc; INQRES-JMB-20080707-ORD-AllowingSomeChickensWinona.doc; INQRES-JMB-20081023-ORD-AllowingChickensBrainerd.docx; INQRES-JMB-20090807-ORD-ChickensMinneapolis.doc; INQRES-JMB-20090807-ORD-ChickensWithPermitStPaul.doc; INQRES-JMB-20110411-ORD-RegulatingChickensinUrbanSettingsVariousCities.docx

Barbara,

I hope the attached chicken ordinances are sufficient. I'm also including a prior response we gave concerning "urban chickens." Enjoy your day!

### **Edward S. Cadman | Special Counsel**

League of Minnesota Cities

Direct: 651.281.1229 | Fax: 651.215.4129

Email: [ecadman@lmc.org](mailto:ecadman@lmc.org) | [www.lmc.org](http://www.lmc.org)

See the attached samples. Cities alone would dictate whether chickens are allowed in their city. The power of cities to regulate animals is mentioned at the top of our animal regulation memo:

[http://www.lmc.org/media/document/1/animal\\_regulation.pdf?inline=true](http://www.lmc.org/media/document/1/animal_regulation.pdf?inline=true). (Page 31 discusses chickens.)

I noticed the response below recorded by one of my colleagues.

Q: Are there any rules or guidelines on having chickens in city limits?

A: Yes, but it depends on the city's local ordinances. Many have ordinances on the books that do not allow chickens but the ordinance should be specific on that point. A Minnesota court has found that, unless specifically included in the definition, chickens and roosters do not fall under the regulation of ordinances that reference livestock. If the city would like to include chickens in this category, it may do so by defining the term to include chickens, poultry, fowl, or other similar descriptions. The bottom line here is that if the city wants to regulate chickens, it should make sure that chickens are covered by the ordinance. If your city ordinances specifically do not allow someone to keep chickens in the city, people may be told to get rid of the chickens. Here's what this great memo says (in part) about chickens on page 31:

... Cities take different approaches for regulating chickens. Some cities include chickens in the same regulations that apply to other farm animals or livestock. Other cities have ordinances that allow chickens in the city under certain circumstances. However the city decides to regulate chickens, it is important to be clear about the regulations.

"Urban chickens," also called "city chickens," are becoming a more common issue in cities across the state and country. The urban chicken "movement" is often linked to the increased desire for people to be closer to their food sources. Urban chickens allow people to raise chickens at their homes to have access to fresh eggs on a regular basis.

This small-scale keeping of chickens is different than a business that raises hens for eggs and meat. Those businesses are regulated differently than residents who want to keep a few chickens in their backyards.

There are no state laws that address urban chickens or keeping of chickens in cities, so it is up to the city council to decide if it wants to regulate the keeping of chickens. The city may choose to allow, allow if a permit is obtained from the city, or prohibit urban chickens. The city can do this in a number of ways, including regulation under the general animal or farm-animal ordinance or by passing an ordinance specific to keeping chickens. If the city chooses to regulate the keeping of urban chickens, some common requirements include:

- Allowing only hens (no roosters).
- Limiting the number of hens allowed.
- Maintaining coops or runs in a sanitary and humane condition.
- Keeping chickens contained or under control at all times.
- Locating coops a certain distance from property lines and other structures like houses.

The memo also cites to this interesting document from the Centers for Disease Control and Prevention on Keeping Backyard Poultry at <http://www.cdc.gov/features/salmonellapoultry/>

So, the council may decide to talk it over, seek some public input, and change the local ordinance to allow keeping just few chickens. Note that cities usually do not allow roosters because of all the early morning crowing. See sample ordinances, attached.

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**Question submitted:**

Could you please provide us with 3-4 sample ordinances other cities have used to allow chickens in backyards? Unfortunately, we need the samples by Thursday if you could possibly do it that quickly. Thanks for your help.

113A. CHICKENS

113A.01. Chickens Limited. It is unlawful for any person to keep or harbor chickens on any premises unless issued a permit to do so as provided in this chapter or except as specifically allowed under section 62.148. No permit shall be issued for the keeping or harboring of more than three hen chickens on any premises. No permit shall be issued for the keeping of any rooster chicken on any premises.

113A.011. Definitions. The term "Chicken Coop" means a structure for housing chickens made of wood or other similar materials that provides shelter from the elements. The term "Chicken Run" means an enclosed outside yard for keeping chickens. The term "Premises" means any platted lot or group of contiguous lots, parcels or tracts of land

113A.02. Permit. No person shall maintain a chicken coop and run unless they have been granted a permit by the common council. The permit shall be subject to all terms and conditions of this chapter and any additional conditions deemed necessary by the council to protect the public health, safety and welfare. The necessary permit applications are available in the City Clerk's Office. Included with the completed application must be a scaled diagram that indicates the location of any chicken coop and run, and the approximate size and distance from adjoining structures and property lines. A permit for the keeping of chickens may be revoked or suspended by the council for any violation of chapter 113A following written notice and a public hearing. A fee of \$20.00 will be charged for each permit which shall expire on December 31<sup>st</sup> of the second year of the permit.

113A.03. Confinement. Every person who owns, controls, keeps maintains or harbors hen chickens must keep them confined at all times while in the city in a chicken coop and chicken run. Any coop and run shall be screened with a solid fence or landscaped buffer with a minimum height of four feet. Any coop and run shall be at least 25 feet from any residential structure on any other premises

113A.04. Chicken Coops.

Subdivision 1. All chicken coops and runs must be located at least 25 feet from any dwelling on any other premises. All chicken coops must meet the requirements of the building and zoning codes, must not exceed ten square feet per chicken and must not exceed six feet in total height. Attached fenced-in chicken runs must not exceed 20 square feet per chicken and must not exceed six feet in total height. Chicken runs may be enclosed with wood and/or woven wire materials, and allow chickens to contact the ground. Chicken feed and manure must be kept in rodent and raccoon proof containers and must not be placed in yard compost piles.

Subd. 2. Chicken coops must either be:

(A). Elevated with a clear open space of at least 24 inches between the ground surface and framing/floor of the cooper; or

(B) The coop floor, foundation and footings must be constructed using rodent resistant concrete construction.

113A.05. Conditions. No person who owns, keeps or harbors hen chickens to permit the premises where the hen chickens are kept to be or remain in an unhealthy, unsanitary or noxious condition or to permit the premises to be in such condition that noxious odors are carried to adjacent public or private property. Any chicken coop and run authorized by permit under this chapter may be inspected at any reasonable time by a city animal control officer or other agent of the city.

113A.06. Violations. Any person who keeps or harbors chickens in the city limits of Rochester without obtaining or maintaining a current permit or after a permit has been suspended or revoked by council action shall be guilty of a petty misdemeanor. (2805, 4/7/92; 3838, 11/5/07)

**ORDINANCE 3771**  
AN ORDINANCE TO AMEND  
THE CODE OF THE CITY OF  
WINONA, MINNESOTA  
1979

The City of Winona does ordain:

Section 1. That Section 43.55(C) of the City Code of Winona, Minnesota, 1979, which section contains the provisions relating to "Accessory Uses" in a "Residential Suburban District" be amended as follows:

"43.55 (C) Accessory Uses. Accessory uses or structures permitted and as regulated in the R-R District, and any accessory use or structure customarily incidental or accessory to a principal or conditional permitted use in the R-S District, shall be permitted in the R-S District, except that the raising or keeping of fowl or farm animals shall not be permitted.

This prohibition shall not apply to the raising or keeping of not more than twelve (12) chicken hens on any land parcel provided that the following standards are met:

(1) Chickens shall be fully contained on the property at all times.

(2) Food materials shall be stored in metal containers with tight fitting lids.

(3) All housing, pens, and containment areas shall be maintained in a clean, sanitary and odor free environment and shall be free from the presence of rodents and vermin at all times.

(4) Chickens may be housed within accessory structures meeting requirements of underlying zoning. No chickens shall be housed within any part of a residential dwelling.

(5) Neither the keeping of roosters, nor the slaughtering of chickens shall be permitted, unless otherwise permitted within underlying zoning."

Section 2. That Section 43.56(C) of the City Code of Winona, Minnesota, 1979, which section contains the provisions relating to "Accessory Uses" in a "R-1 One-Family Residence District" be amended as follows:

"43.56 (C) Accessory Uses. Accessory uses or structures permitted and as regulated in the R-S District, and any accessory use or structure customarily incidental or accessory to a principal or conditional permitted use in the R-1 District, shall be permitted in the R-1 District (except that the raising or keeping of farm animals shall not be permitted on any lands used or platted for residential purposes)."

Section 3. That this ordinance shall take effect upon its publication.

Dated this 21<sup>st</sup> day of July, 2008.

Jerome S. Miller  
Mayor

Attested By:

Monica Hennessy Mohan  
City Clerk  
City/ordinance/43.55-accessory-chickens.doc

**BRAINERD O R D I N A N C E  
NO. 1327**

**AN ORDINANCE AMENDING SECTION 900 OF THE BRAINERD  
CITY CODE RELATING TO THE REGULATION OF ANIMALS  
IN THE CITY BY ADDING PROVISIONS PERTAINING TO CHICKENS**

THE CITY COUNCIL OF THE CITY OF BRAINERD DOES ORDAIN:

SECTION ONE: That Section 900.07 of the Brainerd City Code be amended by deleting the whole thereof and inserting in lieu thereof the following:

“900.07. Farm Animals. Farm animals shall only be kept in zoning districts if permitted under the City Zoning Ordinance. An exception shall be made to this Section for those animals brought into the City as part of an operating zoo, veterinarian clinic, scientific research laboratory, or a licensed show or exhibition. An additional exception shall be made to this Section by allowing the keeping of chickens on premises in the City subject to the provisions set forth in Section 900.08.”

SECTION TWO: That Section 900 of the Brainerd City be amended by adding Section 900.08 as follows:

“900.08. Chickens.

Subd. 1. Chickens Limited. It is unlawful for any person to own, control, keep, maintain or harbor hen chickens on any residential premises in the City unless issued a permit to do so as provided herein. In the case of rental residential property, including multi-family residential property, written permission must be given by the property owner for a tenant to keep or harbor chickens on said residential premises. No permit shall be issued for the keeping or harboring of more than four (4) hen chickens on any premises unless the property is located in an agricultural or rural zoning district. The keeping of roosters is prohibited. It shall be unlawful to keep or harbor hen chickens in addition to the limitations set forth in Section 900.13, subd. 1. (For example, the limitation is further clarified as follows: 4 dogs, or 4 cats, or 4 chickens, or 3 dogs and 1 cat, or 3 chickens and 1 dog, or 2 cats and 2 chickens, etc.)

Subd. 2. Definitions. The term “At Large” shall be intended to mean a chicken out of its chicken run, off the premises or not under the custody and control of the owner. The term “Chicken” means a female chicken or hen. The term “Chicken Coop” means a structure providing housing for chickens made of wood or other similar materials that provides shelter from the elements. The term “Chicken Run” means a fenced outside yard for the keeping and exercising of chickens. The term “Owner” shall mean the resident, property owner, custodian or keeper of any chicken. The term “Premises” means any platted lot or group of contiguous lots, parcels or tracts of land.

Subd. 3. Permit. No person shall maintain a chicken coop and/or chicken run unless granted a permit by the City. The permit shall be subject to all terms

and conditions of this Section and any additional conditions deemed necessary by the City to protect the public health, safety and welfare. The necessary permit may be obtained from the City Administrator's office. Included with the information required prior to issuance of the permit must be a scaled diagram that indicates the location of any chicken coop and run, and the approximate size and distance from adjoining structures and property lines. The owner must also obtain written approval of the keeping of chickens from all abutting property owners. A permit for the keeping of chickens may be revoked or suspended by the Council for any violation of this Section following written notice and a public hearing. An annual fee of \$30 will be charged for each permit which shall expire on December 31 of each year.

Subd. 4. Confinement. Every person who owns, controls, keeps, maintains or harbors hen chickens must keep them confined on the premises at all times in a chicken coop or chicken run while in the City. Any coop and run shall be screened with a solid fence or landscaped buffer with a minimum height of four (4) feet. Any coop and run shall be at least 25 feet from any residential structure or any other premises on any adjacent lots.

Subd. 5. Chicken Coops and Chicken Runs.

- A. All chicken coops and runs must be located within the rear yard subject to the required setbacks for the principal building and at least 25 feet from any dwelling or any other premises on any adjacent lots. All chicken coops must be a minimum of 4 square feet per chicken in size, must not exceed 10 square feet per chicken in size and must not exceed 6 feet in total height. Attached fenced-in chicken runs must not exceed 20 square feet per chicken and fencing must not exceed six feet in total height. Chicken runs may be enclosed with wood and/or woven wire materials, and may allow chickens to contact the ground. Chicken feed must be kept in metal, predator proof containers. Chicken manure shall not be placed in yard compost piles.
- B. Chicken coops must either be:
  - 1) Elevated with a clear open space of at least 24 inches between the ground surface and framing/floor of the coop; or,
  - 2) The coop floor, foundation and footings must be constructed using rodent resistant construction.
- C. Chicken coops are not allowed to be located in any part of a home and/or garage.
- D. Chickens must be secured in a chicken coop from sunset to sunrise each day.

Subd. 6. Conditions and Inspection. No person who owns, controls, keeps, maintains or harbors hen chickens shall permit the premises where the hen chickens are kept to be or remain in an unhealthy, unsanitary or noxious condition or to permit the premises to be in such condition that noxious odors are carried to adjacent public or private property. Any chicken coop and chicken run authorized by permit under this Section may be inspected at any reasonable time by the City Animal Control Officer or other agent of the City. Slaughter and breeding of chickens on any premises within the City is prohibited.

