MAYOR & COUNCIL COMMUNICATION

DATE: **July 19, 2016**
REGULAR
ITEM # **17**

AGENDA ITEM: CSAH 13 (Ideal Avenue/Olson Lake Trail) Phase 1 Improvements – Resolution for Municipal Support

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Kristina Handt, City Administrator

REVIEWED BY: Stephen Wensman, Planning Director
Rob Wellen, Public Works
Cathy Bendel, Finance Director
Chad Isakson, Assistant City Engineer

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item ..... City Engineer
- Report/Presentation.....Washington County Public Works
- Questions from Council to Staff ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion ..... Mayor Facilitates

POLICY RECOMMENDER: Engineering.

FISCAL IMPACT: Washington County intends to require cost participation from the Cities of Lake Elmo and Oakdale in accordance with the County Cost Participation Policy for County Improvement Projects. In addition, the improvements include the extension of sanitary sewer service to Lake Elmo and Oakdale properties at the request of both cities with the full cost of the utility extension to be paid by each city for their respective share. The current estimate for the local share of the local improvements to be generally split equally between Lake Elmo and Oakdale is $1,185,142. The cities of Lake Elmo and Oakdale, and Washington County will be working on a Joint Powers Agreement which will more specifically allocate those costs between the cities. The funding for the Lake Elmo local improvement costs may be specially assessed to the benefitting properties.

SUMMARY AND ACTION REQUESTED: The City Council is respectfully requested to consider approving a Resolution providing Municipal Support for the County State Aid Highway 13 (Ideal Avenue/Olson Lake Trail) Phase 1 Improvements, "Locally Preferred Alternative" (LPA).

PROJECT BACKGROUND: Washington County has completed the public participation process related to the County State Aid Highway (CSAH) 13 (Ideal Avenue/Olson Lake Trail) project from CSAH 14 (Old TH 5) to CSAH 35 (50th Street North). During that process a number of design alternatives were explored to address the issues and concerns of the abutting property owners, while simultaneously preserving the minor arterial function of the roadway. The County is now requesting that the cities of Oakdale and Lake Elmo support the selected alternative which includes: 11' thru lanes, an 8' parking lane on the east side, a 4' west shoulder, a 6' boulevard, an 8' trail on the west side, and curb and gutter on both sides of the roadway (see map exhibit).

The County is looking to phase the corridor improvements as development of the 3M property may impact the improvements adjacent to their property. The initial phase will include a mill/overlay from CSAH 14 to 44th Street, and the complete improvements from 44th Street to 50th Street. In the future the County will initiate a future project for the complete improvements from CSAH 14 to 44th Street.

In addition to the roadway improvements, the cities of Oakdale and Lake Elmo have been working jointly since 2012 to provide public sanitary sewer service to the abutting properties along Olson Lake Trail from 44th Street to 50th Street. These improvements should be included with the street improvements since the sanitary sewer main needs to be located under the pavement section. The limits of the sewer service area for Lake Elmo properties should be defined as part of the Olson Lake Trail Phase 2 Feasibility Report to be completed in preparation of the County improvements.

The proposed improvements will:

- Improve sight lines and address roadway safety concerns,
- Correct pavement deficiencies and shoulder widths,
- Address erosion concerns and storm water management,
- Accommodate the extension of sanitary sewer service to additional Lake Elmo properties, and
- Provide for pedestrian/bike accommodations along the corridor.

Municipal Support for a "Locally Preferred Alternative" (LPA) expresses the City's support for the project and more specifically for the preliminary design layout as presented. Municipal Support allows the County to proceed with the final project design and property acquisition with the intention to begin construction in 2017. Upon completion of the final design the County will request the City to enter into a Cooperative Agreement for the Project further outlining the City's cost obligations and other provisions as may be deemed appropriate.

RECOMMENDATION: Staff is recommending that the City Council approve a Resolution providing Municipal Support for the County State Aid Highway 13 (Ideal Avenue/Olson Lake Trail) Phase 1 Improvements. The recommended motion for the action is as follows:

"Move to approve Resolution No. 2016-63 providing Municipal Support for the County State Aid Highway 13 (Ideal Avenue/Olson Lake Trail) Phase 1 Improvements."

ATTACHMENT(S):

1. Resolution Providing Municipal Support for the County State Aid Highway 13 (Ideal Avenue/Olson Lake Trail) Phase 1 Improvements.
2. Exhibit – County State Aid Highway 13 (Ideal Avenue/Olson Lake Trail) Phase 1 Improvements.

CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 2016-63

A RESOLUTION PROVIDING MUNICIPAL SUPPORT OF THE COUNTY ROAD 13 PAVEMENT MANAGEMENT AND SAFETY IMPROVEMENT PROJECT (S.A.P. 082-613-033)

WHEREAS, a County recommended County State Aid Highway 13 (CSAH 13) (Ideal Avenue North/Olson Lake Trail North) Project layout dated April 21, 2016, showing proposed roadway, trail, and drainage improvements for CSAH 13, within the limits of the City of Lake Elmo, as a County State Aid Project has been prepared and presented to the City; and

WHEREAS, the City, in coordination with Washington County and the City of Oakdale, has engaged in a preliminary design process that started in August of 2015; and

WHEREAS, the City and County have engaged in a significant community engagement process as part of the preliminary design effort intended to gather and consider public feedback for the proposed County State Aid Highway 13 Reconstruction Project.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lake Elmo supports the County continuing with the development of the final plans and right-of-way acquisition necessary for the construction of the project.

ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE NINETEENTH DAY OF JULY, 2016.

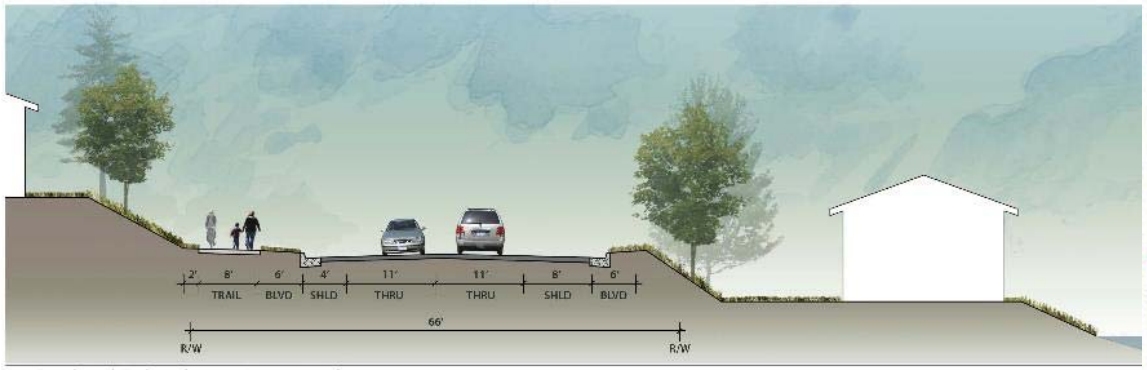
CITY OF LAKE ELMO

By: _____
Mike Pearson
Mayor

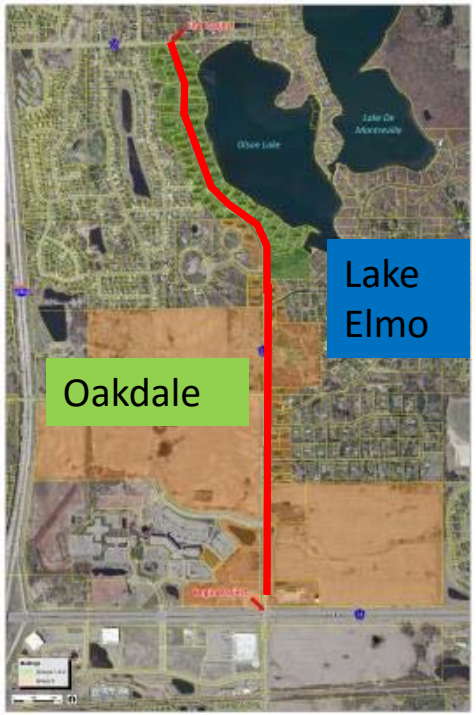
(Seal)
ATTEST:

_____
Julie Johnson
City Clerk

Preferred Alternative



#5 - North End Curb and Gutter Design (Trail)



CSAH 13

IDEAL AVENUE NORTH / OLSON LAKE TRAIL

STAFF REPORT

DATE: July 19, 2016
REGULAR
ITEM #: 22

TO: Mayor and City Council
FROM: Kristina Handt, City Administrator
AGENDA ITEM: Northland Pro Forma

BACKGROUND:
On January 19, 2016, the City Council approved an agreement with Northland Securities for pro forma services after many months of discussion (i.e. 10/20/15, 11/4/15, 12/15/15, 1/12/16 meetings) following the previous presentation of a pro forma to the Council on September 15, 2015. The previous Interim Administrator had noted there were linkage errors in the spreadsheet presented 9/15/15 among other issues and recommended the Council approve an agreement with Northland Securities for pro forma services.

Staff initially met with Tammy Omdal from Northland Securities in February 2016. Bernie Bullert from TKDA was also involved in the meetings as the Council approved an agreement with TKDA for a cost of service study for water and sewer utilities. Follow up meetings occurred on April 25, May 10 and May 26. Staff had been working to meet the initially proposed target date of the June finance committee meeting and the June 21st Council meeting for presentation of the pro forma as described in my email to Council on April 25, 2016. On May 31, 2016 after receiving an email from Council member Fliflet, I sent out an updated schedule for the pro forma. I informed the Council "the draft pro forma had been completed however, at the request of Council Member Fliflet, Chair of the Finance Committee, it will not be presented to the Finance Committee until after we have an approved CIP. The earliest the pro forma is anticipated to be presented would be the September Finance Committee meeting and then a council workshop to follow."

The Finance Committee has had the 2017-2021 CIP on their agenda three times, however, they have not completed their recommendation on the CIP. Under Sec. 31.04 of the City Code, Mayor Pearson and Council member Bloyer have requested this item be placed on the agenda for the July 19th meeting.

ISSUE BEFORE COUNCIL:
Council is asked to receive the pro forma report from Northland Securities.

PROPOSAL DETAILS/ANALYSIS:
A copy of the pro forma prepared by Northland Securities dated June 1, 2016 is included in your packet. Tammy Omdal will be at the meeting to present the pro forma information and answer any of your questions. The financial plans (pro formas) for the water, sewer and storm water funds begin on page 25 with the key assumptions. Key assumptions include: Operating

expenditures will increase 2% annually along with adjustments recommended by TKDA; no change in the existing tier structure for fees; depreciation is estimated over a 40 year period; capital improvement plan implementation will result in increase of future debt service; utility fees increase by 1% for water and sewer beginning in 2018 and $10 per year for storm water beginning in 2017; connection and availability charges would remain the same through 2025; and the proposed fees are adequate to maintain cash balances in the funds to cover: 6 months operating expenses, following year's capital improvements, and following year's debt service.

Although Northland was not tasked to review the 9/15/15 pro forma, since previous discussion that led to the Northland pro forma included questions about the 9/15/15 pro forma I would offer the following analysis, which looks at the period of 2016-2025 in order to compare the same time frame in each model.

Water Fund:	*9/15/15*	*6/1/16*
#of WACs:	1,561	1,965
Revenues:	$32,529,681	$20,615,121
Operating Expenses:	$7,462,688	$5,858,686
Capital Improvement Plan Projects:	$9,716,517	$13,921,517
Debt Service (P&I)	$11,467,355	$11,116,043
Combined Cash Flows/Ending Cash Balance:	$13,599,638	$4,061,372

Summary: Although there were fewer WACs proposed in the 9/15/15 model, there was more revenue proposed than in the 6/1/16 model. Previous statements made at the 11/4/15 meeting acknowledged there was a linking error in 2022 where the model showed non-usage revenue of $2,208,000 despite there being no buildouts proposed for that year. Operating expenses decreased by $1,604,022 due to the recommendations from TKDA. Capital Improvement Plan projects increased by $4,205,000 due to adding in new projects in 2017, 2018, 2019, and 2020 and a longer term look to 2025 which was beyond the scope of the previous five year CIP. Some of the CIP projects were proposed to be paid from fund cash if they were $500,000 or below. Projects above that amount would be financed through borrowing (debt service). After factoring these changes in assumptions, the fund balance of the water fund differs by $7,395,288 from 9/15/15 to 6/1/16. Another significant difference in the two pro formas is the fact that the water fund is shown to cash flow positively throughout the years in the 9/15/15 model, however the 6/1/16 model shows the has a negative cash flow beginning in 2022. The Finance Director was asked to provide further analysis of the two pro formas but she declined to offer input. There may be other explanations for the different conclusions in the two models but I am not aware of any at this time.