Subd. 7. Violations. Any person who owns, controls, keeps, maintains or harbors hen chickens in the City limits of Brainerd without obtaining or maintaining a current permit or after a permit has been suspended or revoked by Council action shall be guilty of a petty misdemeanor."

SECTION THREE: That all other provisions of Section 900 of the Brainerd City Code shall remain in full force.

SECTION FOUR: This Ordinance shall be in force one week from and after its publication.

Adopted this 20<sup>th</sup> day of October, 2008.

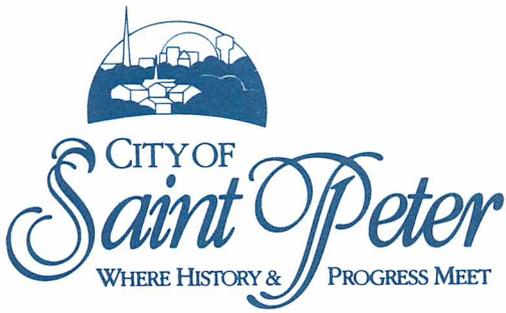
\_\_\_\_\_  
Kelly J. Bevans  
President of the Council

Approved this 21<sup>st</sup> day of October, 2008.

\_\_\_\_\_  
JAMES E. WALLIN  
Mayor

ATTEST: \_\_\_\_\_  
DANIEL J. VOGT  
City Administrator

Published: One time, October 24, 2008



## Memorandum

**TO:** Todd Prafke  
City Administrator

**DATE:** 4/14/16

**FROM:** Russ Wille  
Community Development Director

**RE:** Traverse Green Subdivision (Request for Proposals/Sales Plan/Covenants)

### **ACTION/RECOMMENDATION**

None needed. For your information and discussion only.

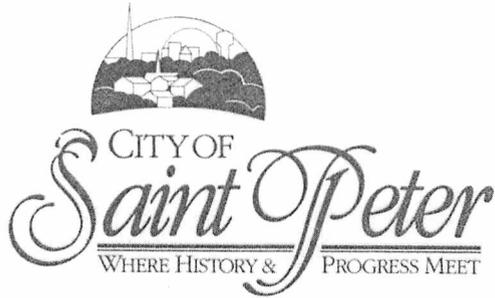
### **BACKGROUND**

The most recent drafts are enclosed for Council review and consideration of the proposed Request for Proposals, Sales Plan and Restrictive Covenants proposed for the Traverse Green Subdivision.

The drafts reflect the changes suggested by the Council at previous workshop sessions.

Please feel free to contact me should you have any questions or concerns on this agenda item.

RJW



## City of Saint Peter, Minnesota

April 18, 2016

# REQUEST FOR PROPOSALS

Outlot "D"  
Traverse Acres Subdivision  
City of Saint Peter

**To all interested parties:**

The City of Saint Peter, Minnesota in undertaking the construction of a third residential subdivision developed and designed utilizing the principles of the Building Better Neighborhoods program created by the Greater Minnesota Housing Fund.

The City is seeking a private partner to develop the northern 15.56 acres of the desired residential subdivision.

Russ Wille  
Community Development Director  
227 South Front Street  
Saint Peter, MN 56082  
507.934.0661  
[russw@saintpetermn.gov](mailto:russw@saintpetermn.gov)

## **I. Project Location:**

The property is legally described as:

***Outlot D, Traverse Acres Subdivision, City of Saint Peter, Nicollet County, Minnesota.***

The property is generally described as lying west of Nicollet Avenue (CSAH #20) and north of Traverse Road.

Copies of the proposed final plat of Traverse Acres Subdivision depicting Outlot D, is attached as Exhibit A.

## **II. Price:**

The respondent shall disclose the price at which they would propose to acquire the site from the City of Saint Peter.

In addition to the purchase price of the property, the respondent shall pay a proportionate share (25%) of the engineering, administration and construction costs of Clark Street and associated curb, gutter and sidewalk. The construction of Clark Street will be undertaken by the City of Saint Peter.

The developer shall also be responsible to the design, installation and financing of the utility infrastructure and other improvements within and upon Outlot D necessary for occupancy of the residences.

The developer will also be responsible for paying a proportionate share of the costs to provide for the stormwater drainage within the site. The shared costs shall include the engineering and design of the drainage as well as the costs to construct any stormwater retention or detention serving the development property. At a minimum, the stormwater management shall be accomplished as per the conditions of the City's MS4 stormwater discharge permit.

The developer shall pay a parkland dedication fee equal to 12% of the net developable area as defined in the Saint Peter Subdivision Ordinance.

## **III. Zoning Classification:**

The subject property is zoned (R-3) Multi-Family Residential.

A copy of the applicable portions of the Saint Peter Zoning Code is attached as Exhibit B.

#### **IV. Project Site History:**

The development site contains approximately 15.56 acres of land. The property was originally purchased by Independent School District #508 as the Board contemplated the site for the construction of a new high school campus. The Board ultimately decided to join the City of Saint Peter in the development of an alternative site which combined school and city park facilities on a jointly developed campus.

Prior to ISD #508's acquisition of the property, the site was used for the growing of agricultural crops such as corn and soybeans. Subsequent to the acquisition by ISD #508, the property has been farmed and managed by the Agricultural Academy as part of the ISD #508 curriculum.

#### **V. Mixed Use / Mixed Income:**

The City of Saint Peter will retain ownership of 47.16 acres of land generally located to the south of the future, extended Clark Street. This site will be developed utilizing the concepts of the Building Better Neighborhoods program authored by the Greater Minnesota Housing Fund.

The platted development includes modestly sized residential lots for the construction of single-family homes. It is anticipated that the completed development will replicate the style, density and appearance of both the Nicollet Meadows and Washington Terrace developments previously developed by the City of Saint Peter.

Select parcels within the subdivision have been identified for the construction of multi-family residential developments. The City would intend to seek a private / non-profit party to undertake the development of the multi-family properties via a future Request for Proposals (RFP).

A parcel of 22.19 acres has been identified and set aside as the site of a new ISD #508 elementary school. As the community continues to grow, it is anticipated that a new school will be necessary to handle the rising enrollments. The future school site has not been annexed into the City of Saint Peter. As such, the school site would need to be platted prior to any development of the parcel.

#### **VI. Development Preference:**

The City is seeking a partner to privately develop the northern 15.56 acres (Outlot D) of Traverse Acres Subdivision as a single-family residential development.

Ideally, the City would desire the construction and sale of properties to support the construction of market rate single-family homes with total development costs (land, construction, utilities) of at least \$240,000.

While the City would prefer proposals that anticipate the developer assuming all financial responsibility for construction of the Outlot, the City would consider proposals that anticipate a financial partnership between the City and developer.

## **VII. Platting:**

The successful respondent shall prepare the required submittals for the consideration of a Final Plat of Outlot D, the 15.56 acre development property. The plat application shall include payment of the \$250 fee for the consideration of the subdividing of lands.

## **VIII. Parkland Dedication Fee:**

Upon acceptance of a Final Plat, the developer shall pay a parkland dedication fee equal to 12% of the fair market value of the "Net Developable Area" of the subdivision as defined in Section 44 of the Saint Peter City Code.

## **IX. Project Timeline:**

The City of Saint Peter intends to begin construction of Traverse Acres Subdivision during the 2016 construction season. The City would anticipate that lot sales and the construction of new single-family homes upon its portion of the development will ideally begin in the third quarter of 2016.

The successful respond may seek an alternative timeline for the development of Outlot D. However, the platting and construction of improvements within and upon Outlot D shall begin no later than May 1, 2017.

## **X. Neighborhood Connectivity:**

To provide for the uniform development of the community required in the Saint Peter Comprehensive Plan, the proposed development of Outlot D must consider how the subdivision will be connected to adjoining parcels via roadways, trails and sidewalks.

At a minimum, future vehicular access to the adjoining undeveloped lands should be planned and platted to provide ingress and egress to and from the neighborhood. The Final Plat shall provide for the safe and efficient circulation of both vehicular and pedestrian traffic.

Sidewalks shall be installed on both sides of each street within the development. The construction of sidewalks shall be undertaken in a manner consistent with the standards adopted by the City of Saint Peter. Sidewalk design specification are attached as Exhibit C of this document.

## **XI. Submittals:**

Proposals submitted by firms or individuals shall address the following elements in the form of text, imagery and work examples.

- A. Resume, background and qualification of the proposed developer, including a roster of successfully completed residential subdivisions.
- B. Site sketch depicting the proposed platting of the property.
- C. Proposed number of single-family lots and the typical lot size / dimensions.
- D. Proposed single-family lot prices.
- E. Photos, plats and/or diagrams depicting existing single-family development projects successfully completed by the respondent.
- F. Proposed construction timeline.
- G. Proposed purchase price.

The City of Saint Peter's review of the submittals shall focus on the respondent's ability to successfully undertake the development of a residential neighborhood which targets the construction and occupancy of single-family homes with total development costs of at least \$240,000.

In review of the proposals, the City shall give consideration to the physical layout of the residential development as well as the vehicular / pedestrian circulation planned within and between adjoining neighborhoods (and undeveloped lands). Preference shall be provide to submittals deemed to be supportive of the Building Better Neighborhoods development proposed by the City of Saint Peter.

Any proposed development must be in conformance with the terms and regulations of the Saint Peter Zoning Code, Subdivision Ordinance and the standards developed for the design and construction of roadways, sidewalks and necessary utility infrastructure.

City staff will review the submittals, conduct interviews (when appropriate), compile a comparative analysis of the submittals and present a recommendation to the City Council prior to entering into exclusive negotiations for the sale and development of the property. The City may hire such consultants and professionals as necessary to assist in the review of the proposals.

Additionally, the chosen developer will need to demonstrate the ability to successfully manage and coordinate the construction, site improvements, landscaping, marketing and sale of the single-family lots within the subdivision.

Once a preferred development is identified, additional financial disclosures will be required to demonstrate that the proposed developer has the financial ability to successfully complete the construction of the subdivision.

**XII. Waiver:**

The City of Saint Peter reserves the right to reject any or all of the submittals, to waive any informality in the submittal procedure and to accept any submittal deed by the City Council to be in the City's best interest as determined by the Council.

**XIII. Additional Information:**

Any questions related to this Request for Proposals, or request for additional information may be directed to:

Russ Wille  
Community Development Director  
227 South Front Street  
Saint Peter, MN 56082  
507.934.0661  
[russw@saintpetermn.gov](mailto:russw@saintpetermn.gov)

**XIV. Submittal Deadline:**

***Respondents are to submit three (3) copies of their proposal for staff review and comment to the address above on / or before 5:00 p.m., Monday, \_\_\_\_\_, 2016.***

**TRAVERSE GREEN SUBDIVISION  
PHASE 1**

**SALES PLAN & POLICIES**

**OWNER**

- ◆ Lots within Traverse Green Subdivision are owned by the City of Saint Peter, hereinafter referred to as the CITY.

**LOTS**

- ◆ Lots within Traverse Green Subdivision are identified by lot and block numbers as shown on the recorded final plat.

**INCOME RESTRICTIONS**

- ◆ Tax Increment Financing income restrictions apply to the 57 single-family lots. Those buyers with eligible household incomes will receive a \$9,500.00 reduction from the lot price established by the City Council.

- ◆ Lot price reduction eligibility is determined based upon the following criteria:

<u>Household Size</u>	<u>Gross Household Income</u>
1 - 2 persons:	Less than \$77,400.00
3 or more persons:	Less than \$89,010.00

- ◆ Qualifying household incomes will be adjusted annually.

**MODEL HOMES AND HOUSING CONSTRUCTION**

- ◆ The Economic Development Authority (EDA) will be constructing speculative model homes for purchase by eligible buyers. Eligibility is determined by the regulations applicable to the construction financing utilized.
- ◆ The City will reserve a number of lots for the construction of speculative homes to be constructed by the Saint Peter Economic Development Authority or Southwest Minnesota Housing Partnership. These lots will not be available for sale to the public.
- ◆ Model home styles, design, amenities, furnishing and lots will be selected by the EDA.
- ◆ The EDA will not amend the model homes as per buyer requests. Buyers may elect to proceed with a pre-sold home if they wish to modify the structure.

**BARE LOT SALES**

- ◆ Buyers may purchase a bare lot and construct any home style they desire that meets applicable building code requirements, covenant restrictions and zoning regulations.

- ◆ Buyers of bare lots may access special permanent financing products awarded to the project as long as the buyer meets the program eligibility criteria.

### **DEVELOPER / SPECULATIVE PURCHASE**

- ◆ Developers purchasing lots for speculative purposes may own or reserve a maximum of two (2) lots at any given time.
- ◆ Developers wishing to buy up to two (2) lots for speculative purposes may not hold an interest simultaneously in any other entity also purchasing lots for speculation.
- ◆ Developers purchasing lot for speculative purposes will be required to pay the "full" sales price of the lot(s). If the completed home is sold to a household with a qualifying income, the developer shall be reimbursed the \$9,500 Tax Increment Financing benefit. Such qualifying sale shall be demonstrated via presentation of income verification and proof of closing of the sale.

### **COVENANTS**

- ◆ Restrictive covenants have been filed for record covering all single-family parcels within Traverse Green Subdivision.
- ◆ Buyers shall be provided with a copy of the covenants prior to the execution of a lot reservation or purchase agreement.

### **RESERVATION AND SELECTION OF LOTS**

- ◆ Lots may be reserved prior to entering into a purchase agreement with the CITY. Lots will be reserved / sold on a first come, first served basis.
- ◆ A \$200 fee will secure a 61 day reservation while the buyer seeks construction financing, house plans and a contractor to provide for construction.
- ◆ The Community Development Director will maintain a roster of those reserving lots.
- ◆ Only the Office of Community Development shall have the authority to execute lot reservations on behalf of the CITY.
- ◆ Individuals or developers may reserve a maximum of two (2) lots at any given time.
- ◆ Within 61 days, the buyer is required to enter into a purchase agreement with the CITY or the reservation will expire. Exceptions will be made for buyers who have made a construction escrow deposit of \$500 with the Southwest Minnesota Housing Partnership.
- ◆ Reservations may be renewed for an additional 61 day period by payment of an additional \$200 fee. However, only one \$200 fee will be applied to the purchase

price upon closing, prior reservations fees will be forfeited at the expiration of the 61 reservation period.

- ◆ Lots upon which the reservation has expired will be offered for sale to the public on a first come, first served basis. All applicable fees shall be forfeited upon expiration of the 61 day reservation period.

### **PURCHASE AGREEMENTS**

- ◆ Buyers must enter into a purchase agreement with the CITY. \$500 in earnest money shall be deposited upon execution of the purchase agreement. The \$200 lot reservation fee, if applicable, may be applied to the required \$500 earnest money deposit.
- ◆ A purchase agreement will establish the date of closing. The date of closing will be no sooner than 14 days, and no later than 60 days, from the date the purchase agreement is signed by the buyer and CITY.
- ◆ The City Administrator is authorized by the City Council to execute purchase agreements, at the established lot price, for the sale of lots within Traverse Green Subdivision.
- ◆ The purchase agreement shall require that the buyer obtain a Certificate of Occupancy for the dwelling within twelve (12) months of the date of closing on the sale of the lot. If the Purchaser fails to obtain a Certificate of Occupancy within the twelve months, the real estate shall revert to the Seller. This condition shall survive the delivery of the Warranty Deed.

### **SOUTHWEST MINNESOTA HOUSING PARTNERSHIP**

- ◆ Prospective buyers of EDA model homes and those wishing to seek low interest permanent mortgage products will be referred to the Southwest Minnesota Housing Partnership (SWMHP). The SWMHP will determine eligibility of buyers based upon household income criteria of the applicable funding source.

### **SPECIAL CONTINGENCIES**

- ◆ On or before closing, the Purchaser shall provide the Seller with the following items:
  1. Building construction plans;
  2. Building permit – paid at closing;
  3. Proof of construction financing;
  4. Executed contract for construction conditioned solely upon purchase;

In the event the Purchaser fails to meet the above conditions as of the date of closing, the Seller may declare the Purchase Agreement null and void, the earnest money shall be forfeited to the Seller; Purchaser and Seller shall immediately sign a Cancellation of Purchase Agreement.

- ◆ Purchaser may at Purchaser's expense complete soil testing. In the event the soil tests indicate that the property may only be improved with incurring extraordinary building methods or expenses, at the Purchaser's option, the Purchase Agreement shall become null and void and all earnest money shall be refunded to the Purchaser. The Purchaser and Seller agree to sign a Cancellation of Purchase Agreement.

# TRAVERSE GREEN SUBDIVISION

## Covenant and Design Review

**Section 1. Intent:** The intent and purpose of the Traverse Green Covenant and Design Review process is to ensure minimum standards that guide the development of single family residential properties within the subdivision. The City of Saint Peter, as owner of the property, hereby establishes the following restrictive covenants. The restrictions and limitations of the covenants are binding on all parties and all persons claiming under them and for the benefit of and the limitation on all future owners in said subdivision. The covenants are intended to ensure the appropriate aesthetic development of the property, the prevention of nuisances and the compatibility of uses. The covenants are intended to provide the minimum restrictions on the properties while protecting the free and undisturbed use of the lots by all owners equally.

**Section 2. Applicability:** The covenants shall apply to all residential property constructed within Traverse Green Subdivision. The covenants shall apply in addition to all other applicable codes such as the State Building Code including the International Residential Code, State Electrical Code, State Mechanical Code, Minnesota Energy Code and Saint Peter City Code. The Community Development Director shall review all pending development within Traverse Green Subdivision for compliance with the adopted covenants prior to the issuance of a building permit. The Community Development Director must provide the owner with an executed Traverse Green Covenant and Design Review, Certificate of Approval prior to the owner applying for a required building permit.

**Section 3. Process:** The owner shall submit the required information prior to making application for a building permit from the City of Saint Peter. The required information shall include a minimum of:

- a. Site plan (drawn to scale). The plan must depict the location of all structures and buildings upon the lot.
- b. Exterior finish materials and colors (siding, trim, shingle, etc).
- c. Two building elevations drawn to scale. One elevation must include the front elevation of the structure.
- d. Landscaping plan depicting materials and species of plantings.

Upon submission of all required materials by the owner, the Community Development Director shall either issue the certificate or provide for denial of the certificate within 5 working days. Denial of the certificate shall be in writing and shall identify the reason(s) for such denial. In the absence of the Community Development Director, the City Administrator shall designate the appropriate individual or official to fulfill the duties outlined in this Section.

# Restrictive Covenants

## GENERAL:

1. Each dwelling shall be used exclusively for private residential purposes. Home occupations may be established in conformance within the provision of the zoning code.
2. No trailer, tent or similar temporary quarters may be used for living purposes for more than two months, and only during the construction of the dwelling.
3. All construction of single family dwellings and accessory structures shall be new. All new construction must be built, at a minimum, to State Building Code requirements for single family residential construction.
4. The exterior of all buildings or other structures must be completed within one (1) year after the commencement of construction, except where such completion is impossible or would result in great hardship due to strikes, fire, national emergency or natural disaster. If not so completed, the unfinished structure or unfinished portion thereof shall be deemed a nuisance and shall be removed forthwith by, and at the cost of the owner.
5. Home designs shall incorporate architectural details such as window, soffit and fascia trim; shutters; built-up columns and not 4 x 4 posts; and a variety of siding materials such as lap siding, shakes or battens that complement the style of the home.
6. Each home shall display at least three (3) exterior colors, including the color of the roof, the main siding, accent siding and trim. The roof color shall be considered a color only if it is a color other than black or grey.
7. The entry of the home shall be articulated as a focal point of the front elevation through the appropriate use of roof elements, columns, porches, pilasters, urns, windows or other architectural features.
8. Homes must be oriented on the lot such that the front of the home faces the adjacent street. On corner lots, the front of the home must bear the same orientation as other homes along the street upon which it is constructed.
9. Homes must provide direct access to the front and rear yard from the public areas of the home such as the kitchen, dining room, living room or family room.
10. No accessory building larger than 120 square feet that has been completely constructed at any location other than on the lot or building site which it shall occupy shall be moved on to any lot or building site within the subdivision.
11. Dwellings, excluding porches, shall not be set back further than 30 feet from the front property line.
12. No dwelling shall be constructed which, exclusive of basements, porches, patios, decks and other storage areas, has a total gross floor area of less than 930 square feet.
13. No dwelling shall have a roof with less than a 5:12 pitch.

14. Electrical, cable, natural gas and other utility services may not be provided to the residential dwelling or accessory buildings within the required front yard to the extent that they are above ground and visible.
15. No property owner shall attempt to further subdivide, replat or otherwise partition any property into a lot smaller that depicted upon the original plat of the subdivision.

**DRIVEWAYS / GARAGES:**

16. All driveways must contain a hard surfaced drive running from the garage door to the street or alley.
17. Driveways shall be constructed of asphalt, concrete, exposed aggregate concrete, concrete pattern stamped and / or colored concrete, concrete pavers, brick or stone.
18. No front yard driveway curb cuts are permitted on lots abutting an alley.
19. Side yard driveway curb cuts are not permitted on corner lots abutting an alley.
20. Driveway curb cuts will be not greater than 24 feet in width.
21. Homes on lots without abutting alleys must set back the garage behind the front wall of the home a minimum of 2 feet.
22. Every residence must include a garage of at least 320 feet and include a minimum width of 16 feet on the façade of the garage from which motor vehicles enter the structure.

**ACCESSORY STRUCTURES:**

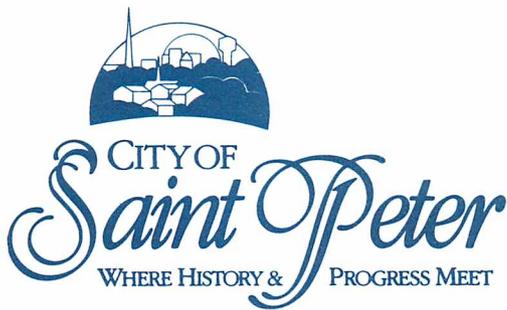
23. No more than 1 accessory building shall be permitted on a lot. Accessory buildings, with the exception of detached garages, shall be no larger than 120 square feet.
24. The exterior finish of accessory buildings, including detached garages, must match the exterior finish of the dwelling.
25. All exterior mechanical equipment, with the exception of solar panels and satellite dishes, shall be ground mounted. Such equipment must be effectively screened from public view by walls, fences or plantings.
26. Ground mounted satellite dishes, antennae or other electronic receiving or transmitting devices of a similar nature must be set a minimum of 10 feet from all property lines and may not be mounted in the any front yard.
27. Decks and ground level patios may be established only within a rear yard.

**FENCES:**

28. Fences may be constructed where appropriate and necessary for screening, security, containment or aesthetic purposes. All fences must be architecturally compatible with the homes and surrounding properties.

**LANDSCAPING:**

29. Within 30 days after issuance of a Certificate of Occupancy, the property owner must establish the minimum landscaping. The 30 day time limit will be extended due to the limitations of the normal growing season. The minimum landscaping shall include:
  - a. The seeding or sodding of all yards.
  - b. The establishment of 1 ornamental tree within the front yard. Such tree shall have a trunk diameter of at least 1 ½ inches.
30. All existing trees or natural plantings that are designated to remain during construction are to be protected from damage due to construction, maintenance or the use of the property.
31. Composting of yard waste shall be restricted to the rear yard. Any composting must be properly located and maintained to prevent odors from adversely affecting surrounding properties.
32. Woodpiles, logs, split-logs, and kindling may not be stored in the front yard or any side yard where the materials would be visible from a public street. The wood must meet all State and Local regulations and best disease management practices must be implemented.
33. No soil may be moved in a manner which materially alters the grade, slope, pitch or in a manner which materially impedes the designed drainage of the properties. The existing grade of the property must be maintained so as to divert surface water runoff away from the residence, but shall not be altered in a manner so as to unreasonably divert surface runoff on to the adjoining properties or across sidewalks.



## Memorandum

**TO:** Honorable Mayor Zieman  
Members of the City Council

**DATE:** April 12, 2016

**FROM:** Todd Prafke                      Paula O'Connell                      Pete Moulton  
City Administrator                      Director of Finance                      Director of Public Works

**RE:** 2016 Electric Enterprise Fund Budget and Rate information

### ACTION/RECOMMENDATION

None needed. For your discussion only.

### BACKGROUND

Please find below the issues staff has discussed and used for the recommended planning and implementation of the Electric Fund budget. We use the budget as a planning and measurement tool in the management of this fund and the operations that are supported by this enterprise or business type fund.

The 2016 proposed Electric Fund budget includes the same operational services as we have provided in previous years. The Utility provides and maintains services to homes and businesses; maintains the electric generation plant; provides for street light installation and maintenance; provides for connection and disconnection of meters and location of City service lines; maintains appropriate load on transformers; installs new services in subdivisions; and installs distribution lines.

The 2016 proposed operating expenditures are \$340,207 above the 2015 budgeted costs. This fluctuation is greater than normal due to the 6% increase in purchased power cost imposed on February 1, 2016. This increase applies to all three parts of the cost of delivery of energy to our meter. Those three cost categories are monthly Transmission/kva/fuel adjustment, Demand, and Consumption (energy).

Capital purchases of \$501,000 are funded from electric reserves and are listed in the table below. Approval of the budget does not allow for the purchase of large items without additional City Council approval. Budgeted items over \$7,500 will be presented to the Council for final approval of purchase, as per the purchase policy.

Design Substation/Transmission: Design work and engineering to complete improvements to the Main Substation identified as a Phase 2 task of the Electric Utility System Master Plan Update dated July 2007.  Includes splitting the project into two separate years 2017-2018 Engineering Cost \$50,000 in 2016 and \$50,000 in 2017  Electric System Mapping Upgrades – development of spatially correct detail and operating maps for the electric distribution system using the latest geo-reference imagery as a background. In addition to having up-to-date maps and imagery with geographically corrected equipment locations, this project would also allow for the GIS-compatible files of the electric system map elements to be created for insertion into an existing GIS model, or the creation of a new GIS model.	\$ 70,000
Distributed Generation Study	\$ 7,000
Replacement Transformer - Front St. Substation	\$ 50,000
Traverse Rd to Edgerton service	\$ 30,000
GAC primary changes to new chiller/heating plants	\$ 30,000
Continued project to replace 1970's underground (2-blocks)	\$ 10,000
Direct Read Meter Program (Eaton/Cooper)	\$ 78,000
Traditionaire Replacements (Move to LED lighting)	\$ 15,000
Broadway Avenue Street Lights	\$ 48,000
Gardner Road Street Lights	\$ 18,000
Jefferson Avenue Street Lights	\$ 12,000
Traverse Road Street Lights	\$ 18,000
City Park Internal Lighting	\$ 60,000
Unit 66 - 3/4 ton 4X4 Extended Cab and Tool Box	\$ 38,000
Generation Plant Corrections	\$ 18,000

Bonded capital projects will include similar projects to the other utilities. \$433,000 of lighting and services will be installed at the new high school, City park and housing subdivision. Another \$100,000 will be used to make electrical improvements when Gustavus Adolphus makes improvements to Nobel Hall. This bond issue will be repaid by revenues of the Electric Utility, except for the \$133,000 of housing, which will be repaid using tax increment financing.