Sewer Fund:	*9/15/15*	*6/1/16*
# of SACs:	2,016	2,306
Revenues:	$23,442,684	$15,722,716
Operating Expenses:	$2,127,344	$4,521,539
Capital Improvement Plan Projects	$3,266,837	$6,242,837
Debt Service (P&I)	$4,238,389	$4,237,300
Combined Cash Flows/Ending Cash Balance:	$17,076,948	$5,732,918

Summary: Although there were fewer SACs proposed in the 9/15/15 model, there was more revenue proposed than in the 6/1/16 model. Operating expenses increased by $2,394,195 due to

the recommendations from TKDA. Capital Improvement Plan projects increased by $2,976,000 due to adding two new projects in 2017 and 2018 and a longer term look to 2025 which was beyond the scope of the previous five year CIP. Some of the CIP projects were proposed to be paid from fund cash if they were $500,000 or below. Projects above that amount would be financed through borrowing (debt service). After factoring these changes in assumptions, the fund balance of the sewer fund differs by $5,974,724 from 9/15/15 to 6/1/16. Another significant difference in the two pro formas is the fact that the sewer fund is shown to cash flow positively throughout the years in the 9/15/15 model, however the 6/1/16 model shows the fund has a negative cash flow beginning in 2022. The Finance Director was asked to provide further analysis of the two pro formas but she declined to offer input. There may be other explanations for the different conclusions in the two models but I am not aware of any at this time.

RECOMMENDATION:

Receive Report. No other actions necessary. As per the contract with Northland, the pro forma will be updated quarterly and any future changes in policy can then be incorporated.

City of Lake Elmo, MN
Financial Management Plan
for
Water, Sanitary Sewer, and Storm Water Funds

2016 REPORT

FINAL DRAFT FOR DISTRIBUTION
AS OF JUNE 1, 2016

Northland Securities, Inc.
45 South 7th Street, Suite 2000
Minneapolis, MN 55402
(800) 851-2920
Member NASD and SIPC

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June 1, 2016

Kristina Handt
City Administrator

Cathy Bendel
Finance Director

Lake Elmo City Hall
3800 Laverne Avenue North
Lake Elmo, MN 55042

RE: Financial Management Plan for City Utility Funds

Dear Kristina and Cathy:

Northland Securities, Inc. is pleased to present the City of Lake Elmo with an updated Financial Management Plan for the City Utility Funds. Northland was hired for financial planning services for utility system user charges and rates. Services include performing a utility rate analysis for the Water, Sanitary Sewer, and Storm Water Utility Systems of the City of Lake Elmo. The analysis and report includes a review of the past performance of the systems, projected growth in residential equivalent connections from new development, determines the adequacy of current revenues, and provides recommendation on future rates which reflect recent and projected cost experience in addition to anticipated capital project expenditures and estimated future debt service.

We appreciate the opportunity to provide service to the City of Lake Elmo.

Sincerely,

Tammy Omdal
Senior Vice President

45 South 7th Street, Suite 2000, Minneapolis, MN 55402
Main: (612) 851-5900 / Direct: (612) 851-4964 / Email: tomdal@northlandsecurities.com
Member FINRA and SIPC

EXECUTIVE SUMMARY

This report was prepared by Northland Securities for the

City of Lake Elmo's enterprise funds, including the Water Fund, the Sanitary Sewer Fund, and the Storm Water Fund (collectively, the "utility funds") to determine the appropriate fees and charges and other revenue needed to fund operations through 2025.

The process involved the projection of revenues and expenditures for the utility funds and included incorporating the City's plans for capital improvements, and plans

jected growth in customers.

Recommendations included in the report are based on information provided to Northland Securities from City

as prepared by Northland Securities and detailed in the report.

To the extent the assumptions in the report change in the months and years ahead, which they will, the City will

from the study, an explanation of the organization of the

Organization of Report

This report is organized into six sections:

1. Executive Summary provides information on the organization of the report, study approach, and conclusions and recommendations.
2. Background discusses the historical context, including growth and development of the community, and performance of the utilities.
3. Capital Improvement Plan provides information on the City's plans for infrastructure improvements for the utilities. This includes estimates on project costs and sources of funds to pay for the improvements. Information on debt service is also included.
4. Utility Rates provides current, and future projected utility rates that will be necessary to maintain a posi-

   tion is provided in the Appendix of this report on what proposed rate increases will mean to customers of the utility systems.
5. Financial Plans are provided for the Water Fund, Sani-

   plans provide both historical, current, and future projected sources and uses of funds and balance sheet information. Financial plans take into account capital improvement plans, debt service, and proposed rates.
6. Appendix provides information on calculation of net assets and depreciation for the utility funds, and change in cash balances.

Study Approach

The following steps were taken as part of the study:

- City provided information on the following:

  -historical spending and revenues, and future capital improvement plans;

  -projected growth in customer units from future residential and commercial development; and

prehensive Annual Financial Reports as of December 31, 2015 was not yet available for the study.

- Information provided by the City was organized, ana-

to determine impact on utility rates.

-

tions and desired outcomes.

-

tion to the City Council.

not reviewed as part of this study:

-

by the City on future growth was not reviewed.

- Analysis of the basis for the City's determination of current utility fees and charges was not reviewed.

-

to the existing customer tier structure for charging for water and sanitary sewer services was not reviewed.

- Northland did not review any City prepared pro forma as part of the study and we are not aware of how this report may compare to any prior or current City pro forma.
- The scope of the study did not include a review and comparison of the City's utility fees and charges to other cities.
- The City was not able to provide volume data by tier. Because historical volume data was not available for review, the report makes certain assumptions for future volume of water sold by tier.

Conclusions and Recommendations

The following conclusions and recommendations are offered as a result of the study:

1. Growth in Customers (Residential Equivalent Units)

To meet service demands from growth in customers, the City is planning for capital improvement projects. It needs to be emphasized that the scope, timing, and cost of the capital improvement projects included in this report are preliminary estimates. The City Engineer provided a projection of improvement projects with gross estimates for project costs to provide a reasonable basis for the pro forma analysis included in this report. The City will need to continue to review and revise the capital improvement plan on an ongoing basis.

Timing for future projects will be driven by future development. The planned improvements that are currently included in the capital improvement plan are anticipated to be paid for through a combination of issuance of debt, special assessments (pre-paid), and cash.

In addition to the impact of future growth on the capital improvement plan, the actual timing for the build out of already approved housing development and

estimates for future revenues to the utility funds, from both the collection of development fees and usage fees.

Table A provides the estimated growth projections for residential equivalent units (platted and connected).

Table F on page 20 provides detailed information on

the growth projections summarized in **Table A**. The assumptions for growth in customers have an impact on the establishment of future utility rates and the resulting revenue and year-end cash projections for the utility funds. The City should continue to carefully monitor its assumptions for future growth in customers against actual development.

Table A Growth in Residential Equivalent Units *Total Projected Growth For Years 2016 Through 2025*	
Platted - Sewer Access	2,306
Platted - Water Access	1,965
Connected - Sewer	2,511
Connected - Water	2,487

shown in Table A because some customers will connect to either municipal water or sanitary sewer, but not both.

2. Establishment of Utility Rates

The report assumes a 1.0% annual increase in water and sewer rates, beginning in year 2018. The annual rate increase is assumed on the quarterly base fee and usage fees only. The annual fee for storm water is assumed to increase by $10.00 per year, beginning in year 2017. The increases are needed to ensure the City

over the long-term. There is no assumed change to the

development fees (connection and availably charges).

The City should establish annual user rates concurrent with the development of the following year's budget

to maintain a long term, forward looking view for the ongoing management of the utility funds to avoid potential adjustments to utility rates based on prior year

in customers, unanticipated capital funding pressures, and other unanticipated expense or revenue shortfalls.

There are no changes recommended at this time to the City's rate structure (i.e., volume tiers). As the City gains more experience operating the expanded utili-

City should evaluate whether the current rate structure is continuing to meet the City's objectives.

An increase in revenue from growth in customers is projected; revenue collection will come from platted and connected units and customer usage of the systems.

Table B provides a summary of utility rates as assumed

nancial results and growth in customer units will impact the future utility rates that will be needed.

TABLE B Establishment of Utility Rates					
Service	2016	2017	2018	2019	2020
WATER RATES					
Residential Quarterly Base Fee	$20.00	$20.00	$20.20	$20.40	$20.61
Residential Tier 1: 0-15,000 gallons	$2.00	$2.00	$2.02	$2.04	$2.06
Commercial Quarterly Base Fee	$25.00	$25.00	$25.25	$25.50	$25.76
Commercial Tier 1: 0-15,000 gallons	$3.11	$3.11	$3.14	$3.17	$3.20
Water Availability Charge	$3,000	$3,000	$3,000	$3,000	$3,000
Water Connection Charge	$1,000	$1,000	$1,000	$1,000	$1,000
SANITARY SEWER RATES					
Sewer per 1,000 gallons	$4.50	$4.50	$4.55	$4.59	$4.64
Sanitary Sewer Availability Charge	$3,000	$3,000	$3,000	$3,000	$3,000
Sanitary Sewer Connection Charge	$1,000	$1,000	$1,000	$1,000	$1,000
STORM WATER RATES					
Annual fee	$50.00	$60.00	$70.00	$80.00	$90.00

Note to Table B: Table B does not include all of the tier rates. See Table G, Table H, and Table I for more information.

3. Management of Cash Balances and Assets

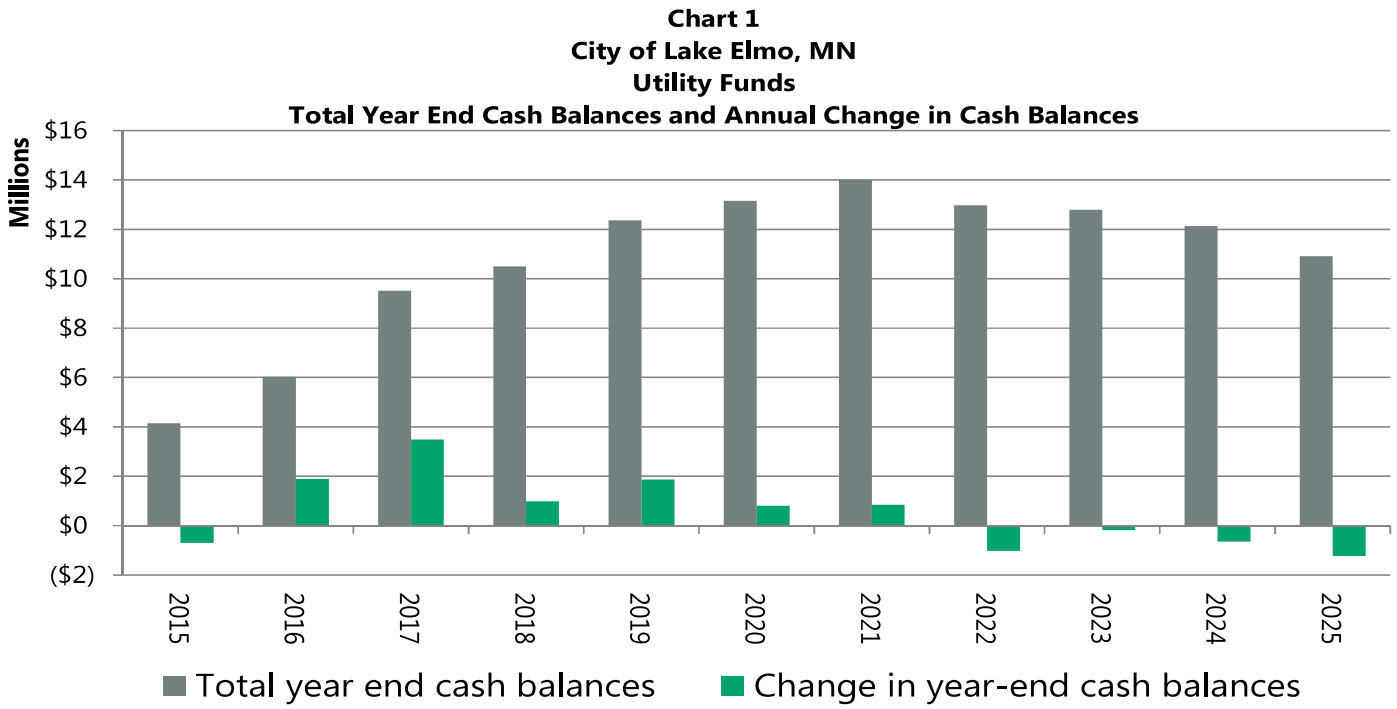
The assumed level of utility rates included in this report, combined with the projected volume of water sold and sanitary sewer billed, plus the projected revenue to be collected from development charges, will provide cash needed to operate the utilities, maintain capital assets, and to pay debt service. The Financial Plan Section of this report provides a break-down of cash balances for each of the utility funds based on the following: 1) cash available to cover at least six months of anticipated operating expenses; 2) cash available to cover the following year's capital improvements that are planned to be funded with cash; and 3) cash available to cover the following year debt service.

It is important to note that beginning in year 2022, both the Water Fund and Sanitary Sewer Fund will begin to draw on projected cash balances to cover expenses. Current projections suggest that the City may need to consider rate increases beyond what is pres-

will need to be monitored to determine what may be necessary in the future years.

Table C provides a summary of the projected year-end cash balances, combined net assets, and combined cash as a percentage of combined net assets. **Chart 1, on page 5,** provides a summary of the total estimated year end cash balances and annual change in cash balances.