**Additional information:**

- Southern Minnesota Municipal Power Agency (SMMPA) is suggesting that the members will see another increase on the cost of our total bill for 2017 and 2018, in the amounts of 6% and 5% respectively. This suggests that our rate increase now will be a portion of what we will need to have by 2018.
- The current Conservation Improvement Program (CIP) requirements are part of the Next Generation Energy Act that was passed into law in 2007. The energy **savings** requirement is 1.5% of the Utility's 3-year average kilowatt hour (kwh) sales from four years

previous. The **spending** requirement is 1.5% of the utility's gross operating revenue (GOR) from two years previous. The **low-income spending** requirement is 0.2% of the residential gross operating revenue from two years previous.

The 2016 requirements will be based on:

- 2012-14 average sales for the 1.5% energy savings goal
- 2014 total GOR for the 1.5% spending requirement
- 2014 residential GOR to calculate the % Low Income spending

The penalties are applied if a utility cannot or chooses not to try to achieve their savings and spending requirements. If a utility fails to meet the requirements, the State can come in and implement CIP programs for the utility. The State can also delay or not approve utility requests for new generation resources until the CIP requirements are met. SMMPA works with fifteen SMMPA members to jointly conduct the CIP programs to meet the State requirements.

- The load control rebate is proposed to remain at \$4.00/month credit. This credit is given to our load control customers for five months of the year. Load control helps reduce peak demand by cycling air conditioning units. In the past, we have discussed the removal of this credit due to changes in eligibility for the Conservation Incentive Program (CIP). Currently our load control credit is 100% eligible towards the CIP. We pay out about \$38,000 for this program. Remember that this is part of our CIP requirement, so eliminating the program means you will need to spend it on conservation efforts elsewhere. Therefore, a change in this does not help the budget.
- It should be noted that fuel for the Broadway Generation Plant (power production) is reimbursed by SMMPA. City staff exercises the generation plant monthly and, in addition, SMMPA calls on the City to operate the plant as necessary during peak electrical usage on the transmission system. It is an "in and out", meaning it has no net impact to the overall budget. Once the agreement with SMMPA to operate the generation plant expires, the City will have the ability to operate it as necessary. The original contract ends in 2022, however SMMPA will have the option to extend for another five year period.
- The Electric Fund transfers 6.5% of sales to the General Fund (\$685,567 is allocated to transfer to the General Fund in 2016). This percentage has been in place for a number of years and is based on \$10,547,189 in total 2016 estimated sales. If a reduction in rates is a goal, it is important to remember that lower overall revenues means less transfer to the General Fund. If the transfer changes significantly in any year, the General Fund levy would need to be adjusted to make up for those dollars to keep our overall plan in balance. One of the ideas we have looked at is the option to cap transfers from the Utility Funds to the General Fund at the 2015 General Fund budgeted amount on raw dollars which is different than the transfer of 6.5% regardless of the amount. This idea was used in 2015, which means that the utility will retain \$64,682 and the actual percent of transfer at 5.8% of sales. This slight change in philosophy retains funding for the utility while meeting the General Fund budget plan and goals. The 2016 General Fund budget is the same value of \$1,000,000. If this philosophy is acceptable at the end of 2016, the Electric Fund is projected to increase its fund balance by \$95,291.
- Purchased power equates to 84% of your total operating expenses.

**Current Debt issues: \$1,111,535 Principal and Interest (P & I)**

- ✓ Electric Revenue Bond – 2004D  
2016 Debt Service \$173,485; remaining P & I debt \$0;  
Final payment 2016
- ✓ Electric Revenue Refunding Bond – 20015A (Generation Plant)  
2016 Debt Service \$349,770; remaining P & I debt \$3,791,660;  
Final payment 2027
- ✓ Electric Revenue Refunding Bond – 2006C  
2016 Debt Service \$187,600; remaining P & I debt \$369,300;  
Final payment 2018
- ✓ Taxable Revenue Bond – 2010C (Substation and Transmission)  
2016 Debt Service \$392,350; remaining P & I debt \$5,512,346;  
Final payment 2031

**Rates** - The last rate increase took place in June 2014 for large commercial and industrial customers and in January 2011 there was an energy increase for all customers. Below is a history of the last five rate increases.

<u>Electric rate history</u>		<u>Residential Rate</u>
June 2014	large commercial and Industrial (\$.0024)	.1123
January 2011	4%	.1123
August 2010	4%	.1079
2008	6.5%	.1038
2006	22% and base increase \$1.45	.0956
2005	base charge increased \$1.75	
1995		.0783

*Current residential rates are \$9.95 base charge, \$3.00 transmission charge and \$.1123 per kilowatt hour charge. All changes prior to June 2014 were made across all rate or user classifications.*

To cover the additional cost of purchased power effective February 1, 2016 from SMMPA we have put together a few ideas for rates. The additional 2016 income, cuts or transfers necessary to cover the 6% rate increase from all of SMMPA's charges, is \$395,331. This doesn't do anything for our other budgeted cost increases. This figure is based on the 2015 kilowatt hour and demand history.

The use of reserves to lower a rate increase is limited to \$872,033 of unrestricted funds. Use of your reserves to cover the entire increase in costs would leave you about \$477,000 in reserves which we believe to be too low. While there is no exact amount of reserves you should maintain. We also believe that use of some reserves could be prudent if you were not faced with a strong likelihood of two more years of increases. Delaying any type of increase likely means a bigger jump later. It may be reasonable to use some of your reserves to lengthen the time over which any increases are implemented.

## Rate Change Options

**Option 1:** This option is based on the idea that a user group should pay the appropriate share of cost increase for the total kwh's used. By breaking out the kwh usage into your current largest rate classes we have calculated the corresponding percent and the proposed rate increase to energy only.

Residential	29%	3.82%
Small commercial	3%	3.60%
Large commercial	37%	5.98%
Industrial	31%	6.69%

The reason these percentages do not equal 6% is based on the math. Each of these rates is different, with Residential being the highest. This increase applies the cost increase equally across energy so therefore the lower rate categories see a larger percentage of increase. Again, maybe most importantly it applies all cost increase to the energy charge.

The down side to this option is that if kwh use lowers, there may not be enough revenue to cover the increased cost of demand and transmission.

**Option 2:** This option is based on the consumption percentages by the groups listed above, but allows us to increase base charges, demand, and the consumptions to equate to a similar allocation of the necessary increase of \$395,331. This is different than option one in that it applies the increases based on the amount of kwhs sold to each group or rate class.

This chart demonstrates the low and high customers of each group and what the change from Option 2 would be.

RES 1	current monthly	after Increase	DIFF
LOW	\$ 25.89	\$ 26.83	\$ 0.94
HIGH	\$ 327.07	\$ 338.95	\$ 11.88
SM COMM 3 4 41			
LOW	\$ 29.30	\$ 30.35	\$ 1.05
HIGH	\$ 392.82	\$ 406.86	\$ 14.04
LG COMM 5 6 17			
LOW	\$ 58.15	\$ 60.76	\$ 2.61
HIGH	\$ 11,487.20	\$ 12,002.25	\$ 515.05
INDUSTRIAL 7			
LOW	\$ 14,455.10	\$ 15,130.46	\$ 675.36
HIGH	\$ 93,120.52	\$ 97,471.25	\$ 4,350.73

This chart demonstrates the comparison of purchased costs from SMMPA verses billed rates.

TOTAL REVENUE COMPARISONS	Monthly transmi/kva/fuel adjmts	Base charge	Demand Charge	Consumption \$ charge
SMMPA INC	\$ 643,223.22	0	\$ 2,243,187.00	\$ 4,645,329.95
CITY REV Opt#2	\$ 289,120.91	\$ 554,229.19	\$ 1,786,035.23	\$ 7,868,432.51

This table is important in that it shows how you pay for the energy and its delivery vs. how you charge your customers for it.

We've provided the budget data and some comparison graphs and will also have available at the workshop a couple spreadsheets that we can input new data options.

**Option 3:** We would also propose that the increase be doubled to allow for a full year of collections. With the timing of a rate increase for May 1st, we are limited to 6 months of additional revenue.

**Option 4:** The spreadsheet we work on at the workshop will allow for a recalculation of rates if the Council wants to use a portion of reserves to compensate for the SMMPA rate increase in 2016. Again, with the outlook of more SMMPA rate increases for 2017 and 2018, we don't recommend this idea.

**Other considerations:** One of our goals is to moderate our overall negative financial trend line including our net income before capital expenses. As you review the budget spreadsheet information, you will see we have had a downward trend until the 2014 year. While capital improvements come and go and our level of debt remains relatively steady. It is not prudent or a best practice to allow an operational negative trend line to continue.

Capital improvements can be thought of in a number of different ways. Changing the timing of those can impact our cash position, but they do not impact operational cost which is currently the biggest concern. Capital improvements could be considered a cost to system, but they also become an asset to system. While one could argue improvements can make our system too good or "gold plated" as was mentioned in the past, we see them falling into three primary categories:

- Those that are really repairs, exemplified by changing our 1970's wire that has had a recent and increasing history of faults; and
- Expansion of system to new areas which usually supports additional tax base and utility revenues; and
- Lastly, those that improve redundancy and therefore enhance service levels. Your system does have very low outage numbers compared to any utility in our area. You could make choices to not improve redundancy therefore lowering your service levels. The challenge here is that once you do that, it is very difficult and potentially expensive to regain that reliability and service standard. The drop from current standard happens pretty quickly and the push back up is likely to take a longer period of time and more resources.

We continue to hover in a rate range that is higher than average in Minnesota, but we have seen increases in rates for other utilities including Investor Owned Utilities (IOUs) and Coop models.

You have continued to invest in improved redundancy, dramatically reducing outages and meeting mandates. Those investments have had an impact on our overall budget and rate needs.

To help the Council explore other ideas we have come up with a list of opportunities that you might wish to review. These are meant to spur your thinking and while not all are viable, anything is possible. They are:

- Push a number of projects back. That would help your cash position, but does not work to solve your operational deficit which we believe to be the major reason a rate change may be needed in 2016.
- Change your overall rate structure. This could be done in a number of ways. Some ideas for this could be seasonal rates, changes in specific classification rates in any way you want or relative to class consumption; or change in base vs. energy rates. As you can see there are almost any numbers of ways to do it. This is good to think about, but it is generally a shifting of costs from one group to another and overall does not solve the current issue which is not related directly to debt, but rather operations income. This may be more appealing later this year once the study is completed by DGR engineering.
- More resources from other funds or cost to other funds. There are many different and logical ways to do this. Consideration of smaller transfers to the General Fund may likewise mean an increase to our annual tax levy. A decrease in the transfer of \$100,000 and a corresponding increase of \$100,000 to our tax levy would mean that a \$250,000 valued home would pay an additional \$52.37 in taxes, based on the 2016 valuation. This issue is not just a numbers or money issue; rather it is a philosophical issue related to how we derive revenues from both property tax payers and the large number of non-property tax payers within our community. Some of these changes will impact who pays for what. Without an increase to the tax levy there would have to be cuts made to services or additional use of reserves over the short term. If you want an additional exploration of this we would be happy to outline impacts. Just let us know.
- An outside the box idea may be to sell your system or cede decisions to someone else like a utility commission appointed by the Council. Selling would take a lot of thinking. Selling gets you away from the need to make any decisions about rates, service or use. We don't know that this gets you a better rate nor does the cash you develop likely cover the value generated to other funds. We don't know if there is even a buyer. It certainly solves your operational deficit issue as it would no longer be your operation. Many communities have utility commissions, but managing your system through another group or a board has a ton of implications and organizational reconfiguration issues that, frankly, don't seem to be an overall benefit. Again, these are pretty far outside the box and we could do some work on this idea, but likely you would need to hire a consultant to do a full evaluation to really figure this one out. We wouldn't recommend it.

Based on the proposed budget, we anticipate that our unrestricted cash position will decrease

from a projected \$965,540 at the end of 2015, to an estimate of \$872,033 at the end of 2016. The expenditures (without capital) for 2016 are \$11,181,631; which puts the reserve at 7.8% of the current year budget.

This budget anticipates using \$501,000 of reserves to fund capital purchases. This budget includes place holders for Front Street Substation improvements and for the replacement of a major transformer. This allows us to plan ahead, but frankly, we do not yet know when or exactly to what extent activity will take place.

The approval of the Electric budget (including capital) in the amount of \$12,215,632 will give Staff a working plan. The actual purchase or initiation of large projects and funding sources for any large projects or purchases over \$7,500 will be presented individually to the City Council for authorization.

The 2016 projected unrestricted reserve of \$872,033 does not meet our targeted amount of \$1,200,000. The reserve target has been set based on a risk analysis and projections in an effort to cover emergency repairs and to make capital purchases as you see planned via use of cash when possible.

Our goal for your discussion is to organize this complicated issue in this order:

- Review planned expenses and capital plan. (If expenses or capital plans change that will change our target number from the \$395,000 discussed above.)
- Discuss the use of reserves or use of other financial resources to determine how to make up any shortfall. Discussion how any increase or decreases in needed funds will be applied to the various rate groups or classes.

We will have the ability to change scenarios and calculation at your meeting so that you can get a feel for how rates, applications and classifications interact with each other.

Please feel free to contact us if you have any questions or concerns on this agenda item.

TP/PO/PM

ST PETER ELECTRIC UTILITY  
 INCOME STATEMENT on 2016 Budget

INCOME

Power Sales			
Residential		<b>\$3,600,685</b>	
Other		<b>\$6,946,504</b>	<b>\$10,547,189</b>
Other Income			<b>\$684,508</b>
Total Income			<b>\$11,231,697</b>

EXPENSE

Power Expense			
Purchased Power		<b>\$7,564,589</b>	
Other Power Expense		<b>\$231,010</b>	<b>\$7,795,599</b>
Other Expense			
Distribution Expense		<b>\$616,240</b>	
Administrative Expense		<b>\$437,324</b>	
Customer Expense		<b>\$137,696</b>	
Interest Expense		<b>\$313,205</b>	
Depreciation Expense		<b>\$942,000</b>	
Transfers of Cash and Utilities to other funds		<b>\$939,567</b>	<b>\$3,386,032</b>
Total Expense			<b>\$11,181,632</b>
Revenue Exceeds Expense			<b>\$50,065</b>

		ELECTRIC FUND		IND/COMM RATE INCREASE 6/2014				
		Electric Revenues						2016
		2012	2013	2014	2015	2015		Proposed
		Actual	Actual	Actual	Budget	Projected		Budget
604	37410	Residential Electric Sales	3,667,411	3,661,278	3,606,059	3,601,765	3,582,771	3,600,686
604	37415	less: Load Management Credit	(35,228)	(35,111)	(35,226)	(35,160)	(35,232)	(35,200)
604	37416	less: Load Mgmt Credit-Sm Comm	(931)	(822)	(933)	(930)	(936)	(934)
604	37417	less: Load Mgmt Credit-Lg Comm	(2,320)	(1,028)	(2,316)	(2,310)	(2,310)	(2,310)
604	37419	Water Heating	1,056	992	1,035	966	931	936
604	37420	Small Commercial Electric	296,398	320,274	319,589	317,113	324,913	326,538
604	37421	Large Commercial Electric	2,924,586	2,967,949	3,010,466	3,038,209	3,062,681	3,077,994
604	37422	Large Commercial Electric Heat Sales	42,623	45,039	45,413	46,336	43,808	44,027
604	37423	Industrial Electric Sales	1,770,897	1,994,009	2,045,896	2,048,782	2,060,247	2,070,548
604	37424	Economic Development Incentive	0	0	0	0	0	421,550
604	37425	Large Commercial Peak Alert	0	0	0	0	0	0
604	37426	Large Commercial Interruptible	19,556	32,810	33,393	33,707	34,269	34,440
604	37427	Industrial Interruptible	111,008	107,904	112,570	110,906	113,073	113,638
604	37430	Streetlights	97,110	90,690	88,219	90,019	103,874	104,393
604	37431	Security Lights	0	0	0	0	0	0
604	37432	Sirens	288	288	264	288	288	288
604	37435	Customer Generation	(251)	(2,285)	(3,638)	(4,000)	(2,763)	(4,000)
604	37440	Non Utility City - Small	5,407	5,349	4,827	5,223	4,919	4,944
604	37441	Inter City - Small	3,513	5,215	5,745	6,074	2,900	2,915
604	37442	Non Utility City - Large	50,289	54,284	55,517	55,199	49,617	49,865
604	37443	Inter City - Large	42,755	48,168	50,900	49,315	45,696	45,924
604	37444	Non-Utility- Large Comm./Interruptible	112,855	113,595	118,952	117,285	123,378	123,995
604	37445	Inter-City - Large Comm./Interruptible	124,356	127,000	134,589	130,672	128,661	129,304
604	37446	Non-Utility Lg. Comm./Elec. Heat	5,926	5,970	6,160	6,100	6,425	6,457
604	37447	Inter-City - Industrial	314,051	190,077	190,035	192,952	186,360	187,292
604	37448	Renewable Energy/Wind Power	185	200	293	278	277	278
604	37449	Inter City Lg. Industrial Interruptible	229,636	239,004	237,205	242,477	242,429	243,641
		Sub-Total: Electric Sales	9,781,176	9,970,849	10,025,014	10,051,266	10,076,276	10,547,189
604	36220	Pole Rentals	0	0	0	0	0	0
604	37450	Connection Fees	100	0	0	0	0	0
604	37455	Electric Access Charge	11,500	27,000	13,500	12,000	7,468	12,000
604	37460	Penalty Revenues	66,706	65,508	64,893	65,000	70,698	65,000
604	37470	Miscellaneous	247,176	145,348	146,899	125,000	145,861	75,000
604	36250	Refund & Reimbursements	0	0	0	0	(46)	0
		Sub-Total: Other Operating Rev.	325,482	237,856	225,292	202,000	223,981	152,000
604	33422	Other State Grants	1,408	1,408	1,408	1,408	1,408	1,408
604	36101	Special Assessments	0	0	0	0	0	0
604	36112	Loan Interest Earned	5,218	3,936	2,558	4,000	1,849	1,100
604	36210	Interest Earned	30,503	20,553	16,951	25,000	17,911	16,000
604	39101	Sale of Fixed Assets	2,345	11,923	0	0	94	0
604	39200	Transfers from other Funds	0	0	0	0	0	0
604	37471	smmpa reimbursement for gen fuel	209,932	71,116	90,817	82,000	41,891	82,000
604	37480	Excess Equity Dividend	0	0	0	0	0	0
604	37484	SMMPA Generation Contract	432,000	432,000	432,000	432,000	432,000	432,000
		Sub-Total: Non-Operating Revenues	681,406	540,936	543,734	544,408	495,153	532,508
		TOTAL OPERATING REVENUES	10,106,658	10,208,705	10,250,306	10,253,266	10,300,257	10,699,189
		TOTAL REVENUES	10,788,064	10,749,641	10,794,040	10,797,674	10,795,410	11,231,697

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			Electric Expenditures						
			2012	2013	2014	2015	2015	2016	
			Actual	Actual	Actual	Budget	Projected	Proposed	
			Power Production						
604	49550	100	Wages	12,316	14,767	17,007	12,553	6,901	12,960
604	49550	102	Overtime	1,845	1,591	6,581	373	625	385
604	49550	121	PERA	1,020	1,184	1,704	969	559	1,001
604	49550	122	FICA	853	973	1,427	801	447	827
604	49550	126	Medicare	200	228	334	187	105	194
604	49550	131	Health Insurance	3,112	2,791	4,382	2,603	1,481	2,653
604	49550	132	Dental Insurance	159	346	192	175	87	187
604	49550	133	Life Insurance	6	6	7	5	2	4
604	49550	151	Worker's Compensation	325	313	357	516	415	559
604	49550	210	Operating Supplies	1,880	298	263	0	75	0
604	49550	211	Motor Fuels	209,965	71,116	90,931	82,000	41,891	82,000
604	49550	220	Repair and Maintenance Supplies	0	0	0	0	43	0
604	49550	300	Professional Services	3,170	7,542	1,316	10,000	0	10,000
604	49550	360	Insurance	28,338	32,426	31,732	31,740	23,126	31,740
604	49550	380	Utilities	34,978	37,777	40,522	38,000	37,008	38,000
604	49550	401	Repair & Maint. - Buildings	102	1,032	60	500	195	500
604	49550	404	Repair & Maint. - Equipment	59,582	56,799	52,423	50,000	31,743	50,000
604	49550	430	Miscellaneous	0	0	0	0	0	0
			Sub-Total: Power Production	357,851	229,189	249,238	230,422	144,703	231,010
			Power Supply						
604	49560	381	Purchased Power (paid to SMMPA)	7,357,680	7,276,105	7,163,849	7,276,200	7,136,405	7,564,589
			Sub-Total: Power Supply	7,357,680	7,276,105	7,163,849	7,276,200	7,136,405	7,564,589
			Power Distribution System						
604	49570	100	Wages	213,197	247,657	216,474	303,683	310,113	313,236
604	49570	102	Overtime	24,249	13,726	15,045	8,735	9,076	9,018
604	49570	121	PERA	22,046	21,786	22,378	23,431	23,613	24,169
604	49570	122	FICA	18,593	18,303	18,800	19,370	19,250	19,980
604	49570	126	Medicare	4,348	4,281	4,397	4,530	4,502	4,673
604	49570	131	Health Insurance	49,515	52,622	51,022	57,345	53,594	58,432
604	49570	132	Dental Insurance	3,787	4,148	3,218	4,211	3,318	4,493
604	49570	133	Life Insurance	105	112	111	115	106	104
604	49570	151	Worker's Compensation	7,826	7,500	8,647	12,473	10,033	13,510
604	49570	210	Operating Supplies	38,498	25,610	19,775	25,000	28,354	25,000
604	49570	211	Motor Fuels	11,215	10,670	10,567	11,000	7,631	11,000
604	49570	220	Repair and Maintenance Supplies	325	517	278	500	0	500
604	49570	300	Professional Services	13,524	7,345	4,585	8,000	29,197	26,000
604	49570	310	Contractual Labor	0	0	0	0	0	0
604	49570	360	Insurance	10,232	15,146	13,222	13,225	12,190	13,225
604	49570	380	Utilities	10,841	11,324	11,442	11,000	9,534	11,000
604	49570	401	Repair & Maint. - Buildings	0	750	0	400	0	400
604	49570	402	Repair & Maint. - Substations	2,780	139	444	4,000	6,907	4,000
604	49570	404	Repair & Maint. - Equipment	10,082	10,360	4,815	7,500	11,462	7,500
604	49570	405	Repair & Maint. - Underground Lines	19,203	51,208	9,795	25,000	6,130	25,000
604	49570	406	Repair & Maint. - Overhead Lines	0	0	0	0	0	0
604	49570	407	Repair & Maint. - Meters	2,468	907	3,992	10,000	3,538	10,000
604	49570	408	Repair & Maint. - Transformers	871	(5,312)	1,450	2,000	1,536	2,000
604	49570	409	Repair & Maint. - Streetlights	23,754	27,564	1,024	15,000	7,068	15,000
604	49570	410	Repair & Maint. - SCADA & Load Mgt.	23,672	16,425	12,649	18,000	10,134	16,000
604	49570	415	Equipment Rental	2,406	0	3,275	2,000	0	2,000
604	49570	430	Miscellaneous	0	0	0	0	0	0
			Sub-Total: Power Distribution	513,537	542,788	437,405	586,518	567,286	616,240

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			2012	2013	2014	2015	2015	2016	
			Actual	Actual	Actual	Budget	Projected	Proposed Budget	
			<b>Administrative and General</b>						
604	49580	100	Wages	189,578	191,881	197,251	201,357	224,969	214,163
604	49580	102	Overtime	732	930	885	1,079	840	1,114
604	49580	112	Car Allowance	2,160	1,215	900	0	900	900
604	49580	121	PERA	13,662	13,687	13,673	15,142	14,957	16,105
604	49580	122	FICA	11,099	11,125	11,287	12,551	11,982	13,347
604	49580	126	Medicare	2,596	2,602	2,640	2,935	2,802	3,122
604	49580	131	Health Insurance	47,854	49,203	42,699	46,976	43,688	54,161
604	49580	132	Dental Insurance	4,393	3,662	3,728	3,091	3,609	3,298
604	49580	133	Life Insurance	76	82	81	85	74	77
604	49580	151	Worker's Compensation	1,920	1,825	1,927	2,601	2,092	2,197
604	49580	200	Office Supplies	7,693	6,226	5,107	5,700	3,939	5,700
604	49580	205	Misc. Employee Expenses	13,351	12,780	13,877	15,000	19,243	15,000
604	49580	210	Operating Supplies	726	756	443	1,000	2,108	2,500
604	49580	211	Motor Fuels	0	0	463	0	0	0
604	49580	220	Repair & Maint. Supplies	7,121	2,603	3,406	3,000	2,950	3,000
604	49580	300	Professional Services	15,756	10,986	17,734	20,000	64,349	20,000
604	49580	310	Contract Labor	0	0	0	0	0	0
604	49580	321	Telephone	4,066	3,852	4,208	4,300	4,454	4,300
604	49580	322	Postage	134	185	170	200	228	225
604	49580	331	Travel & Training	23,734	22,432	16,046	18,000	17,416	20,000
604	49580	340	Advertising	0	0	7	0	0	0
604	49580	351	Legal Notices & Publications	0	0	0	100	59	100
604	49580	354	Printing & Binding	0	0	0	0	11	15
604	49580	360	Insurance	12,806	5,016	5,472	5,475	5,546	6,000
604	49580	380	Utilities	7,082	8,235	9,533	9,000	8,089	9,000
604	49580	401	Repair & Maint. - Buildings	2,857	3,529	3,208	4,000	1,079	4,000
604	49580	404	Repair & Maint. - Equipment	5,854	9,264	9,386	9,000	3,651	9,000
604	49580	430	Miscellaneous	0	0	0	0	0	0
604	49580	433	Dues and Subscriptions	25,986	27,420	29,988	30,000	28,336	30,000
			Sub-Total: Administration	401,236	389,496	394,119	410,592	467,371	437,324
			<b>Customer Accounts</b>						
604	49585	100	Wages	80,687	66,770	66,367	73,288	68,248	74,299
604	49585	102	Overtime	979	29	0	1,934	184	1,951
604	49585	121	PERA	4,782	4,740	4,695	5,642	5,012	5,719
604	49585	122	FICA	4,047	3,870	3,784	4,664	3,963	4,728
604	49585	126	Medicare	946	905	885	1,091	927	1,106
604	49585	131	Health Insurance	18,817	21,072	22,717	25,213	17,990	18,000
604	49585	132	Dental Insurance	966	1,427	1,350	1,053	1,308	1,123
604	49585	133	Life Insurance	27	30	29	29	26	26
604	49585	151	Worker's Compensation	398	378	355	556	447	594
604	49585	200	Office Supplies	1,433	1,845	726	1,200	1,072	1,200
604	49585	205	Misc. Employee Expenses	0	0	0	0	0	0
604	49585	211	Motor Fuels	407	650	589	600	406	600
604	49585	300	Professional Services	2,822	2,851	2,945	3,000	3,699	3,400
604	49585	322	Postage	5,262	5,354	5,480	5,500	5,594	5,500
604	49585	331	Travel & Training	0	13	407	50	0	50
604	49585	354	Printing & Binding	3,737	3,109	3,546	3,000	3,445	3,300
604	49585	360	Insurance	552	1,376	1,656	1,700	1,100	1,700
604	49585	404	Repair & Maint. - Equipment	1,772	3,291	3,432	4,000	3,748	4,000
604	49585	430	Miscellaneous	116	235	117	400	120	400
604	49585	433	Dues and Subscriptions	0	0	0	0	0	0
604	49585	904	Bad Debt Expense	40,523	11,717	7,859	10,000	8,206	10,000
			Sub-Total: Customer Accounts	168,273	129,662	126,939	142,920	125,495	137,696
			Operating Expenses	8,798,577	8,567,240	8,371,550	8,646,652	8,441,260	8,986,859
			Operating Income (loss):	1,308,081	1,641,465	1,878,756	1,606,614	1,858,997	1,712,329
			<b>Depreciation</b>						
604	49970	420	Depreciation	839,876	920,162	918,843	850,000	941,941	942,000
			<b>Interest Payments</b>						
604	49980	611	Bond Interest Payments	474,241	446,361	417,552	391,535	374,759	313,205
			<b>Transfers</b>						
604	49990	720	Operating Transfer - Cash to General	669,647	676,343	681,743	653,332	590,276	685,567
604	49990	722	Contributed Utility Services	254,818	253,957	242,339	254,000	251,637	254,000
			Sub-Total: Transfers & Contributions	924,465	930,300	924,082	907,332	841,913	939,567
			Other Expenditures	2,238,582	2,296,823	2,260,477	2,148,867	2,158,613	2,194,772
			NET INCOME (Loss):	(249,095)	(114,422)	162,013	2,155	195,537	50,065