Table C Management of Cash Balances and Assets Combined Utility Funds			
Year	Cash	Net Assets	Cash as % of Net Assets
2015	$4,139,984	$17,695,463	23%
2016	$6,027,123	$19,548,501	31%
2017	$9,512,080	$23,868,177	40%
2018	$10,502,094	$26,933,282	39%
2019	$12,361,080	$30,575,311	40%
2020	$13,157,837	$31,666,610	42%
2021	$13,993,165	$32,947,730	42%



Note: Year 2015 is (un-audited) actual, Years 2016 - 2025 are projected.

Chart 1 shows that cash balances in the utility funds are projected to increase over the next several years as a result of revenue collection from development (availability and connection charges). The cash balances will begin to decline as cash collected over the next several years is then used to pay debt service in the future years.

Chart 14, on page 48 provides a comparison of projected year-end cash balances to projected year-end outstanding debt obligations.

BACKGROUND

The City of Lake Elmo is located on the eastern edge of the Twin Cities metropolitan area. The City's 2030 Comprehensive Plan forecasts and provides for approximately eight times the growth in households and population during the 2000-2030 planning period than was experienced during the 1980-2000 period.

The City reports an estimated 2010 population of 8,069 and 2,774 households (2010 Census). Population is estimated to increase to 10,500 by 2020 and households to 3,800 (*source: Metropolitan Council's System Statement Dated September 17, 2015*). The land area for the City encompasses approximately 15,250 acres.

The City's 2030 Comprehensive Plan provides guidance on the City's plans for managing future demand for utility infrastructure. The City is preparing to update to its Comprehensive Plan, the updated Plan will likely have implications for the assumptions included in this report.

Water Utility

Lake Elmo owns, operates and maintains a municipal water supply and distribution system. The City has a goal to serve existing population desiring public water supply while preparing the system to allow people to connect as development occurs or existing areas request service. This policy guides the City's capital improvement plan-

water system. Capital planning includes projects to cor-

The City uses an enterprise fund to account for its water operations. The net assets in the Water Fund totaled $9,360,075 and cash balance was $617,655 as of Decem-

for the City).

Sanitary Sewer Utility

Property owners in the City are served by individual sewer systems or in limited areas by municipal sewer. Capital plans will provide for an increase in the number of properties to be served by municipal sewer and connection to the Regional Sewer System. The Metropolitan Council Environmental Services (MCES) has extended regional sewer service to serve a greater area of the City.

The City uses an enterprise fund to account for its sewer operations. The net assets in the Sewer Fund totaled $3,611,364 and cash balance was $60,592 as of December

the City).

Storm Water Utility

The City operates a storm water utility. The system of conveyances is owned and operated by the City and designed for collecting or conveying storm water. The City collects an annual fee from property owners that is used to pay for the cost of constructing and maintaining the system.

The City uses an enterprise fund to account for its storm water operations. The net assets in the Storm Water Fund totaled $1,095,528 and cash balance was $312,746 as of

statement for the City).

CAPITAL IMPROVEMENT PLAN AND DEBT SERVICE

This report includes a capital improvement plan (the "CIP") that includes capital projects funded from utility revenues and accounted for the in the utility funds. **Table D**, which can be found beginning on page 9, provides details on the annual capital spending that is projected and included in this report for each of the utility funds.

It is important to emphasize that the CIP included in this report should be considered a working draft. The City Engineer prepared the CIP included in this report. The

provides a reasonable basis for the pro forma analysis included in this report. But it is important to recognize that

future, and the actual costs, may vary greatly from what is included in this report.

Capital Projects

The projects included in the CIP include projects to ex-

and sanitary sewer systems. The City is a developing community with utility expansion needs. Planned projects include expansion of the City's water supply capacity and distribution system. Sanitary sewer services have been expanded through the construction of connections to the Regional Sewer System.

As a developing community, the City's capital improvement plans focus on expansion and does not presently include capital spending for maintenance of existing systems. This will need future consideration by the City as the community develops and infrastructure ages and requires major maintenance and/or replacement.

Storm Water Projects

It should be noted that for the storm water CIP, the City Engineer has included projects for Phases 2 and 3 for regional drainage improvements. The City Engineer has identi-

- Phase 2 Downtown Regional Drainage project consisting of land acquisition (Shiltgen property west of Lake Elmo Avenue and north of CSAH 14), a storm water pond, and storm water diversion

- Phase 3 Downtown Regional Drainage project consisting of storm sewer piping south of CSAH 14 near Hagbergs. The ponding may be developer paid, but for the purposes of this report it is assumed to be paid from utility revenue.
- Kraemer Lake Floodplain study will be needed before development can occur in I-94 corridor, Phase 3 area (between Keats-Lake Elmo Avenue).

Source of Funding for Capital Projects

The source of funding for the planned capital projects includes one of the following sources or a combination thereof: fund balance (cash); bond proceeds; and special assessments.

Debt Service

Planned funding for utility infrastructure projects anticipates the issuance of debt to undertake planned improvements and to manage annual fee increases.

The projections assume that the City will issue general obligation bonds secured by revenues from the utility funds

to pay principal and interest. This approach provides the lowest cost of debt. These bonds will not count against the City's debt limit. Debt management is an important factor in the City's ongoing capital improvements planning.

The estimates for debt service are based on bonds to be paid over 15 years and level annual debt service. The estimated interest rates used to calculate annual debt service are generally based on today's current rate environment.

market conditions at time of issuance.

Tables E1 and E2, beginning on page 12, provides information on the City's existing and projected future debt obligations supported by the utility funds.

- **Table E-1** includes information on projected debt (bonds) outstanding as of year-end for each of the utility funds.
- **Table E-2** includes information on projected annual debt service (principal and interest) payments for each of the utility funds.

Table D-1
City of Lake Elmo, MN
Water Fund CIP

Source/Use of Funds	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Use of Funds										
Hammes Estates Trunk WM 12" Prv with Bypass		120,000								
Village East Trunk WM 12" Prv with Bypass			120,000							
Low Pressures Zone 12" Prv with Bypass - Connection to WT #3							120,000			
Pull and Rebuild Well Pump #2		25,000								
Pull and Rebuild Well Pump #4							35,000			
Paint Water Tower #2 (PWs Bldg)								800,000		
SCADA Upgrade								50,000		
Utility Truck (portion charged to Water and Sewer)									48,000	
Kelvin Avenue Utilities	58,600									
Inwood Booster Station	493,000									
Inwood Water Tower	1,779,000									
Lake Elmo Ave/DT Improvements	925,728	1,120,189								
Old Village Sewer Extensions Phase 3: Elem School, 31st, and 32nd St.		400,000								
Old Village Sewer Extensions Phase 4: 32nd St. W & Layton/36th St			350,000							
Old Village Sewer Extensions - Phase 5: Up 33rd, Low-33rd, 34/36th St.W.				450,000						
2018 Street and Utility Improvements: Watermain: 38th/39th & Innsdale			600,000							
2019 Street and Utility Improvements: Watermain: 37th/38th & Irwin				300,000						
2020 Street and Utility Improvements: Watermain: Herritage Farms					50,000					
2021 Street and Utility Improvements: Watermain: Fields/Tamarack FMS						50,000				
Hidden Meadows Trunk Watermain Connection					350,000					
Property Acquisition for Elevated Storage Tank #3				200,000						
Elevated Storage Tank No. 3 (for low pressure systems)					2,800,000					
Well & Pumphouse No. 5 (@10,000 Water service population)									2,100,000	
Watermain oversizing - Based on Developer Pace and Phasing		201,000	215,000	42,000			119,000			
Total	3,256,328	1,866,189	1,285,000	992,000	3,200,000	50,000	274,000	850,000	2,148,000	-
Source of Funds										
GO Bonds	3,256,328	1,466,189			3,150,000			850,000	2,100,000	
Special Assessments Prepaid		400,000	950,000	750,000	50,000	50,000				
Cash from Water Fund			335,000	242,000	-		274,000		48,000	-
Total	3,256,328	1,866,189	1,285,000	992,000	3,200,000	50,000	274,000	850,000	2,148,000	-

Notes:

1. This report was prepared based on estimates developed by the City Engineer.
2. Special assessments are assumed to be prepaid and available cash in this schedule. The City may determine to finance through the issuance of bonds.
3. Kelvin Avenue Utilities is supported 100% by special assessments and will be accounted for in the Governmental Funds.

Table D-2
City of Lake Elmo, MN
Sanitary Sewer CIP

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Use of Funds										
Olson Lake Trail Sanitary Sewer Phase 2		260,000								
Hudson Blvd LS Replacement and Sewer Upsizse		500,000								
Old Village Sewer Extensions Phase 3: Elem School, 31st, and 32nd St.		400,000								
Old Village Sewer Extensions Phase 4: 32nd St. W & Layton/36th St			350,000							
Old Village Sewer Extensions Phase 5: Up 33rd, Low-33rd, 34/36th St.W				450,000						
Section 36 Trunk Sewer Main (Cimarron/Oakland Jr High						1,500,000				
Section 35 Lift Station and Forcemain							700,000			
Sewer Oversizing - Based on Developer Pace and Phasing		129,000	35,000							
Hamlet on Sunfish Lake Sewer Extension and Liftstation			240,000							
Lake Elmo Ave/DT Improvements	870,650	183,687								
Inspection cameras	12,500									
Utility Truck (portion charged to Water and Sewer)								12,000		
Future projects								200,000	200,000	200,000
Total	883,150	1,472,687	625,000	450,000	-	1,500,000	700,000	212,000	200,000	200,000
Source of Funds										
GO Revenue Bonds	870,650	812,687				1,500,000				
Special Assessments Prepaid		660,000	590,000	450,000						
Cash from Sewer Fund	12,500		35,000		-		700,000	212,000	200,000	200,000
Total	883,150	1,472,687	625,000	450,000	-	1,500,000	700,000	212,000	200,000	200,000

Notes:

1. This report was prepared based on estimates developed by the City Engineer.
2. Special assessments are assumed to be prepaid and available cash in this schedule. The City may determine to finance through the issuance of bonds.
3. The City has not made any determination on bonding for future projects, and may decide to use cash in lieu of bonding if cash balances are sufficient to allow.

Table D-3
City of Lake Elmo, MN
Storm Water CIP

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Use of Funds										
Lake Elmo Ave/DT Improvements	2,796,107									
Phase 2 Regional Drainage Improvements: Land Acquisition			1,200,000							
Phase 2 Regional Drainage Improvements: Sunfish Lake Retention/Diversion				800,000						
Phase 3 Regional Drainage Improvements: Lions Park Drainage Retention					500,000					
Kramer Lake Floodplain Study								60,000		
Future annual estimate for projects									50,000	50,000
Total	2,796,107	-	1,200,000	800,000	500,000	-	-	60,000	50,000	50,000
Source of Funds										
GO Revenue Bonds	2,796,107		1,250,000	850,000	550,000					
Cash from Storm Water Fund		-	-	-	-	-	-	60,000	50,000	50,000
Total	2,796,107	-	1,250,000	850,000	550,000	-	-	60,000	50,000	50,000

Notes:

1. This report was prepared based on estimates developed by the City Engineer.

Table E-1
City of Lake Elmo, MN
Utility Funds
Projected Debt (Bonds) Outstanding as of Year End