<b>Capital - Distribution System</b>									
604	48410	100	Wages	68,682	43,989	69,070	0	0	0
604	48410	300	Professional/Engineering Services	38,221	36,939	28,184	70,000	73,710	76,000
604	48410	510	Land Acquisition	0	0	0	0	0	0
604	48410	520	Building/Structural Improvements	431,310	(22,684)	(22,684)	37,000	0	50,000
604	48410	532	Utility Infrastructure	246,888	184,877	386,331	621,808	636,864	590,000
604	48410	540	Heavy Machinery	0	0	0	0	0	0
604	48410	550	Motor Vehicles	0	0	0	0	0	0
604	48410	580	Other Equipment	0	244,777	0	6,000	5,266	58,000
				785,101	487,898	460,901	734,808	715,840	774,000
<b>Capital - General Plant</b>									
604	48420	520	Building/Structural Improvements	0	0	0	0	0	0
604	48420	536	Streetlights	74,345	8,058	27,627	109,200	35,989	204,000
604	48420	540	Heavy Machinery	0	0	0	0	0	0
604	48420	550	Motor Vehicles	0	5,451	0	0	11,567	38,000
604	48420	580	Other Equipment	14,040	8,463	0	18,000	7,972	18,000
				88,385	21,972	27,627	127,200	55,528	260,000
<b>Bond Principal Payments</b>									
			Principal Payments on Bonds	525,000	725,000	755,000	720,000	720,000	790,000
<b>ELECTRIC FUND</b>									
<b>Statement of Sources and Applications of Cash</b>									
				2012	2013	2014	2015	2015	2016
				Actual	Actual	Projected	Budget	Projected	Proposed
									Budget
<b>Sources of Cash:</b>									
			Net Income (loss)	(\$249,095)	(\$114,422)	\$162,013	\$2,155	\$195,537	\$50,065
			Add depreciation	839,876	920,162	918,843	850,000	941,941	942,000
			Total	590,781	805,740	1,080,856	852,155	1,137,478	992,065
<b>Application of cash:</b>									
			Purchase of fixed assets	(873,486)	(509,870)	(488,528)	(862,008)	(771,368)	(1,034,000)
			Change in assets and liabilities	257,532	(11,786)	(177,989)	0	296,386	60,000
			Proceeds received	0	0	0	0	95,000	533,000
			Principal payments of long-term debt	(525,000)	(725,000)	(755,000)	(720,000)	(720,000)	(790,000)
			Capital contributed by other sources	0	0	0	0	0	0
			Total	(1,140,954)	(1,246,656)	(1,421,517)	(1,582,008)	(1,099,982)	(1,231,000)
			Net increase (decrease) in cash	(550,173)	(440,916)	(340,661)	(729,853)	37,496	(238,935)
			Cash - January 1	3,321,222	2,771,049	2,330,133	1,989,472	1,989,472	2,026,968
			Required Bond Reserve	\$1,061,428	\$1,061,428	\$1,061,428	\$1,061,428	\$1,061,428	\$916,000
			Unrestricted Cash - December 31	\$1,709,621	\$1,268,705	\$928,044	\$198,191	\$965,540	\$872,033
			% of next year operations						
			% of same year operations unrestricted	15.5%	11.7%	8.7%	1.8%	9.1%	7.8%

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2017 Proposed Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget
3,618,688	3,636,782	3,654,966	3,673,240	3,691,607	3,710,065	3,728,615	3,747,258	3,765,994	3,784,824
(35,200)	(35,200)	(35,200)	(35,200)	(35,200)	(35,200)	(35,200)	(35,200)	(35,200)	(35,200)
(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)
(2,310)	(2,310)	(2,310)	(2,310)	(2,310)	(2,310)	(2,310)	(2,310)	(2,310)	(2,310)
940	945	950	955	959	964	969	974	979	984
328,170	329,811	331,460	333,117	334,783	336,457	338,139	339,830	341,529	343,237
3,093,384	3,103,851	3,124,396	3,140,018	3,155,718	3,171,496	3,187,354	3,203,290	3,219,307	3,235,403
44,247	44,468	44,691	44,914	45,139	45,364	45,591	45,819	46,048	46,279
2,080,901	2,091,305	2,101,762	2,112,271	2,122,832	2,133,446	2,144,114	2,154,834	2,165,608	2,176,436
843,060	1,093,060	1,093,060	1,093,060	1,093,060	1,093,060	1,093,060	1,093,060	1,093,060	1,093,060
0	0	0	0	0	0	0	0	0	0
34,613	34,786	34,960	35,134	35,310	35,487	35,664	35,842	36,022	36,202
114,207	114,778	115,351	115,928	116,508	117,090	117,676	118,264	118,856	119,450
104,915	105,440	105,967	106,497	107,029	107,565	108,102	108,643	109,186	109,732
0	0	0	0	0	0	0	0	0	0
288	288	288	288	288	288	288	288	288	288
(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
4,968	4,993	5,018	5,043	5,068	5,094	5,119	5,145	5,171	5,196
2,929	2,944	2,958	2,973	2,988	3,003	3,018	3,033	3,048	3,064
50,114	50,365	50,617	50,870	51,124	51,380	51,637	51,895	52,154	52,415
46,154	46,385	46,617	46,850	47,084	47,320	47,556	47,794	48,033	48,273
124,615	125,238	125,864	126,493	127,126	127,762	128,400	129,042	129,688	130,336
129,951	130,601	131,254	131,910	132,569	133,232	133,898	134,568	135,241	135,917
6,489	6,522	6,554	6,587	6,620	6,653	6,687	6,720	6,754	6,787
188,228	189,169	190,115	191,066	192,021	192,981	193,946	194,916	195,890	196,870
278	278	278	278	278	278	278	278	278	278
244,859	246,084	247,314	248,551	249,793	251,042	252,298	253,559	254,827	256,101
11,019,556	11,320,648	11,371,996	11,423,600	11,475,462	11,527,583	11,579,965	11,632,609	11,685,516	11,738,688
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
66,300	67,626	68,979	70,358	71,765	73,201	74,665	76,158	77,681	79,235
75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
0	0	0	0	0	0	0	0	0	0
146,300	147,626	148,979	150,358	151,765	153,201	154,665	156,158	157,681	159,235
1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
83,640	85,313	87,019	88,759	90,535	92,345	94,192	96,076	97,998	99,958
0	0	0	0	0	0	0	0	0	0
432,000	432,000	432,000	432,000	432,000	432,000	432,000	432,000	432,000	432,000
533,048	534,721	536,427	538,167	539,943	541,753	543,600	545,484	547,406	549,366
11,165,856	11,468,274	11,520,974	11,573,958	11,627,227	11,680,784	11,734,630	11,788,767	11,843,197	11,897,923
11,698,904	12,002,995	12,057,401	12,112,125	12,167,170	12,222,537	12,278,230	12,334,251	12,390,603	12,447,288

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2017 Proposed Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget
13,219	13,484	13,753	14,028	14,309	14,595	14,887	15,185	15,488	15,798
393	401	409	417	425	434	442	451	460	469
1,021	1,041	1,062	1,084	1,105	1,127	1,150	1,173	1,196	1,220
844	860	878	895	913	931	950	969	988	1,008
198	202	206	210	214	218	223	227	232	236
2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108	3,171	3,234
191	195	198	202	206	211	215	219	223	228
4	4	4	4	4	5	5	5	5	5
570	582	593	605	617	630	642	655	668	681
0	0	0	0	0	0	0	0	0	0
83,640	85,313	87,019	88,759	90,535	92,345	94,192	96,076	97,998	99,958
0	0	0	0	0	0	0	0	0	0
10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190
32,375	33,022	33,683	34,356	35,044	35,744	36,459	37,188	37,932	38,691
38,760	39,535	40,326	41,132	41,955	42,794	43,650	44,523	45,414	46,322
510	520	531	541	552	563	574	586	598	609
51,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755	60,950
0	0	0	0	0	0	0	0	0	0
235,630	240,343	245,150	250,053	255,054	260,155	265,358	270,665	276,078	281,600
8,018,465	8,419,388	8,461,485	8,503,792	8,546,311	8,589,043	8,631,988	8,675,148	8,718,524	8,762,116
8,018,465	8,419,388	8,461,485	8,503,792	8,546,311	8,589,043	8,631,988	8,675,148	8,718,524	8,762,116
319,501	325,891	332,409	339,057	345,838	352,755	359,810	367,006	374,346	381,833
9,198	9,382	9,570	9,761	9,957	10,156	10,359	10,566	10,777	10,993
24,652	25,145	25,648	26,161	26,685	27,218	27,763	28,318	28,884	29,462
20,380	20,787	21,203	21,627	22,060	22,501	22,951	23,410	23,878	24,356
4,766	4,862	4,959	5,058	5,159	5,263	5,368	5,475	5,585	5,696
59,601	60,793	62,009	63,249	64,514	65,804	67,120	68,462	69,832	71,228
4,583	4,675	4,768	4,863	4,961	5,060	5,161	5,264	5,370	5,477
106	108	110	113	115	117	119	122	124	127
13,780	14,056	14,337	14,624	14,916	15,214	15,519	15,829	16,146	16,469
25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877	30,475
11,220	11,444	11,673	11,907	12,145	12,388	12,636	12,888	13,146	13,409
510	520	531	541	552	563	574	586	598	609
26,520	27,050	27,591	28,143	28,706	29,280	29,866	30,463	31,072	31,694
0	0	0	0	0	0	0	0	0	0
13,490	13,759	14,034	14,315	14,601	14,893	15,191	15,495	15,805	16,121
11,220	11,444	11,673	11,907	12,145	12,388	12,636	12,888	13,146	13,409
408	416	424	433	442	450	459	469	478	488
4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	4,876
7,650	7,803	7,959	8,118	8,281	8,446	8,615	8,787	8,963	9,142
25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877	30,475
0	0	0	0	0	0	0	0	0	0
10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190
2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438
15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285
16,320	16,646	16,979	17,319	17,665	18,019	18,379	18,747	19,121	19,504
2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438
0	0	0	0	0	0	0	0	0	0
628,565	641,136	653,959	667,038	680,379	693,986	707,866	722,023	736,464	751,193

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2017 Proposed Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget
218,446	222,815	227,271	231,817	236,453	241,182	246,006	250,926	255,945	261,064
1,136	1,159	1,182	1,206	1,230	1,255	1,280	1,305	1,331	1,358
918	936	955	974	994	1,014	1,034	1,054	1,076	1,097
16,427	16,756	17,091	17,433	17,781	18,137	18,500	18,870	19,247	19,632
13,614	13,886	14,164	14,447	14,736	15,031	15,332	15,638	15,951	16,270
3,184	3,248	3,313	3,379	3,447	3,516	3,586	3,658	3,731	3,806
55,244	56,349	57,476	58,626	59,798	60,994	62,214	63,458	64,727	66,022
3,364	3,431	3,500	3,570	3,641	3,714	3,788	3,864	3,941	4,020
79	80	82	83	85	87	88	90	92	94
2,241	2,286	2,331	2,378	2,426	2,474	2,524	2,574	2,626	2,678
5,814	5,930	6,049	6,170	6,293	6,419	6,548	6,678	6,812	6,948
15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285
2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047
0	0	0	0	0	0	0	0	0	0
3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657
20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380
0	0	0	0	0	0	0	0	0	0
4,386	4,474	4,563	4,654	4,748	4,842	4,939	5,038	5,139	5,242
230	234	239	244	248	253	258	264	269	274
20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380
0	0	0	0	0	0	0	0	0	0
102	104	106	108	110	113	115	117	120	122
15	16	16	16	17	17	17	18	18	18
6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314
9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756	10,971
4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	4,876
9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756	10,971
0	0	0	0	0	0	0	0	0	0
30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570
446,070	454,992	464,092	473,374	482,841	492,498	502,348	512,395	522,643	533,096
75,785	77,301	78,847	80,424	82,032	83,673	85,346	87,053	88,794	90,570
1,990	2,030	2,070	2,112	2,154	2,197	2,241	2,286	2,332	2,378
5,833	5,950	6,069	6,190	6,314	6,441	6,569	6,701	6,835	6,971
4,823	4,919	5,017	5,118	5,220	5,324	5,431	5,540	5,650	5,763
1,128	1,151	1,174	1,197	1,221	1,246	1,270	1,296	1,322	1,348
18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512	21,942
1,145	1,168	1,192	1,216	1,240	1,265	1,290	1,316	1,342	1,369
27	27	28	28	29	29	30	30	31	32
606	618	630	643	656	669	682	696	710	724
1,224	1,248	1,273	1,299	1,325	1,351	1,378	1,406	1,434	1,463
0	0	0	0	0	0	0	0	0	0
612	624	637	649	662	676	689	703	717	731
3,468	3,537	3,608	3,680	3,754	3,829	3,906	3,984	4,063	4,145
5,610	5,722	5,837	5,953	6,072	6,194	6,318	6,444	6,573	6,704
51	52	53	54	55	56	57	59	60	61
3,366	3,433	3,502	3,572	3,643	3,716	3,791	3,866	3,944	4,023
1,734	1,769	1,804	1,840	1,877	1,914	1,953	1,992	2,032	2,072
4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	4,876
408	416	424	433	442	450	459	469	478	488
0	0	0	0	0	0	0	0	0	0
10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190
140,450	143,259	146,124	149,047	152,028	155,068	158,169	161,333	164,559	167,851
9,469,180	9,899,118	9,970,809	10,043,303	10,116,612	10,190,750	10,265,729	10,341,564	10,418,268	10,495,855
1,696,676	1,569,157	1,550,165	1,530,655	1,510,615	1,490,034	1,468,901	1,447,203	1,424,929	1,402,067
960,840	980,057	999,658	1,019,651	1,040,044	1,060,845	1,082,062	1,103,703	1,125,777	1,148,293
29,908	270,656	252,715	237,423	220,840	202,876	183,600	162,210	139,010	144,629
716,271	735,842	739,180	742,534	745,905	749,293	752,698	756,120	759,559	763,015
259,080	264,262	269,547	274,938	280,437	286,045	291,766	297,601	303,554	309,625
975,351	1,000,104	1,008,727	1,017,472	1,026,342	1,035,338	1,044,464	1,053,721	1,063,112	1,072,639
1,966,099	2,250,817	2,261,099	2,274,546	2,287,226	2,299,059	2,310,126	2,319,634	2,327,899	2,365,561
263,625	(146,939)	(174,507)	(205,724)	(236,668)	(267,272)	(297,625)	(326,947)	(355,564)	(414,128)



Electric Capital Plan		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
604.48410	<b>DISTRIBUTION</b>										
300	Professional Services/ Engineering										
	Design Substation/ Transmission	\$ 70,000	\$ 50,000	\$ 5,000	\$ 5,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,500	\$ 6,500	\$ 6,500
	Distributed Generation Study	\$ 6,000									
510	Distribution System Land										
520	Building/Structural Improvements										
	Replacement Transformer - Front St. Substation	\$ 50,000									
	Front St. Substation Upgrade		\$ 450,000	\$ 450,000							
532	Utility Infrastructure										
	Traverse Rd to Edgerton	\$ 30,000									
	GAC Nobel Hall Improvements	\$ 100,000									
	GAC primary changes to new chiller / heating plants	\$ 30,000									
	Replace 1970's underground (2-blocks)	\$ 10,000									
	Elementary School/City Subdivision Development (Phase 1)	\$ 100,000		\$ 20,000		\$ 22,000			\$ 10,000		
	High School/City Park Development (Internal Primary Loop)	\$ 200,000									
	City Park (loop feed)	\$ 100,000									
	Direct Read Meter Program (Eaton/Cooper)	\$ 20,000	\$ 7,500	\$ 7,500	\$ 9,000	\$ 9,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
540	Distribution System Heavy Equipment										
550	Motor Vehicles										
580	Other Equipment										
	Computer System (Eaton/Cooper)	\$ 58,000									
604.48410	<b>TOTAL CAPITAL DISTRIBUTION</b>	\$ 774,000	\$ 507,500	\$ 482,500	\$ 14,000	\$ 37,000	\$ 16,000	\$ 16,000	\$ 26,500	\$ 16,500	\$ 16,500
604.48420	<b>GENERAL PLANT</b>										
520	Building/Structural Improvements										
	Electric Inventory Building (2009 Carryover)										
536	Streetlights										
	Traditionaire Replacements (Move to LED)	\$ 15,000	\$ 16,000	\$ 17,000	\$ 17,000	\$ 18,000	\$ 19,000	\$ 19,000	\$ 20,000	\$ 20,000	\$ 21,000
	High School/City Park Development										
	Broadway Avenue Street Lights	\$ 48,000									
	Gardner Road Street Lights	\$ 18,000									
	Jefferson Avenue Street Lights	\$ 12,000									
	Traverse Road Street Lights	\$ 18,000									
	City Park Internal Lighting	\$ 60,000									
	TWN 361 Street Lighting			\$ 25,000							
	Elementary School/City Subdivision Development (Phase 1)	\$ 33,000	\$ 20,000			\$ 20,000					
540	Heavy Equipment										
	Unit 21 - Digger Derrick (2024)									\$ 250,000	
	Unit 306 - Aerial Bucket Truck (2027)										
550	Motor Vehicles										
	Unit 66 - 3/4 ton 4X4 Extended Cab & Tool Box	\$ 38,000									\$ 44,000
	Unit 813 - 1 1/2 ton Dump Truck								\$ 35,000		
	Unit 708 - 3/4 ton Van						\$ 45,000				
580	Other Equipment										
	Generation Plant Corrections	\$ 18,000									
604.48420	<b>General Plant TOTALS</b>	\$ 260,000	\$ 36,000	\$ 42,000	\$ 17,000	\$ 83,000	\$ 19,000	\$ 19,000	\$ 55,000	\$ 270,000	\$ 65,000
<b>TOTALS - CAPITAL ELECTRICAL SYSTEM</b>		\$ 1,034,000	\$ 543,500	\$ 524,500	\$ 31,000	\$ 120,000	\$ 35,000	\$ 35,000	\$ 81,500	\$ 286,500	\$ 81,500

19

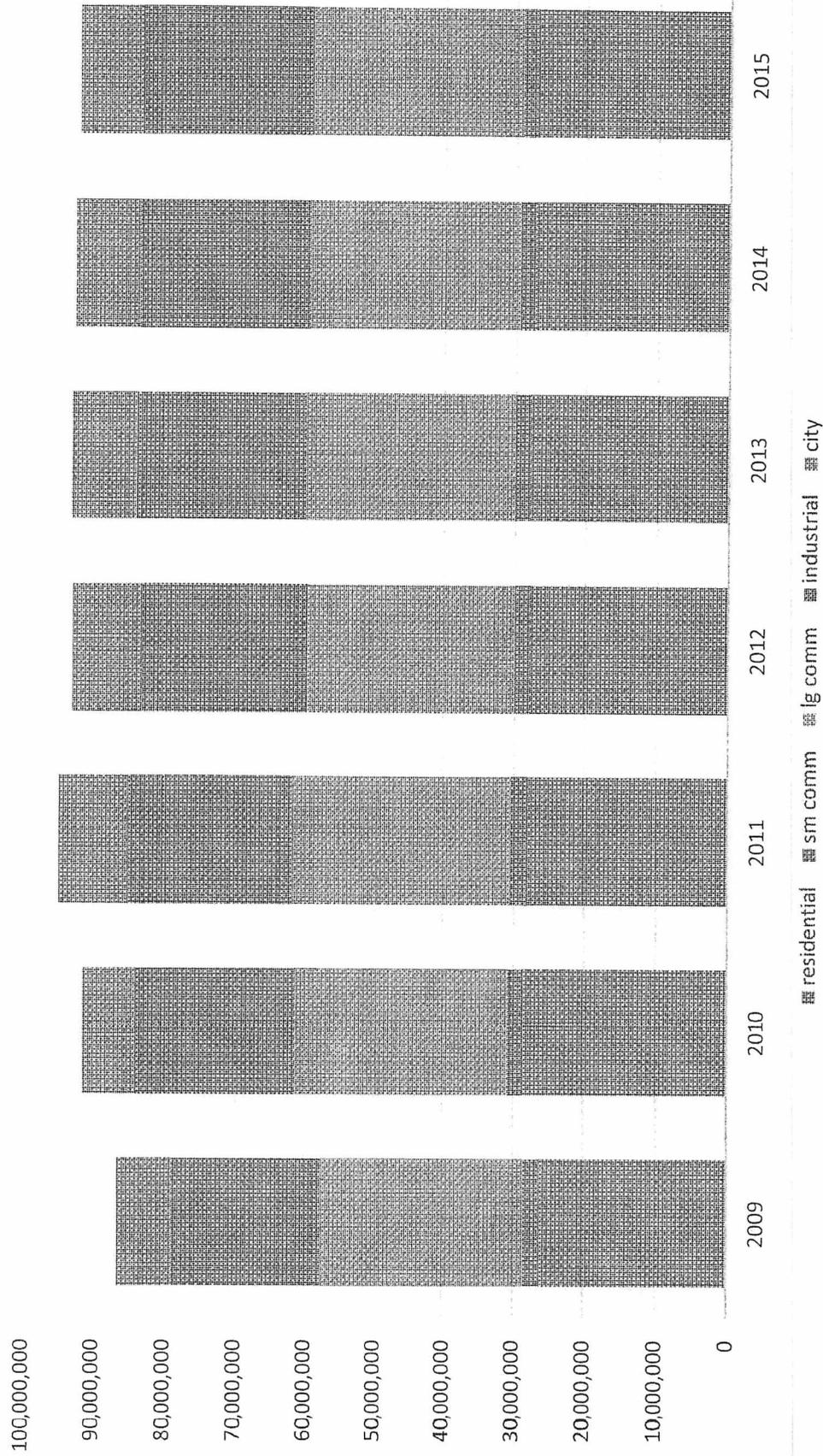
**Electric Capital Funding Plan**

52

DISTRIBUTION		FUNDING SOURCE:	CASH RESERVES	ASSESS/ Developer	TIF BONDING	State Aid	BOND (Finance)
604.48410							
300	Professional Services/ Engineering						
	Design Substation/ Transmission		\$ 70,000				
	Distributed Generation Study		\$ 6,000				
520	Building/Structural Improvements						
	Replacement Transformer - Front St. Substation		\$ 50,000				
532	Utility Infrastructure						
	Traverse Rd Nicollet to Edgerton		\$ 30,000				
	GAC Nobel Hall Improvements					\$ 100,000	
	GAC primary changes to new chiller / heating plants		\$ 30,000				
	Replace 1970's underground (2-blocks)		\$ 10,000				
	Traverse Acres Development (Phase 1)			\$ 100,000			
	High School/City Park Development (Internal Primary Loop)					\$ 200,000	
	City Park (loop feed)					\$ 100,000	
	Direct Read Meter Program (Eaton/Cooper)		\$ 20,000				
580	Other Equipment						
	Computer System (Eaton/Cooper)		\$ 58,000				
<b>604.48410 Distribution</b>			<b>\$ 274,000</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 400,000</b>
<hr/>							
604.48420	General Plant						
536	Streetlights						
	Traditionaire Replacements (Move to LED)		\$ 15,000				
	High School/City Park Development						
	Broadway Avenue Street Lights sunrise to 361		\$ 48,000				
	Gardner Road Street Lights Bdwy to Jefferson		\$ 18,000				
	Jefferson Avenue Street Lights Nicollet to Gardner		\$ 12,000				
	32 LED Traditionaire lights - reuse 21 (Washington Ave)						
	22 Black Commercial LED Lights (Old MN Ave)						
	3 Black Commercial LED Lights (Union St/ Old Mn Ave)						
	Washington Avenue Link Trail Lights						
	Traverse Road Street Lights		18,000				
	City Park Internal Lighting		60,000	IN INVENTORY?			
	TWN 361 Street Lighting						
	Elementary School/City Subdivision Development (Phase 1)			\$ 33,000			
550	Motor Vehicles						
	Unit 66 - 3/4 ton 4X4 Extended Cab & Tool Box		\$ 38,000				
580	Other Equipment						
	Generation Plant Corrections		\$ 18,000				
<b>604.48410 Distribution</b>			<b>\$ 227,000</b>	<b>\$ -</b>	<b>\$ 33,000</b>	<b>\$ -</b>	<b>\$ -</b>
<hr/>							
<b>TOTALS - CAPITAL ELECTRICAL SYSTEM</b>			<b>\$ 501,000</b>	<b>\$ -</b>	<b>\$ 133,000</b>	<b>\$ -</b>	<b>\$ 400,000</b>
<hr/>							
							<b>\$ 1,034,000</b>