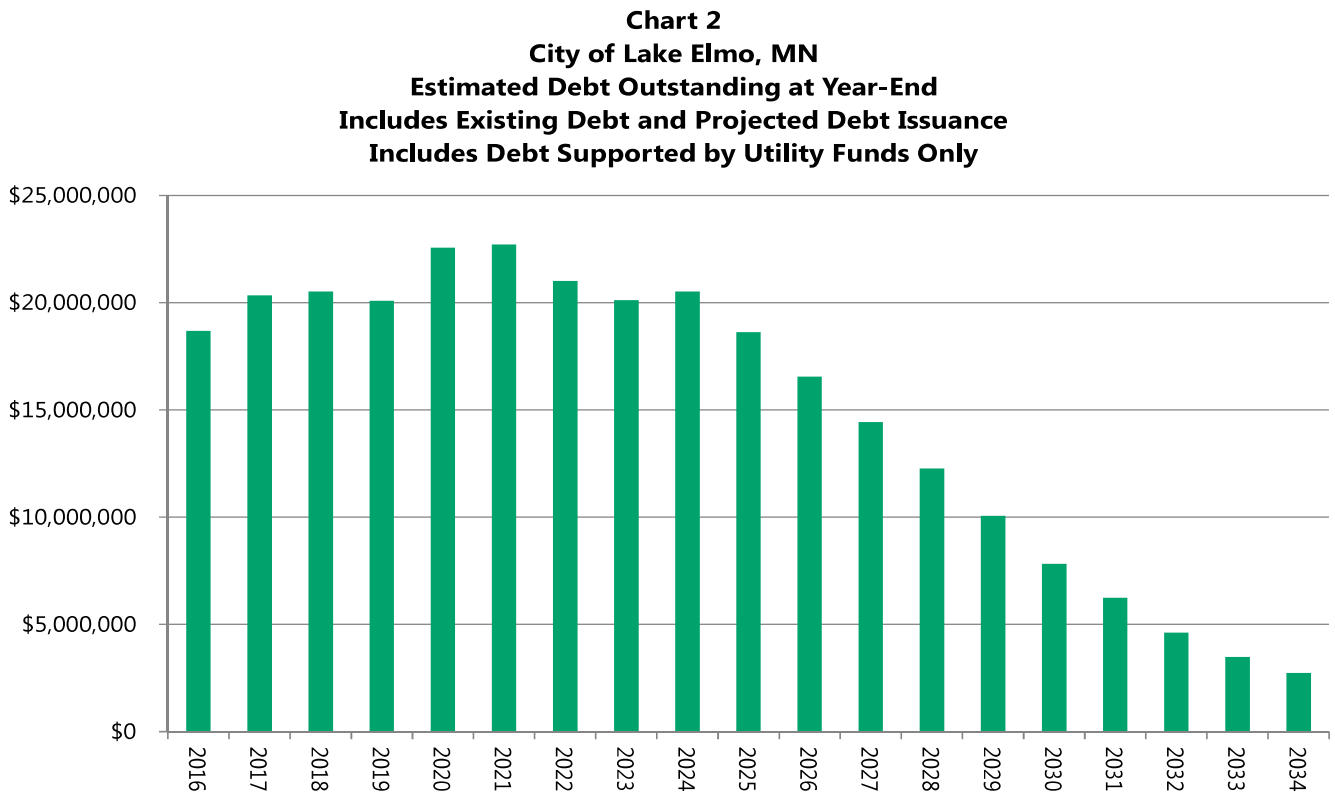
	Original Par Amount	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Utility Fund												
GO Ref Bond 2009A (Refund 2002B)		280,000	240,000	195,000	150,000	100,000	50,000					
GO Ref Bond 2005A												
GO Ref Bond 2012A (Refund 2005A)		4,035,000	3,840,000	3,650,000	3,435,000	3,225,000	3,015,000	2,810,000	2,530,000	2,230,000	1,940,000	1,630,000
GO 2013 Bonds		915,000	865,000	815,000	760,000	705,000	650,000	595,000	540,000	495,000	450,000	405,000
GO 2014 Bonds		2,545,000	2,415,000	2,260,000	2,105,000	1,945,000	1,785,000	1,625,000	1,460,000	1,295,000	1,125,000	950,000
GO 2015 Bonds	915,000	840,000	840,000	795,000	740,000	685,000	630,000	575,000	515,000	455,000	395,000	335,000
GO 2016 Bonds	3,225,000		3,225,000	3,225,000	3,040,000	2,850,000	2,655,000	2,455,000	2,255,000	2,050,000	1,840,000	1,625,000
GO 2017 Bonds Projected	1,520,000			1,520,000	1,520,000	1,430,000	1,340,000	1,250,000	1,160,000	1,065,000	970,000	875,000
GO 2020 Bonds Projected	3,270,000			-	-	-	3,270,000	3,270,000	3,080,000	2,890,000	2,695,000	2,495,000
GO 2021 Bonds Projected				-	-	-		-	-	-	-	-
GO 2023 Bonds Projected	900,000									900,000	900,000	850,000
GO 2024 Bonds Projected	2,195,000										2,195,000	2,195,000
Total		8,615,000	11,425,000	12,460,000	11,750,000	10,940,000	13,395,000	12,580,000	11,540,000	11,380,000	12,510,000	11,360,000
Sanitary Sewer Fund												
GO 2013 Bonds		2,725,000	2,570,000	2,415,000	2,255,000	2,095,000	1,935,000	1,775,000	1,615,000	1,475,000	1,335,000	1,195,000
GO 2014 Bonds		840,000	795,000	745,000	695,000	645,000	590,000	535,000	480,000	425,000	370,000	310,000
GO 2015 Bonds		260,000	260,000	245,000	230,000	215,000	200,000	180,000	160,000	140,000	120,000	100,000
GO 2016 Bonds	860,000		860,000	860,000	810,000	760,000	710,000	655,000	600,000	545,000	490,000	435,000
GO 2017 Bonds Projected	855,000			855,000	855,000	805,000	755,000	705,000	655,000	600,000	545,000	490,000
GO 2021 Bonds Projected	1,570,000							1,570,000	1,570,000	1,480,000	1,390,000	1,295,000
Total		3,825,000	4,485,000	5,120,000	4,845,000	4,520,000	4,190,000	5,420,000	5,080,000	4,665,000	4,250,000	3,825,000
Storm Water Fund												
GO 2016 Bonds	2,770,000	-	2,770,000	2,770,000	2,610,000	2,445,000	2,280,000	2,110,000	1,935,000	1,760,000	1,580,000	1,395,000
GO 2018 Bonds Preliminary	1,310,000				1,310,000	1,310,000	1,255,000	1,200,000	1,145,000	1,090,000	1,035,000	980,000
GO 2019 Bonds Preliminary	875,000					875,000	875,000	825,000	775,000	725,000	675,000	620,000
GO 2020 Bonds Preliminary	575,000						575,000	575,000	540,000	505,000	470,000	435,000
Total		-	2,770,000	2,770,000	3,920,000	4,630,000	4,985,000	4,710,000	4,395,000	4,080,000	3,760,000	3,430,000
Total Utility Funds												
Existing Debt		12,440,000	18,680,000	17,975,000	16,830,000	15,670,000	14,500,000	13,315,000	12,090,000	10,870,000	9,645,000	8,380,000
Estimated (New) Debt		-	-	2,375,000	3,685,000	4,420,000	8,070,000	9,395,000	8,925,000	9,255,000	10,875,000	10,235,000
Total Existing and New Debt		12,440,000	18,680,000	20,350,000	20,515,000	20,090,000	22,570,000	22,710,000	21,015,000	20,125,000	20,520,000	18,615,000

Notes:
1. Preliminary 2016 and estimated amounts for future years are based on the capital improvement plan included in this report; 2. Annual debt service figures are preliminary. Actual structure may vary depending on financial management decisions made by the City; 3. Interest rates and terms will vary for future debt issuance from what is shown here; and 3. Estimated (new) debt is debt issued after May 2016.

Table E-2
City of Lake Elmo, MN
Utility Funds
Projected Annual Debt Service - Principal and Interest Payments on Bonds

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Utility Fund										
GO Ref Bond 2009A (Refund 2002B)	49,880	53,680	52,128	55,575	53,850	51,925	-	-	-	-
GO Ref Bond 2005A	-	-	-	-	-	-	-	-	-	-
GO Ref Bond 2012A (Refund 2005A)	281,044	272,144	293,344	284,044	279,844	270,644	341,544	355,944	339,944	354,144
GO 2013 Bonds	77,203	76,203	80,203	79,103	78,003	76,903	75,693	64,400	63,050	61,700
GO 2014 Bonds	194,536	216,686	213,586	215,436	212,236	209,036	210,704	207,033	207,544	207,369
GO 2015 Bonds	21,667	67,225	76,225	75,125	74,025	72,925	76,775	75,500	74,150	72,725
GO 2016 Bonds	-	72,383	247,650	248,900	250,050	251,100	247,100	248,050	248,900	249,650
GO 2017 Bonds Projected	-	-	25,686	126,405	125,325	124,110	122,715	126,140	124,335	122,388
GO 2020 Bonds Projected	-	-	-	-	-	55,275	268,343	266,063	268,498	270,475
GO 2021 Bonds Projected	-	-	-	-	-	-	-	-	-	-
GO 2023 Bonds Projected	-	-	-	-	-	-	-	-	15,192	71,533
GO 2024 Bonds Projected	-	-	-	-	-	-	-	-	-	37,135
Total	624,330	758,321	988,821	1,084,588	1,073,333	1,111,918	1,342,873	1,343,129	1,341,612	1,447,118
Sanitary Sewer Fund										
GO 2013 Bonds	195,531	193,981	197,431	195,831	194,231	192,631	190,871	168,991	166,891	164,791
GO 2014 Bonds	66,254	70,304	69,304	68,304	72,254	71,154	70,026	68,803	67,331	70,606
GO 2015 Bonds	6,593	21,750	21,450	21,150	20,850	25,500	25,100	24,675	24,225	23,750
GO 2016 Bonds	-	19,302	66,700	65,700	64,700	68,650	67,550	66,450	65,350	64,250
GO 2017 Bonds Projected	-	-	14,459	70,493	69,893	69,218	68,443	72,568	71,523	70,395
GO 2018 Bonds Projected	-	-	-	-	-	-	-	-	-	-
GO 2020 Bonds Projected	-	-	-	-	-	-	-	-	-	-
GO 2021 Bonds Projected	-	-	-	-	-	-	26,555	127,638	126,558	130,343
Total	268,378	305,337	369,344	421,478	421,928	427,153	448,545	529,124	521,878	524,135
Storm Water Fund										
GO 2016 Bonds	-	62,171	213,800	215,550	212,250	213,900	215,450	211,950	213,400	214,750
GO 2018 Bonds Preliminary	-	-	-	24,924	90,325	89,665	88,923	88,070	87,108	86,063
GO 2019 Bonds Preliminary	-	-	-	-	909	73,375	72,600	71,725	70,775	74,750
GO 2020 Bonds Preliminary	-	-	-	-	-	9,703	48,753	48,333	47,860	47,318
Total	-	62,171	213,800	240,474	303,484	386,643	425,725	420,078	419,143	422,880
Total Utility Funds										
Existing Debt	892,708	1,125,829	1,531,820	1,524,718	1,512,293	1,504,368	1,520,813	1,491,795	1,470,785	1,483,735
Estimated (New) Debt	-	-	40,144	221,821	286,452	421,346	696,330	800,535	811,847	910,398
Total Existing and New Debt	892,708	1,125,829	1,571,964	1,746,539	1,798,744	1,925,713	2,217,143	2,292,330	2,282,632	2,394,133

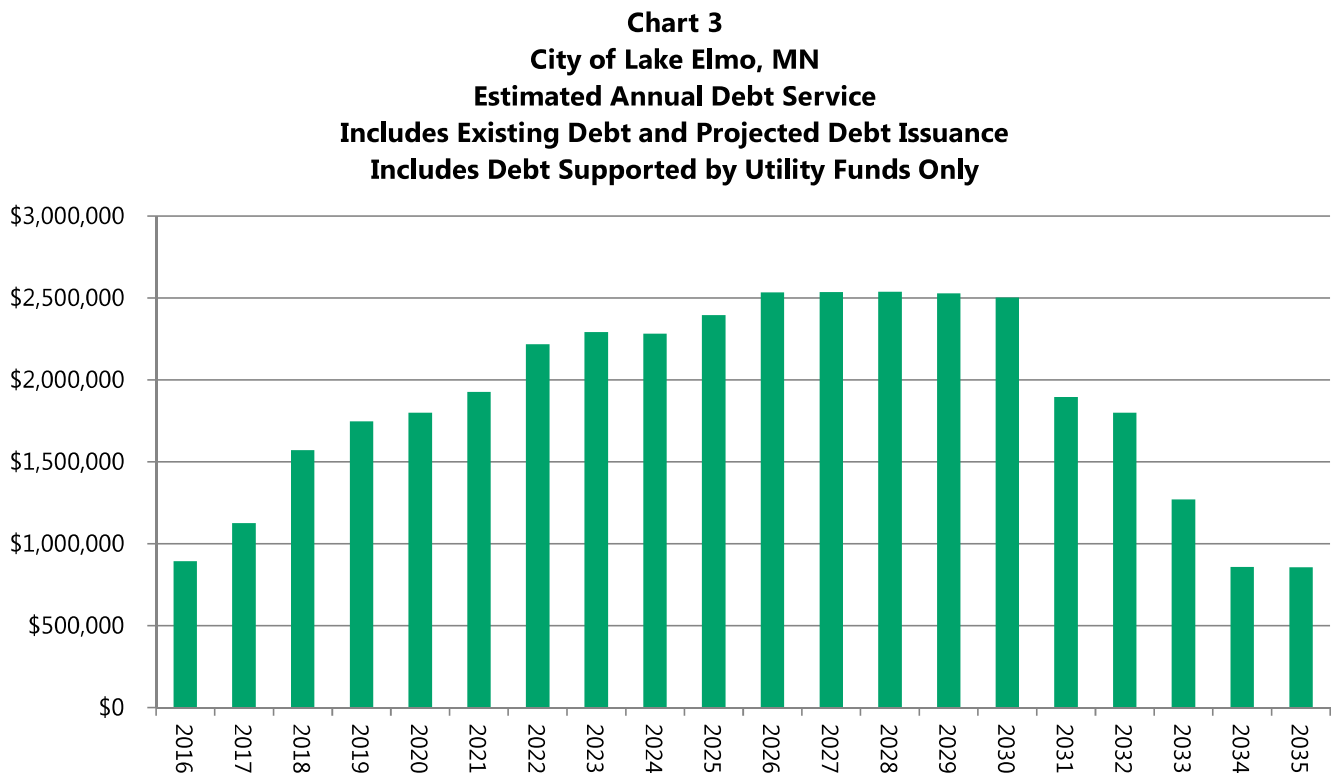
Notes:
1. Preliminary 2016 and estimated amounts for future years are based on the capital improvement plan included in this report; 2. Annual debt service figures are preliminary. Actual structure may vary depending on financial management decisions made by the City; 3. Interest rates and terms will vary for future debt issuance from what is shown here; and 4. Estimated (new) debt is debt issued after May 2016.



The annual debt outstanding as of year-end shown in Chart 2 includes G.O. revenue bonds secured by water, sanitary sewer, and storm water revenues.

The chart includes both existing debt and estimated debt anticipated to be issued in the future and paid from utility revenues. Future bond issuance estimates are based on the City's capital improvement plan.

Chart 2 includes debt supported by utility revenue only and does not include existing or future estimated debt that is paid from property tax levy.



The annual debt service (principal and interest) shown in Chart 3 includes G.O. revenue bonds secured by water, sanitary sewer, and storm water revenues.

The annual amounts include both existing debt service (on outstanding bonds) and estimated debt service on bonds anticipated to be issued in the future and paid from utility revenues. Future bond issuance estimates are based on the City's capital improvement plan (see Table D).

Chart 3 includes debt supported by utility revenue only and does not include existing or future estimated debt that is paid from property tax levy.

UTILITY RATES

Key Factors

nancial stability of the City's utility operations requires development and analysis of the following key factors:

- Estimates for future annual operating expenditures, including personnel, materials and supplies, cost of electricity, and other operating expenses. The City contracted with TKDA Engineering Firm to perform a review of the City's operations. The results of the TKDA review are included in the future annual operating expenditures included in this report.
- Metropolitan Council Environmental Service (MCES) sewer fee charged to the City by the Metropolitan Council for regional collection and treatment of waste water. This is an operating expense that the City does not have control over.
- Annual capital expenditure to maintain and improve the utility systems.
- Annual debt service
  tal improvements.
- Growth in customers using and paying for the systems. This growth will provide additional revenue to the systems at time of platting, connection, and ongoing usage, but will also create additional demand for services.
- Available other revenue sources other than fees and charges to users of the water and sanitary sewer services.

Annual Operating Expenditures

Costs incurred in operating the utility systems, which are used up in the period in which acquired, are recorded as operating expenditures. Annual growth in operating expenditures, not including the MCES charge, has been modest. It is anticipated that growth in future years will be 2.0% annually.

The operating expense projections included in this report were prepared by Bernie Bullert, from TKDA. The City contracted with TKDA to perform a review of the City's operations for the utility systems and to provide input into future estimated capital improvement projects. TKDA will provide the City with a report that explains the assumptions and other factors behind the operating expenses that are included in the pro forma for each of the utility funds.

Depreciation is reported as an operating expenditures and is the process of allocating the costs of an asset over its useful life in a systematic and rational manner. Depreciation is projected to change with capital spending and depreciation of both existing and future acquired assets. The appendix to this report includes information on the calculation of depreciation for this report.

Metropolitan Council Environmental Services

The MCES charge to cities for regional collection and treatment has been volatile in recent years. MCES experienced

opment during the recession which has caused a corresponding decline in revenue collected by the Council for Sewer Availability Charges (a one time fee for new connections). For projection purposes, the study assumes that future charges paid to MCES for collection and treatment

will increase by 5.0% annually. This is part of the annual operating expense to the City's Sewer Fund.

The City accounts for the collection and payment of the MCES "Sewer Availability Charge" (SAC) through an accounts payable account. Therefore the pro forma for the sanitary sewer fund (see **Table K-3, on page 34**) does not include a separate revenue and expense line item for the MCES SAC.

Annual Capital Expenditures

The CIP anticipates paying for future capital improvement project costs with a combination of revenue sources. The City anticipates future development will provide the needed revenue to the City for paying for utility expansion through the collection of development fees (an availability and a connection charge).

Paying for annual planned capital improvement projects with cash may be a sound strategy depending on the details of the project. It avoids incurring annual interest expense. However, this strategy requires advance planning and implementation of utility fees and charges that pro-

For large (non-routine) capital expenditures or unanticipated capital expenditures, the use of bonding to fund capital minimizes annual rate increases that otherwise would be necessary. It also allows the City to charge future customers the cost of infrastructure with a longer useful life, versus putting the entire burden on today's customers. The CIP anticipates bonding for certain project costs. The resulting annual debt service on the bonds is includ-

Debt Service

Debt service in the Utility Funds is paid from revenue collected from utility fees, availability and connection charges, and special assessments. The CIP anticipates debt issuance to be supported by the revenues within the utility funds.

plans that are included in this report. The estimated debt service is based on 15 years bonds payable at current market interest rates. Future estimated utility fees and charges

Growth in Customers

Growth in customers from future land development is the most important factor in determining the projections for future utility rates. Build out of approved developments will bring an increase in revenue to the City's utility funds through the collection of availability and connection charges and fees collected for service and usage of the systems. Availability charges and connection charges are one time charges collected at the time of development and connection to the system. Estimating the increase in future customers from growth in residential and commercial development is the most volatile factor in developing

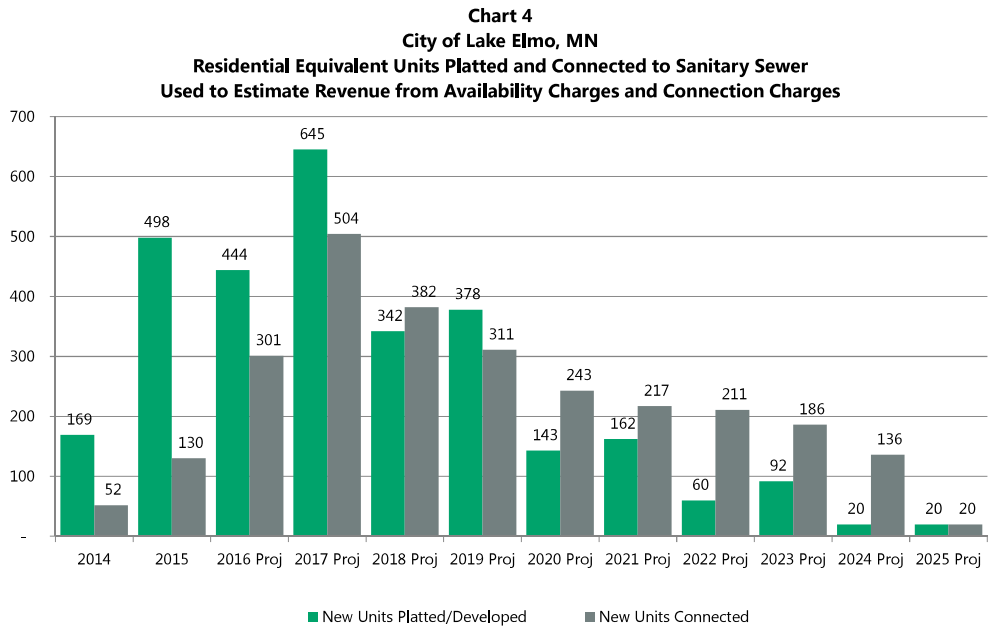
Table F and Chart 4 and Chart 5, beginning on page 18, include information on the assumed growth in residential equivalent units ("REU") from future development. The projected annual growth in

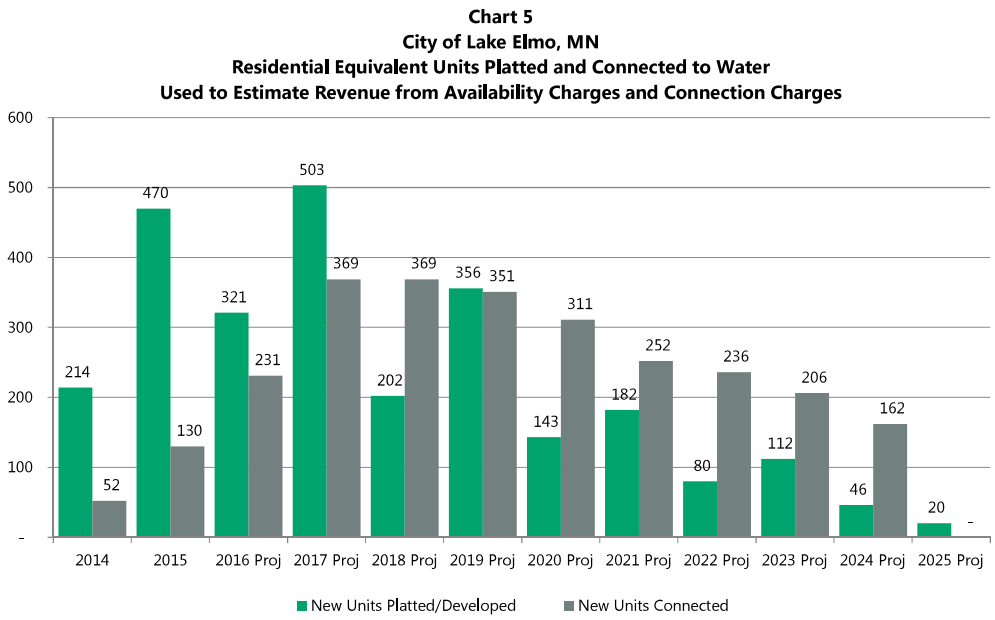
land for this report.

The pace of future development will increase or decrease projected revenues shown in this report and impact future utility rates. For this reason it is critical that the City

Table F
City of Lake Elmo, MN
Growth Projections
Amounts Shown Equal Residential Equivalent Units (REU)

	Actual		Current	Projected									
	2014 Actual	2015 Un-Audited	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total 2016-2025
WATER CONNECTIONS - PAID AT TIME OF PERMIT													
Residential	17	130	140	249	287	281	223	197	161	151	100	0	1,789
Commercial	35	0	51	40	82	70	88	55	75	55	62	0	578
School	0	0	40	80	0	0	0	0	0	0	0	0	120
Total	**52**	**130**	**231**	**369**	**369**	**351**	**311**	**252**	**236**	**206**	**162**	**0**	**2,487**
SANITARY SEWER CONNECTIONS - PAID AT TIME OF PERMIT													
Residential	17	130	180	349	287	281	223	197	191	171	127	20	2,026
Commercial	35	0	81	75	95	30	20	20	20	15	9	0	365
School	0	0	40	80	0	0	0	0	0	0	0	0	120
Total	**52**	**130**	**301**	**504**	**382**	**311**	**243**	**217**	**211**	**186**	**136**	**20**	**2,511**
WATER AVAILABILITY CHARGE - PAID AT TIME OF PLATTING													
Residential	179	420	250	372	147	321	90	162	40	72	0	20	1,474
Commercial	35	50	31	51	55	35	53	20	40	40	46	0	371
School	0	0	40	80	0	0	0	0	0	0	0	0	120
Total	**214**	**470**	**321**	**503**	**202**	**356**	**143**	**182**	**80**	**112**	**46**	**20**	**1,965**
SANITARY SEWER AVAILABILITY CHARGE - PAID AT TIME OF PLATTING													
Residential	134	448	303	409	202	333	130	162	60	92	20	20	1,731
Residential Downtown			40	50	50								140
Commercial	35	50	31	31	15	15	13	0	0	0	0	0	105
Commercial - Downtown			30	75	75	30							210
School	0	0	40	80	0	0	0	0	0	0	0	0	120
Total	**169**	**498**	**444**	**645**	**342**	**378**	**143**	**162**	**60**	**92**	**20**	**20**	**2,306**





The estimates for future growth from development, shown in residential equivalent units in Chart 4 and Chart

The data was provided to Northland Securities as an input for the study and this report.

The assumption on growth, and annual units platted and connected, is an important input for projecting future revenue for the utility funds.

Revenue from increased residential equivalent units comes from a one time payment of the City's availability charge and connection charge and then from ongoing payment for use of the systems. The availability charge is paid at time of platting and the connection charge at time of connection.

Available Other Revenues

There is limited other revenues that provide a source of funding for utility services. The majority of the cost to operate and maintain the system is paid from fees and charges collected from those using the system. Other revenue includes interest income on cash balances, special assessments, grants, and rents.

Historical Utility Rates

Information on historical rates is provided in **Table G, Table H, and Table I, beginning on page 21**, for each of the utility funds. Rates shown are billed quarterly, with the exception of the storm water fee which is billed to customers receiving this charge on an annual basis. The City charges a basic service fee for water only.

Future Utility Rates

Information on future projected utility rates for years 2017 to 2025 is also included in **Table G, Table H, and Table I**, for each

rates necessary to maintain adequate cash balance in the utility funds. These rates applied against projected customers and usage is used to calculate the annual estimat-

(pro forma) for each utility fund.

The report assumes a 1.0% annual increase in water and sewer rates, beginning in year 2018. The annual rate increase is assumed on the quarterly base fee and usage fees only. The annual fee for storm water is assumed to increase by $10.00 per year, beginning in year 2017. As stated, the increases are needed to ensure the City is able

long-term. There is no assumed change to the development fees (connection and availably charges).

The validity of the tier structure the City uses for charging customers for water, based on volume of water sold, was not reviewed as part of this study. The current adopted tier structure appears to be reasonable.

Projected Volumes of Water Sold and Sanitary Sewer Billed

Annual estimated volume of water sold by tier and estimated sanitary sewer billed by year is included in **Table G and Table H**. The estimated gallons of water billed is summarized in **Chart 6, on page 24.**

The City was not able to provide information on historical volume sold per tier so assumptions were made on the volumes sold per tier in order to prepare this report and to project future revenues from billing of water usage. The assumptions should be updated in the future as better is available from the City's billing system.

The report assumes average annual volume of 96,000 gallons per residential customer (or 8,000 gallons per month). This volume is pro-rated across the City's tier structure using estimated historical data (actual data was not available). For commercial customers, annual volume is calculated based on prior year estimated volumes adjusted by the percentage increase in commercial (and school) customers. The report assumes annual sewer volume biller per customer, for both residential and commercial, of 72,000 gallons (or 6,000 per month).

The assumptions for residential and commercial customers volume usage for both water and sanitary sewer needs to be revisited and reviewed as better information becomes available from the City's utility billing system in the future and historical billing data becomes available.

TABLE G
City of Lake Elmo, MN
Water Fund
Fees and Charges and Customer Data

	Actual		Current	Projected								
	2014 Actual	2015 Actual (Un-Audit)	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer Units Billed (Quarterly Average)												
Residential customer units	1,050	1,115	1,250	1,445	1,713	1,997	2,249	2,459	2,638	2,794	2,919	2,969
Commercial and school customer units	50	52	54	58	62	66	70	73	77	80	84	84
Total customer units	**1,100**	**1,167**	**1,304**	**1,503**	**1,775**	**2,063**	**2,319**	**2,532**	**2,715**	**2,874**	**3,003**	**3,053**
Total Volume Sold Per Year in Thousand of Gallons (Gal)												
Residential Usage per 1,000 gallons:												
Tier 1: 0-15,000 gallons	38,573	24,007	34,293	39,643	46,995	54,786	61,700	67,461	72,372	76,651	80,081	81,452
Tier 2: 15,001-30,000 gallons	50,000	50,000	71,423	82,565	97,878	114,105	128,504	140,503	150,730	159,644	166,786	169,643
Tier 3: 30,001-50,000 gallons	10,000	10,000	14,285	16,513	19,576	22,821	25,701	28,101	30,146	31,929	33,357	33,929
Subtotal	98,573	84,007	120,000	138,720	164,448	191,712	215,904	236,064	253,248	268,224	280,224	285,024
Commercial Usage per 1,000 gallons												
Tier 1: 0-15,000 gallons	156	8,000	8,308	8,923	9,538	10,154	10,769	11,231	11,846	12,308	12,923	12,923
Tier 2: 15,001-30,000 gallons	10,000	10,000	10,385	11,154	11,923	12,692	13,462	14,038	14,808	15,385	16,154	16,154
Tier 3: 30,001-50,000 gallons	2,000	2,000	2,077	2,231	2,385	2,538	2,692	2,808	2,962	3,077	3,231	3,231
Subtotal	12,156	20,000	20,769	22,308	23,846	25,385	26,923	28,077	29,615	30,769	32,308	32,308
Total Volume Billed (in thousand of gallons)	**110,729**	**104,007**	**140,769**	**161,028**	**188,294**	**217,097**	**242,827**	**264,141**	**282,863**	**298,993**	**312,532**	**317,332**
Connections (Number of REC)	214	130	231	369	369	351	311	252	236	206	162	-
Availability Charge (Number of REC)	52	470	321	503	202	356	143	182	80	112	46	20
Charges for Service Fees (per 1,000 gallons)												
Residential quarterly base fee	$25.00	$25.00	$20.00	$20.00	$20.20	$20.40	$20.61	$20.81	$21.02	$21.23	$21.44	$21.66
Residential Tier 1: 0-15,000 gallons	$2.14	$2.14	$2.00	$2.00	$2.02	$2.04	$2.06	$2.08	$2.10	$2.12	$2.14	$2.17
Residential Tier 2: 15,001-30,000 gallons	$2.86	$2.86	$2.60	$2.60	$2.63	$2.65	$2.68	$2.71	$2.73	$2.76	$2.79	$2.82
Residential Tier 3: 30,001-50,000 gallons	$3.77	$3.77	$3.38	$3.38	$3.41	$3.45	$3.48	$3.52	$3.55	$3.59	$3.62	$3.66
Residential Tier 4: 50,001-80,000 gallons	$5.00	$5.00	$4.39	$4.39	$4.43	$4.48	$4.52	$4.57	$4.61	$4.66	$4.71	$4.75
Residential Tier 5: >80,001 gallons	$6.63	$6.63	$5.71	$5.71	$5.77	$5.82	$5.88	$5.94	$6.00	$6.06	$6.12	$6.18
Commercial quarterly base fee	$25.00	$25.00	$25.00	$25.00	$25.25	$25.50	$25.76	$26.02	$26.28	$26.54	$26.80	$27.07
Commercial Tier 1: 0-15,000 gallons	$3.11	$3.11	$3.11	$3.11	$3.14	$3.17	$3.20	$3.24	$3.27	$3.30	$3.33	$3.37
Commercial Tier 2: 15,001-30,000 gallons	$3.26	$3.26	$3.26	$3.26	$3.29	$3.33	$3.36	$3.39	$3.43	$3.46	$3.50	$3.53
Commercial Tier 3: 30,001-50,000 gallons	$3.77	$3.77	$3.77	$3.77	$3.81	$3.85	$3.88	$3.92	$3.96	$4.00	$4.04	$4.08
Commercial Tier 4: 50,001-80,000 gallons	$5.00	$5.00	$5.00	$5.00	$5.05	$5.10	$5.15	$5.20	$5.26	$5.31	$5.36	$5.41
Commercial Tier 5: >80,001 gallons	$6.63	$6.63	$6.63	$6.63	$6.70	$6.76	$6.83	$6.90	$6.97	$7.04	$7.11	$7.18
Development Fees												
Connection charge Per REC Unit	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Availability charge Per REC Unit	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Annual Revenue												
Base charges	$110,000	$116,700	$105,400	$121,400	$144,672	$169,704	$192,584	$212,304	$229,898	$245,763	$259,371	$266,296
Usage charges	$303,871	$297,095	$370,087	$422,289	$497,082	$577,280	$651,051	$714,360	$772,298	$824,087	$870,129	$891,936
Total Charges for Service Fees	**$413,871**	**$413,795**	**$475,487**	**$543,689**	**$641,755**	**$746,984**	**$843,635**	**$926,664**	**$1,002,196**	**$1,069,850**	**$1,129,500**	**$1,158,232**
Connection charges	$214,000	$130,000	$231,000	$369,000	$369,000	$351,000	$311,000	$252,000	$236,000	$206,000	$162,000	$0
Availability charges	$156,000	$1,410,000	$963,000	$1,509,000	$606,000	$1,068,000	$429,000	$546,000	$240,000	$336,000	$138,000	$60,000
Total Development Fees	**$370,000**	**$1,540,000**	**$1,194,000**	**$1,878,000**	**$975,000**	**$1,419,000**	**$740,000**	**$798,000**	**$476,000**	**$542,000**	**$300,000**	**$60,000**
Total Revenue	**$783,871**	**$1,953,795**	**$1,669,487**	**$2,421,689**	**$1,616,755**	**$2,165,984**	**$1,583,635**	**$1,724,664**	**$1,478,196**	**$1,611,850**	**$1,429,500**	**$1,218,232**

TABLE H
City of Lake Elmo, MN
Sanitary Sewer Fund
Fees and Charges and Customer Data

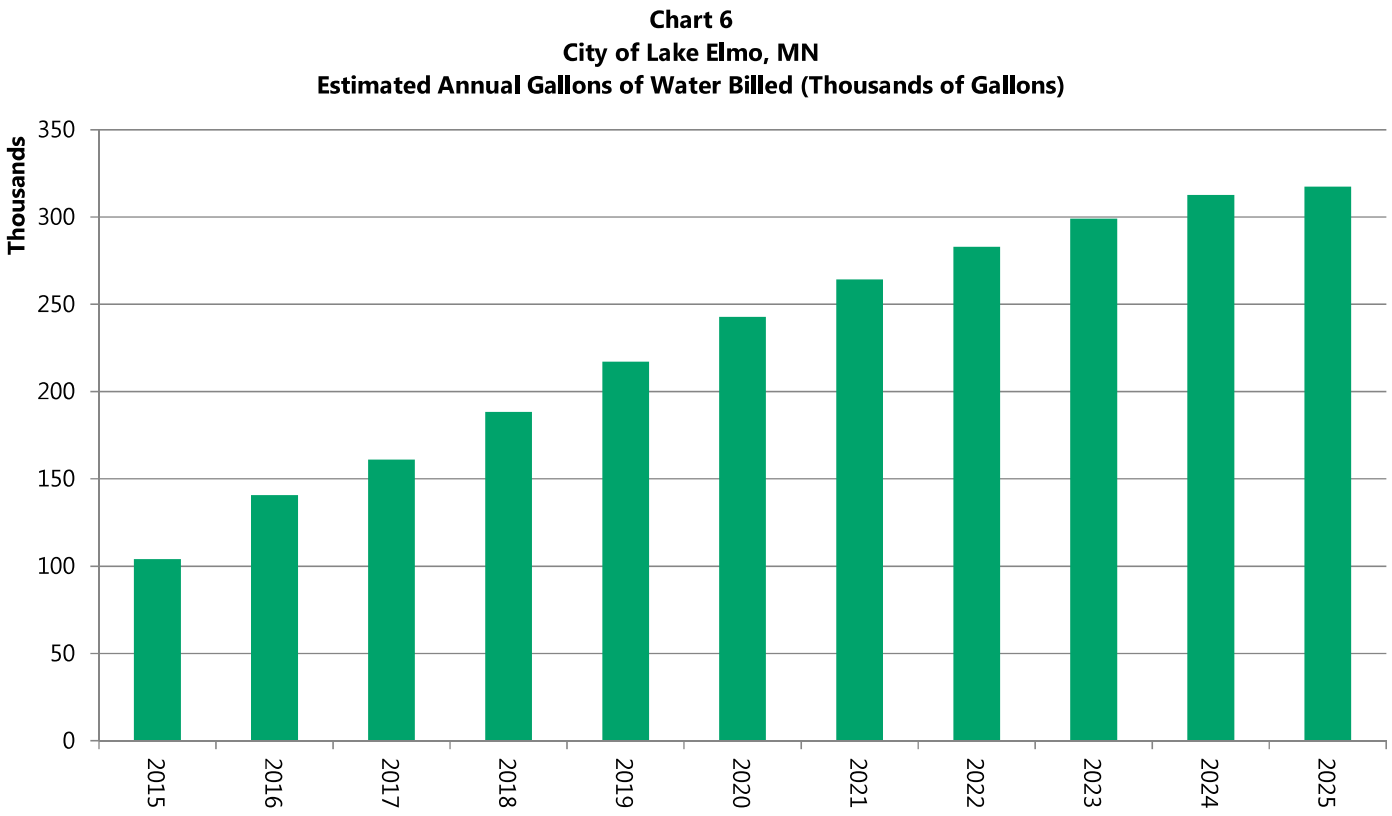
	Actual		Current	Projected								
	2014 Actual	2015 Actual (Un-Audit)	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer Units Billed (Quarterly Average)												
Residential customer units	17	82	237	502	820	1,104	1,356	1,566	1,760	1,941	2,090	2,163
Commercial customer units	35	37	39	45	51	55	59	62	64	66	68	68
Total customer units	52	119	276	547	871	1,159	1,415	1,628	1,824	2,007	2,158	2,231
Total Volume Sold Per Year in Thousand of Gallons (Gal)												
Residential Tier 1: per 1,000 gallons	-	6,790	17,064	36,144	59,040	79,488	97,632	112,752	126,720	139,752	150,480	155,736
Commercial Tier 1: per 1,000 gallons	6,532	6,905	2,808	3,240	3,672	3,960	4,248	4,464	4,608	4,752	4,896	4,896
Total Volume Billed (in thousand of gallons)	6,532	13,695	19,872	39,384	62,712	83,448	101,880	117,216	131,328	144,504	155,376	160,632
Connections (Number of REC)	214	130	301	504	382	311	243	217	211	186	136	20
Availability Charge (Number of REC)	52	498	374	520	217	348	143	162	60	92	20	20
Availability Charge (Number of REC) - Downtown		-	70	125	125	30	-	-	-	-	-	-
Charges for Service Fees												
Residential usage per 1,000 gallons:	$4.50	$4.50	$4.50	$4.50	$4.55	$4.59	$4.64	$4.68	$4.73	$4.78	$4.82	$4.87
Commercial quarterly base fee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Commercial usage per 1,000 gallons:	$4.50	$4.50	$4.50	$4.50	$4.55	$4.59	$4.64	$4.68	$4.73	$4.78	$4.82	$4.87
Development Fees												
Connection charge Per REC Unit	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Availability charge Per REC Unit	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
SAC Charge (pass-thru payable to Met Council)	$2,485	$2,485	$2,485	$2,485	$2,485	$2,485	$2,485	$2,485	$2,485	$2,485	$2,485	$2,485
Annual Revenue												
Base charges	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Usage charges	$29,394	$61,627	$89,424	$177,228	$285,026	$383,064	$472,352	$548,889	$621,122	$690,273	$749,628	$782,736
Total Charges for Service Fees	**$29,394**	**$61,627**	**$89,424**	**$177,228**	**$285,026**	**$383,064**	**$472,352**	**$548,889**	**$621,122**	**$690,273**	**$749,628**	**$782,736**
Connection charges	$214,000	$130,000	$301,000	$504,000	$382,000	$311,000	$243,000	$217,000	$211,000	$186,000	$136,000	$20,000
Availability charge Per REC Unit	$156,000	$1,494,000	$1,122,000	$1,560,000	$651,000	$1,044,000	$429,000	$486,000	$180,000	$276,000	$60,000	$60,000
Availability charge Per REC Unit - Downtown			$10,500	$29,250	$29,250	$29,250	$29,250	$29,250	$29,250	$29,250	$29,250	$29,250
Total Development Fees	**$370,000**	**$1,624,000**	**$1,433,500**	**$2,093,250**	**$1,062,250**	**$1,384,250**	**$701,250**	**$732,250**	**$420,250**	**$491,250**	**$225,250**	**$109,250**
Total Revenue	**$399,394**	**$1,685,627**	**$1,522,924**	**$2,270,478**	**$1,347,276**	**$1,767,314**	**$1,173,602**	**$1,281,139**	**$1,041,372**	**$1,181,523**	**$974,878**	**$891,986**

Note: The Availability charger per REC Unit is broken-out separately for the "Downtown" because the charge to the Dowtown units is spread over 20 years.

Table I
City of Lake Elmo, MN
Storm Water Fund
Fees and Charges and Customer Data

	Actual		Current	Projected								
	2014 Actual	2015 Actual (Un-Audit)	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer Units Billed (Quarterly Average)												
Residential units billed	2,472	2,602	2,742	2,991	3,278	3,559	3,782	3,979	4,140	4,291	4,391	4,391
Commercial residential equivalent units billed	1,675	1,685	1,695	1,715	1,735	1,755	1,775	1,790	1,810	1,825	1,845	1,845
Total residential equivalent units billed	4,147	4,287	4,437	4,706	5,013	5,314	5,557	5,769	5,950	6,116	6,236	6,236
Charges for Service Fees												
Residential fee	$50.00	$50.00	$50.00	$60.00	$70.00	$80.00	$90.00	$100.00	$110.00	$120.00	$130.00	$140.00
Commercial fee	$50.00	$50.00	$50.00	$60.00	$70.00	$80.00	$90.00	$100.00	$110.00	$120.00	$130.00	$140.00
Annual Revenue												
Base charges	$207,350	$214,350	$221,850	$282,360	$350,910	$425,120	$500,130	$576,900	$654,500	$733,920	$810,680	$873,040
Total Revenue	**$207,350**	**$214,350**	**$221,850**	**$282,360**	**$350,910**	**$425,120**	**$500,130**	**$576,900**	**$654,500**	**$733,920**	**$810,680**	**$873,040**

Note: The commercial residential equivalents units (REU) billed are based on 5X the amount billed for a single REU.



The estimated annual gallons of water billed is projected to increase as more customers connect to the water system.

This report assumes that the average annual usage per customer, for residential and commercial, remains constant.

FINANCIAL PLANS

ity rates and structure, and anticipated future capital proj-

each the utility funds.

Key Assumptions

oped based on several key assumptions which are as follows:

- Operating expenditures, including personnel costs and materials supplies and all other operating expense will increase by 2.0% annually along with other adjustments as prepared by TKDA Engineering Firm. The City contracted with TKDA to perform a review of the City's operations for the utility systems and to provide input into future estimated capital improvement projects. TKDA is to present the City with a report that will provide information on the assumptions and other factors behind the operating expenses that are included in the pro forma for each of the utility funds.
- No change in existing tier structure for fees and charges.
- Depreciation is estimated based on projected capital improvements with new assets assumed to be depreciated over a 40 year term. Information on calculation of net capital assets, including depreciation is included in the Appendix.
- Current capital improvement plan will be implemented at estimated project costs and projected sources of funding as included in this report. This includes an increase in future debt service for payment on bonds to be issued.
- Utility fees for use of the system are assumed to increase by 1.0% annually for water and sanitary sewer services, beginning in year 2018. The annual rate increase is assumed on the quarterly base fee and usage fees only. The annual fee for storm water is assumed to increase by $10.00 per year, beginning in year 2017.
- Connection and availability charges are assumed to remain constant for years 2016-2025. Revenue from these charges is used to pay for the system, including the planned capital projects and related debt service.
- The proposed future utility fees and charges are shown to be at a level that is adequate to maintain cash bal-

  1) six months of operating expenses; 2) the following year's capital improvements that are planned to be funded with cash; and 3) the following year's debt service.

WATER FUND

Fund Description

The Water Fund is used to account for the operating and capital improvement costs of the water utility system.

Background

nancial performance will be impacted by the timing of future development of land in the City and the timing of receipt of development fees (trunk line availability charges and connection charges) that will support infrastructure costs and receipt of charges for service for usage of the system.

Source of Funds

There are two major source of funds for the Water Fund: the collection of charges for service fees (base fee and volume usage fees) and development fees collected at time of platting and time of connection to the system. Future revenue from charges for service fees will increase as the number of customers increases over time and the volume of water sold increases.

in the City's existing rate structure and assumes rates increase of 1.0% annually beginning in year 2018.

The City collects revenue from a rental fee for access to the City's water tower by communication companies.

Interest income is earned on the cash balance in the Water Fund that is recorded as revenue. The investment earnings rate is projected to be 0.5% for future years.

Special assessments levied for water infrastructure improvements is recorded as revenue in the Water Fund.

Use of Funds

The use of funds is to pay for the operation of the water system, debt service expense, depreciation, and authorized transfers to other funds that may occur from time to time.

Operating expense line item details can be found in **Table J-3**.

Debt service expense, which includes interest expense on bonds, can be found in **Table E-2**. (Principal payments on bonds supported by the Water Fund result in a reduction of liability for the Fund.)

Depreciation expense details, including calculation of projected net capital assets, can be found in **Appendix A,** .

Transfers

fers in or out of funds from the Water Fund to other city funds. Presently the City does not charge the utility funds for General Fund overhead but does charge the fund for

Balance Sheet Items

for the Water Fund, this includes projected annual year-end cash balance. **Table J-2** provides a detailed summary on projected change in cash year by year. The Water Fund cash balance includes funds collected and recorded as deferred revenue and funds held in escrow related to the refunding of bonds.

Table J-1
City of Lake Elmo, MN
Water Fund
Pro Forma

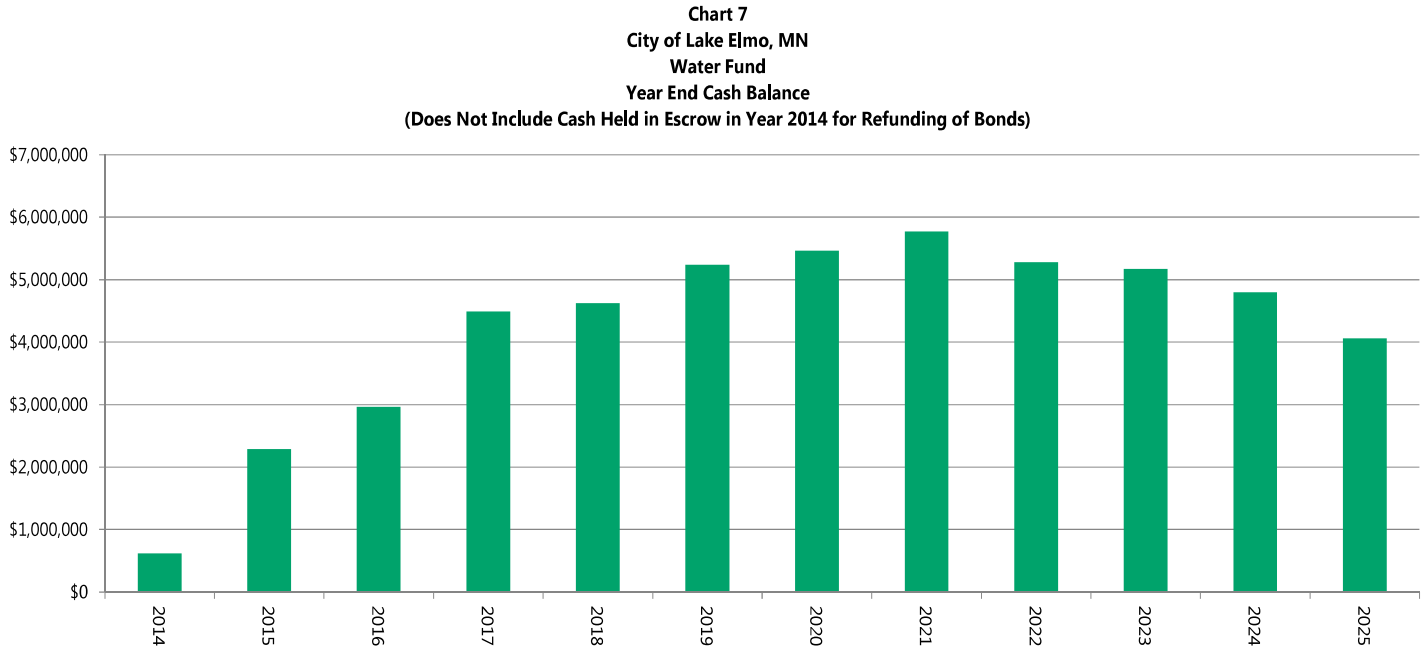
	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Source of Funds												
Charges for service fees	379,262	433,229	475,487	543,689	641,755	746,984	843,635	926,664	1,002,196	1,069,850	1,129,500	1,158,232
Charges for service fees - meters	16,994	65,875	40,000	68,000	72,760	54,955	58,802	62,918	67,322	72,035	77,078	82,473
Special assessments		163,405	17,477	16,950	16,423	15,897	15,370	14,844	14,317	12,688	8,151	7,856
Special assessments prepaid				400,000	950,000	750,000	50,000	50,000	-	-	-	-
Intergovernmental	663,994											
Investment income	16,668	26,925	19,788	14,834	22,434	23,114	26,203	27,318	28,858	26,406	25,848	24,011
Contributions and donations	848,074											
Water availability charge	797,400	1,237,500	963,000	1,509,000	606,000	1,068,000	429,000	546,000	240,000	336,000	138,000	60,000
Water connection fee	50,500	66,000	231,000	369,000	369,000	351,000	311,000	252,000	236,000	206,000	162,000	-
Rents/leases	46,935	49,742	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Transfer in from other funds	784,801											
Total Source of Funds	3,604,628	2,042,676	1,792,752	2,967,473	2,724,372	3,055,950	1,780,010	1,925,744	1,634,693	1,768,979	1,586,576	1,378,572
Use of Funds												
Operating and other expense	325,495	454,358	636,321	539,546	469,046	474,272	615,232	517,413	568,488	643,914	715,833	678,621
Debt service expense	327,152	356,613	209,330	273,321	278,821	274,588	258,333	296,918	302,873	283,129	276,612	297,118
Depreciation	416,864	318,805	400,213	446,868	478,993	503,793	583,793	585,043	591,893	613,143	666,843	666,843
Transfer out to other funds	7,895		-									
Total Use of Funds	1,077,406	1,129,776	1,245,864	1,259,735	1,226,860	1,252,652	1,457,357	1,399,373	1,463,253	1,540,186	1,659,288	1,642,582
Change in net assets	2,527,222	912,900	546,888	1,707,738	1,497,512	1,803,298	322,653	526,371	171,440	228,793	(72,712)	(264,010)
Net Assets	9,360,075	10,272,975	10,819,862	12,527,601	14,025,113	15,828,411	16,151,064	16,677,434	16,848,874	17,077,667	17,004,955	16,740,945
Assets												
Cash and investments	617,655	2,290,526	2,966,854	4,486,828	4,622,889	5,240,535	5,463,537	5,771,507	5,281,293	5,169,622	4,802,146	4,061,372
Cash and investments escrow	3,848,031	-										
Due from other funds												
Special assessments receivable	786,047	117,955	106,399	94,843	83,287	71,731	60,175	48,619	38,166	31,773	25,380	18,986
Accounts receivable	339,822	173,000	173,000	173,000	173,000	173,000	173,000	173,000	173,000	173,000	173,000	173,000
Capital assets	19,107,587	20,319,595	23,575,923	25,442,112	26,727,112	27,719,112	30,919,112	30,969,112	31,243,112	32,093,112	34,241,112	34,241,112
Less accumulated depreciation	*(3,217,170)*	*(3,535,975)*	*(3,936,188)*	*(4,383,056)*	*(4,862,049)*	*(5,365,842)*	*(5,949,635)*	*(6,534,678)*	*(7,126,571)*	*(7,739,714)*	*(8,406,557)*	*(9,073,400)*
Total Assets	21,481,972	19,365,101	22,885,988	25,813,727	26,744,239	27,838,537	30,666,190	30,427,560	29,609,000	29,727,793	30,835,081	29,421,071
Liabilities												
Due to other funds	795											
Deferred revenue		214,000	378,000	563,000	706,000	807,000	857,000	907,000	957,000	1,007,000	1,057,000	1,057,000
Bonds payable	11,798,596	8,615,000	11,425,000	12,460,000	11,750,000	10,940,000	13,395,000	12,580,000	11,540,000	11,380,000	12,510,000	11,360,000
Accounts payable	322,506	263,126	263,126	263,126	263,126	263,126	263,126	263,126	263,126	263,126	263,126	263,126
Total Liabilities	12,121,897	9,092,126	12,066,126	13,286,126	12,719,126	12,010,126	14,515,126	13,750,126	12,760,126	12,650,126	13,830,126	12,680,126
Total Liabilities and Net Assets	21,481,972	19,365,101	22,885,988	25,813,727	26,744,239	27,838,537	30,666,190	30,427,560	29,609,000	29,727,793	30,835,081	29,421,071

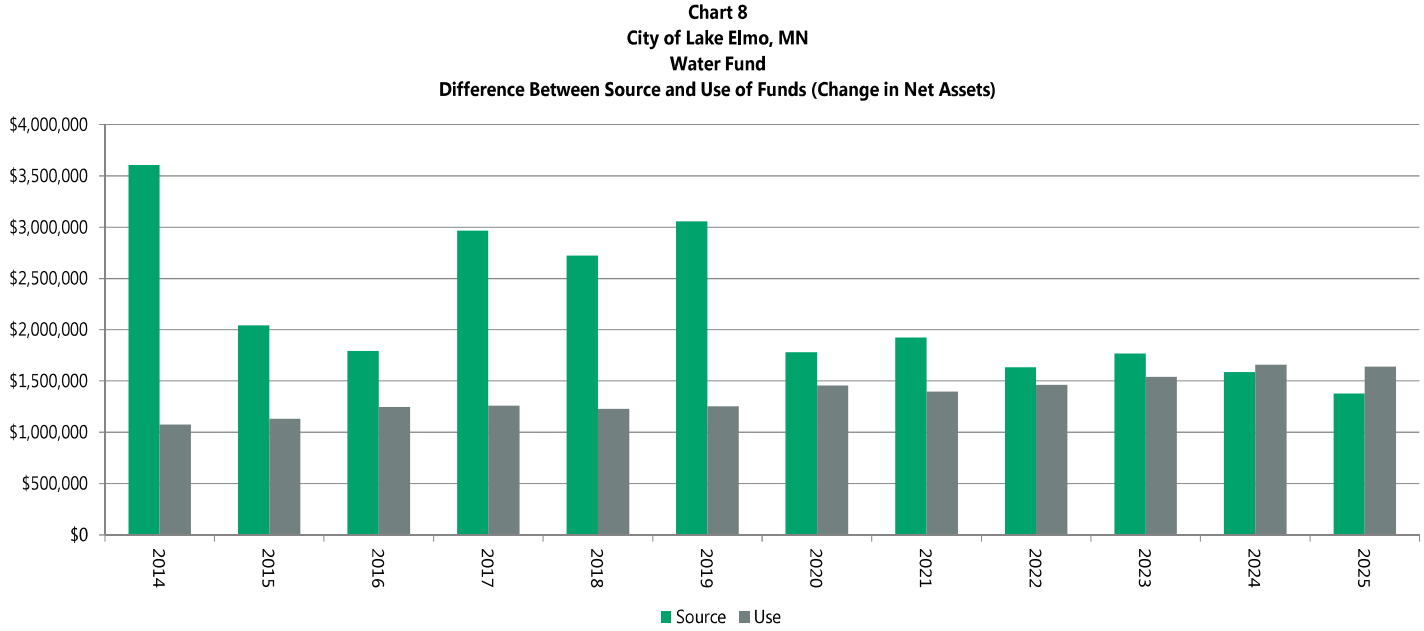
Table J-2
City of Lake Elmo, MN
Water Fund
Cash Balance

	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Cash	4,528,855	4,465,686	2,290,526	2,966,854	4,486,828	4,622,889	5,240,535	5,463,537	5,771,507	5,281,292	5,169,622	4,802,146
Plus revenues	1,406,438	2,042,676	1,792,752	2,967,473	2,724,372	3,055,950	1,780,010	1,925,744	1,634,693	1,768,979	1,586,576	1,378,572
Plus bond proceeds	2,545,000	915,000	3,225,000	1,520,000	0	0	3,270,000	0		900,000	2,195,000	
Less acquisition of capital assets	(3,775,676)	(1,006,492)	(3,256,328)	(1,866,189)	(1,285,000)	(992,000)	(3,200,000)	(50,000)	(274,000)	(850,000)	(2,148,000)	0
Less principal on debt	(230,000)	(4,015,000)	(415,000)	(485,000)	(710,000)	(810,000)	(815,000)	(815,000)	(1,040,000)	(1,060,000)	(1,065,000)	(1,150,000)
Less interest on debt	(292,324)	(356,613)	(209,330)	(273,321)	(278,821)	(274,588)	(258,333)	(296,918)	(302,873)	(283,129)	(276,612)	(297,118)
Less operating and other costs	(350,836)	(454,358)	(636,321)	(539,546)	(469,046)	(474,272)	(615,232)	(517,413)	(568,488)	(643,914)	(715,833)	(678,621)
Plus transfers in	784,801	-	-	-	-	-	-	-	-	-	-	-
Less transfers out	(7,895)	-	-	-	-	-	-	-	-	-	-	-
Incr/decr in other assets and liabilities	(142,677)	699,627	175,556	196,556	154,556	112,556	61,556	61,556	60,453	56,393	56,393	6,393
Change in cash	(63,169)	(2,175,160)	676,329	1,519,973	136,061	617,647	223,002	307,969	(490,214)	(111,671)	(367,476)	(740,774)
Total Ending Cash	**4,465,686**	**2,290,526**	**2,966,854**	**4,486,828**	**4,622,889**	**5,240,535**	**5,463,537**	**5,771,507**	**5,281,292**	**5,169,622**	**4,802,146**	**4,061,372**
Estimated Cash Balance Purposes												
For 6-months operating expense	162,748	227,179	318,161	269,773	234,523	237,136	307,616	258,707	284,244	321,957	357,917	339,311
For following year debt service	4,371,613	624,330	758,321	988,821	1,084,588	1,073,333	1,111,918	1,342,873	1,343,129	1,341,612	1,447,118	1,587,638
For next year planned capital		-	-	335,000	242,000	-	-	274,000	-	48,000	-	-
For reserves and future capital	(3,916,706)	1,439,017	1,890,373	2,893,234	3,061,778	3,930,067	4,044,004	3,895,928	3,653,920	3,458,052	2,997,112	2,134,424
For cash held with fiscal agent	3,848,031	-	-	-	-	-	-	-	-	-	-	-
Total Ending Cash	4,465,686	2,290,526	2,966,854	4,486,828	4,622,889	5,240,535	5,463,537	5,771,507	5,281,292	5,169,622	4,802,146	4,061,372
Net Assets	9,360,075	10,272,975	10,819,862	12,527,601	14,025,113	15,828,411	16,151,064	16,677,434	16,848,874	17,077,667	17,004,955	16,740,945
Cash as % of Net Assets	*47.7%*	*22.3%*	*27.4%*	*35.8%*	*33.0%*	*33.1%*	*33.8%*	*34.6%*	*31.3%*	*30.3%*	*28.2%*	*24.3%*

Table J-3
City of Lake Elmo, MN
Water Fund
Operating and Other Expenses (Not Including Depreciation)

	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Personnel Services												
Full-time Salaries	78,893	91,718	140,000	144,184	156,640	168,686	172,060	175,501	198,832	202,809	206,865	232,037
PERA Contributions	5,686	6,707	10,500	10,814	11,748	12,651	12,905	13,163	14,912	15,211	15,515	17,403
FICA Contributions	4,757	5,498	8,750	9,012	9,790	10,543	10,754	10,969	12,427	12,676	12,929	14,502
Medicare Contributions	1,114	1,286	2,030	2,091	2,271	2,446	2,495	2,545	2,883	2,941	3,000	3,365
Health\Dental Insurance	17,836	15,653	17,609	28,837	31,328	33,737	34,412	35,100	39,766	40,562	41,373	46,407
Unemployment Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Workers Compensation	3,155	2,072	4,000	5,767	6,266	6,747	6,882	7,020	7,953	8,112	8,275	9,281
Total Personnel Services	111,440	122,933	182,889	200,705	218,043	234,810	239,508	244,298	276,773	282,311	287,957	322,995
Supplies												
Office Supplies	360	1,933	500	700	749	801	858	918	982	1,051	1,124	1,203
Printed Forms	375	239	750	750	803	859	919	983	1,052	1,126	1,204	1,289
Chemicals	10,713	1,473	13,000	13,000	13,910	14,884	15,926	17,040	18,233	19,509	20,875	22,336
Utility System Maintenance	5,282	25,257	11,500	25,000	26,750	28,623	30,626	32,770	35,064	37,518	40,145	42,955
Water Meters & Supplies	21,242	82,343	50,000	85,000	90,950	68,694	73,503	78,648	84,153	90,044	96,347	103,091
Small Tools & Minor Equipment	2,223	5,016	3,500	5,000	5,350	5,725	6,125	6,554	7,013	7,504	8,029	8,591
Total Supplies	40,195	116,263	79,250	129,450	138,512	119,586	127,957	136,913	146,497	156,752	167,724	179,465
Other Services and Charges												
Engineering Services	29,614	14,725	50,000	20,000	21,400	22,898	24,501	26,216	28,051	30,015	32,116	34,364
Eng Svcs-Water Syst Master Plng	-	-	30,000	-	-	-	-	-	-	-	-	-
Legal Services	179	388	5,000	5,000	5,350	5,725	6,125	6,554	7,013	7,504	8,029	8,591
Contract Services	9,674	16,305	13,500	14,000	14,980	16,029	17,151	18,351	19,636	21,010	22,481	24,055
Software Support	17,541	4,774	3,200	9,600	9,792	9,988	10,188	10,391	10,599	10,811	11,027	11,248
Telephone	523	775	600	800	856	916	980	1,049	1,122	1,201	1,285	1,375
Postage	1,506	2,500	3,000	1,880	2,012	2,152	2,303	2,464	2,637	2,821	3,019	3,230
Insurance	5,432	6,799	9,500	10,000	10,700	11,449	12,250	13,108	14,026	15,007	16,058	17,182
Electric Utility	21,008	33,410	27,000	30,000	32,100	34,347	36,751	39,324	42,077	45,022	48,173	51,546
Water Utility	81,096	107,029	170,000	50,000	-	-	-	-	-	-	-	-
Repairs\Maint Imp Bldgs	-	-	-	-	-	-	-	-	-	-	-	-
Repairs\Maint Imp Not Bldgs	29,791	7,116	10,000	10,000	10,700	11,449	12,250	13,108	14,026	15,007	16,058	17,182
Miscellaneous	1,245	188	4,000	2,000	2,140	2,290	2,450	2,622	2,805	3,001	3,212	3,436
Conferences & Training	1,468	460	1,500	1,500	1,605	1,717	1,838	1,966	2,104	2,251	2,409	2,577
Cost of issuance of bonds	19,994	20,000	46,457	53,811	-	-	120,000	-	-	50,000	95,000	-
Fiscal Agent Fees	445	694	425	800	856	916	980	1,049	1,122	1,201	1,285	1,375
Other	(45,657)											
Total Other Services and Charges	173,860	215,162	374,182	209,391	112,491	119,876	247,767	136,202	145,218	204,851	260,152	176,161
Total Operating and Other Expenses	325,495	454,358	636,321	539,546	469,046	474,272	615,232	517,413	568,488	643,914	715,833	678,621





Estimated year end cash balances are projected to in-

and then will be spent down as projects are implemented and cash balances are drawn down.

The source and use of funds includes depreciation and capital contributions. The difference between the annual source and use of funds is the change in net assets of the fund.

SANITARY SEWER FUND

Fund Description

The Sanitary Sewer Fund is used to account for the operating and capital improvement costs of the sanitary sewer utility system.

Background

ing of future development of land in the City and the timing of receipt of development fees (trunk line availability charges and connection charges) that will support infrastructure costs and receipt of charges for service for usage of the system.

Source of Funds

There are two major source of funds for the Sanitary Sewer Fund: the collection of charges for service fees (base fee and volume usage fees) and development fees collected at time of platting and time of connection to the system. Future revenue from charges for service fees will increase as the number of customers increases over time and the volume of water sold increases. Future development of land through platting will result in increased revenue from water availability and connection charges.

change in the City's existing rate structure and assumes a rate increase of 1.0% annually beginning in year 2018.

Interest income is earned on the cash balance in the Water Fund that is recorded as revenue. The investment earnings rate is projected to be 0.5% for future years.

Special assessments levied for sanitary sewer infrastructure improvements is recorded as revenue in the Sanitary Sewer Fund.

Use of Funds

The use of funds is to pay for the operation of the sanitary sewer system, debt service expense, depreciation, and authorized transfers to other funds that may occur from time to time.

Operating expense line item details can be found in **Table K-3**.

Debt service expense, which includes interest expense on bonds, can be found in **Table E-2**. (Principal payments on bonds supported by the Sanitary Sewer Fund result in a reduction of liability for the Fund.)

Depreciation expense details, including calculation of projected net capital assets, can be found in **Appendix B**.

Transfers

in or out of funds from the Sanitary Sewer Fund to other city funds. Presently the City does not charge the utility funds for General Fund overhead but does charge the

Balance Sheet Items

for the Sanitary Sewer Fund, this includes projected annual year-end cash balance. **Table K-2** provides a detailed summary on projected change in cash year by year.

Table K-1
City of Lake Elmo, MN
Sanitary Sewer Fund
Pro Forma