	2015 SMMPA TOTAL BILLED		ADD'L REVENUE NEED FOR 2/1/16 - 12/31/16	CONSUMPTION BILLED
ON PEAK	\$ 2,069,979.88	6 % INC	\$ 113,848.89	38,240,807
OFF PEAK	\$ 2,333,176.47	6 % INC	\$ 128,324.71	57,666,250
SUB-ENERGY CHARGE	<b>\$ 4,403,156.35</b>		<b>\$ 242,173.60</b>	<b>95,907,057</b>
DEMAND	\$ 2,126,243.60	6 % INC	\$ 116,943.40	199,460
COST ADJ	\$ (51,671.22)	0 % INC		
WIND POWER	\$ 231.00	0 % INC		
TRANS CHRG	\$ 658,448.76	6 % INC	\$ 36,214.68	
SUB-OTHER CHARGE	<b>\$ 2,733,252.14</b>		<b>\$ 153,158.08</b>	
<b>TOTAL-ALL CHARGES</b>	<b>\$ 7,136,408.49</b>		<b>\$ 395,331.68</b>	
PER MONTH			\$ 35,939.24	

# KWH SOLD



# COMPARISON OF KWH SOLD TO \$ BILLED

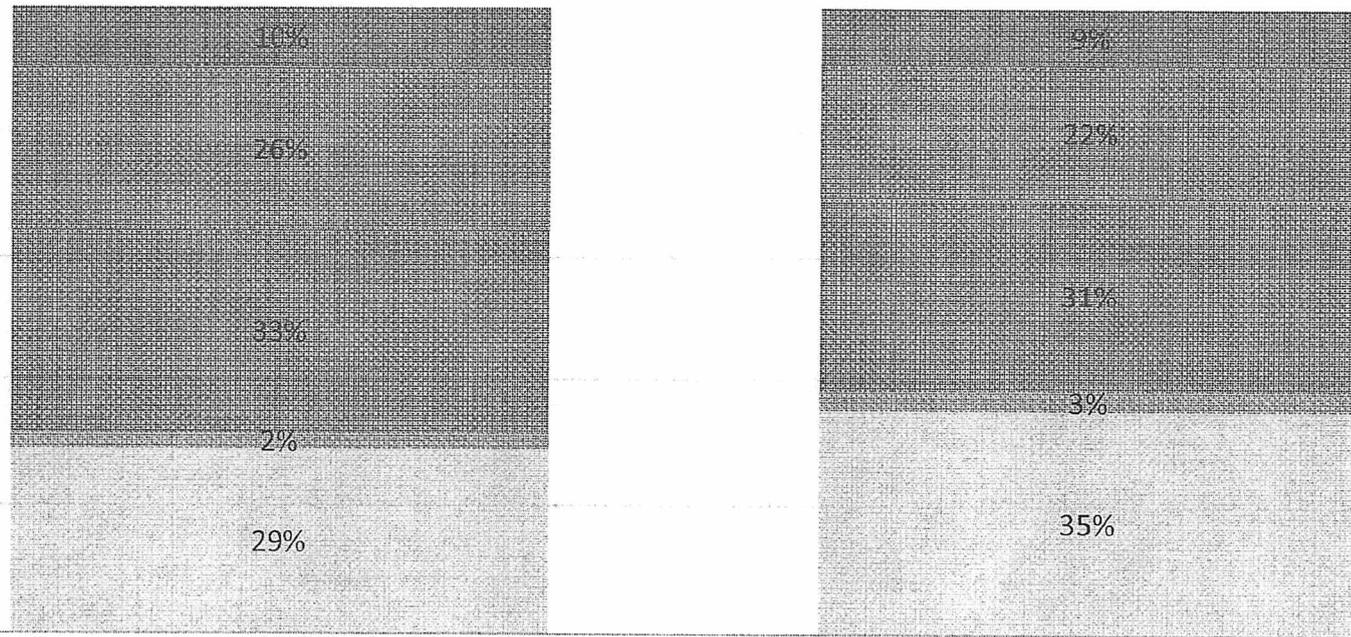
55

120%  
100%  
80%  
60%  
40%  
20%  
0%

% of total kwh

% of total sales

residential sm comm lg comm industrial city



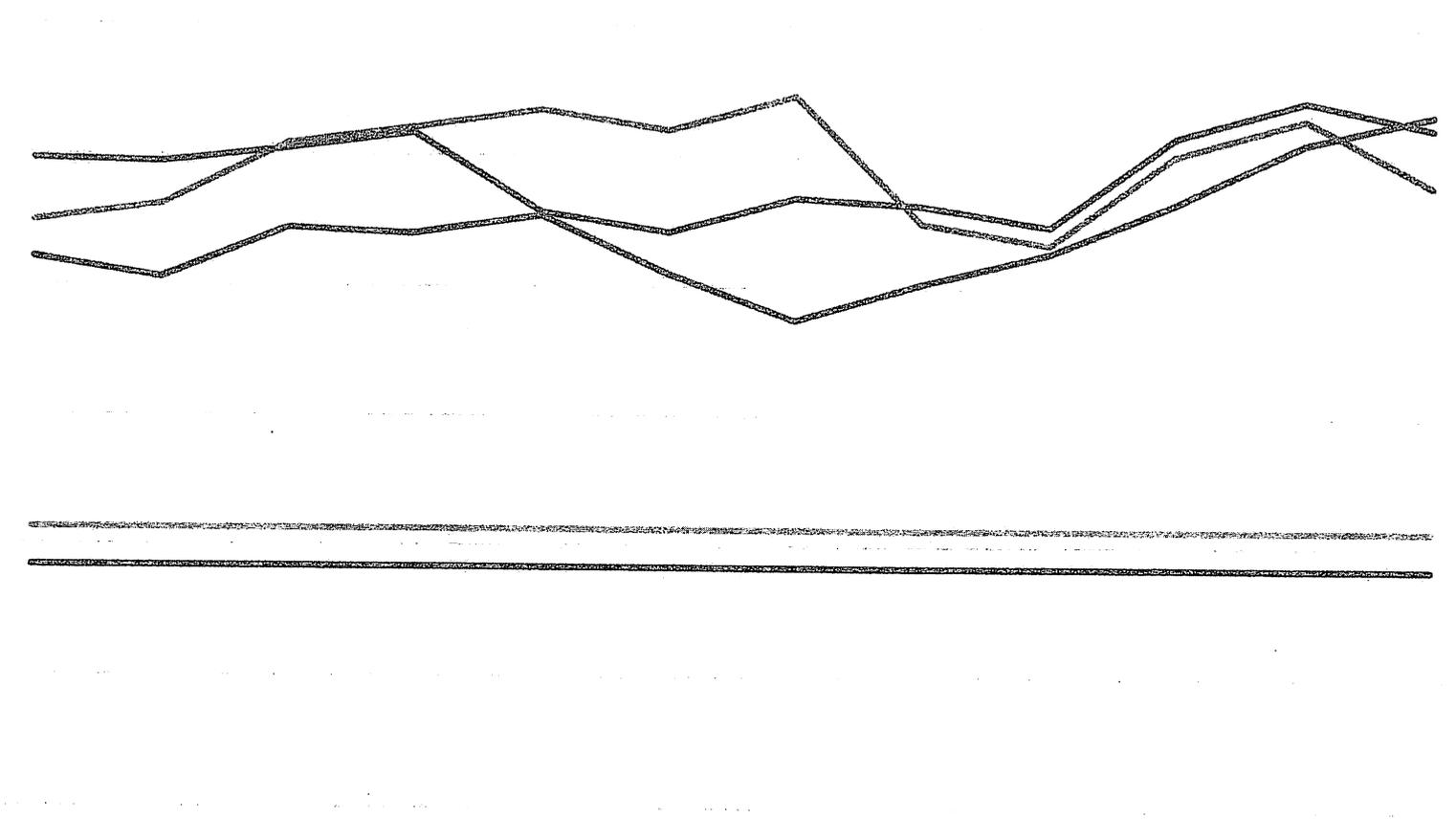
# Electric Cash

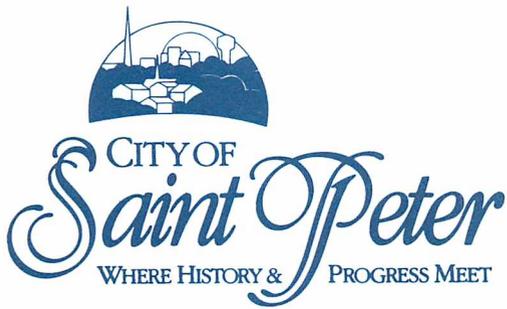
25

3,000,000  
2,500,000  
2,000,000  
1,500,000  
1,000,000  
500,000  
0

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

2014 2015 2016 '14/15 Reserve Reqmt 2016 Reserve Reqmt





## Memorandum

**TO:** Honorable Mayor Zieman  
Members of the City Council

**DATE:** 4/13/2016

**FROM:** Todd Prafke  
City Administrator

**RE:** Fire Hall Architectural Proposal

### ACTION/RECOMMENDATION

None needed. For your information and discussion.

### BACKGROUND

At a workshop about six weeks ago the Council asked that I do some more research on this issue and more specifically, to contact the folks at Door Engineering which I have done. They provided me with a few positive ideas about what to look for and how to proceed with an architectural firm should the Council wish to move forward.

I spoke with Kevin Landgraff (Door Industrial/Commercial Sales Manager) and asked him a number of questions. He was very kind to spend time to work on this issue. Some of the questions and answers we discussed are summarized below.

*How long have you been in the business working with Architects?*

*Two conferences related to Fire station design - FIERO is one of the them.  
I allow firms and suppliers to get together and talk about improvements and things that happen and specialized use of facilities and equipment related to FFE. Again there are a couple of national conferences about this particular area of work.*

*Do you do business with designers who are looking for Fire Hall Doors?*

*BKV Architects did the latest one's in Rochester covers budgeting, NIMBY others, epoxy floors*

*Do you work with those designers directly or is it your staff?*

*Yes, I work with lots of them and so does our staff, not only on Fire Halls but new topics and type of buildings as well.*

*Do you know, are there standards or specific accreditation for certain kinds of designers, like Fire Hall or Public Facilities?*

*He is unaware of anything like that.*

*What would you look for if searching out a Fire Hall designer?*

*Experience, a view or pictures of what they have done.  
Size of your operation matters  
Some connection to Fire service not just architects*

*Any other tip or tricks or advice you may be willing to share?*

*One of the conferences would be helpful to go to and get a better understanding of the universe and what's going in out there.*

As you may recall from the original space needs report, the concern related to your current Fire Hall was that the Hall is too small to support your fire operations. It does not provide adequate space for training and other activities for your members nor, and maybe most importantly, does it provide adequate space for your equipment. Additionally, it is anticipated that future equipment will continue to become larger and as the community grows, the addition of one or two more trucks is likely. Again, your current hall would not be able to accommodate that equipment over the next 10 to 20 years.

Late last year you asked that I get a proposal from ISG who had been contracted to do your space analysis. Since you had worked with ISG for the first phase of development and were satisfied, you did not give me direction to solicit other proposals. You have had a positive history with Paulsen and I believe the price that they have proposed is certainly within the market for this type of work. If the Council wishes to pursue other proposals, a RFP may be in order. Staff could develop that for approval at a future meeting and then give interested parties three to four weeks to respond.

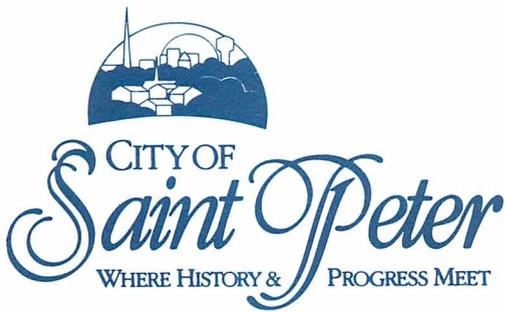
Whether you select ISG or do an RFP, the goal of the next phase of work would be to further define the cost of those specific current and future space needs of the Fire Department. After that highly defined data is available, a financial plan can then be put together.

The process, should the Council wish to move forward, is that the Building Committee of the Fire Department will be reconstituted to work with the designers and regular reporting will be provided to the Council. It will be my goal to participate in a way that provides balance between the wants and needs of the department. This may also mean a look at some operations issues that are more internal to the department. In addition, we will rely on the expertise that ISG brings to the table. I would anticipate that this work will be done in a few months and then a couple of months will be taken to review to ensure budget issues can be met and then, if desired, move to the next phase which would be decisions and development. Coincident to this work will be development timelines and some review of use and sale opportunities of your existing building.

The cost of the study by ISG is \$17,700 and would be funded from General Fund reserves. If you determine that an RFP is in your best interests I would anticipate a similar cost.

Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal



## Memorandum

**TO:** Honorable Mayor Zieman  
Members of the City Council

**DATE:** 4/14/16

**FROM:** Todd Prafke  
City Administrator

**RE:** Regional Transit Update

### ACTION/RECOMMENDATION

None needed. For your discussion only.

### BACKGROUND

Representatives from the cities of Le Sueur and Saint Peter, the Minnesota Department of Transportation and VINE Faith in Action met recently with representatives from Nicollet, Le Sueur and Blue Earth County to discuss a Joint Powers Agreement for a regional transit system.

As discussed at that meeting the proposed membership of a Joint Powers Board would be:

- 2 Members from Blue Earth County
- 2 Members from Le Sueur County
- 2 Members from Nicollet County
- 1 Member from the City of Le Sueur
- 1 Member from the City of Saint Peter
- 1 Member from a City designated by Blue Earth County
- 9 Total members

As part of the workshop on Monday evening it is my hope to receive some feedback from the Council on this proposed board makeup.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal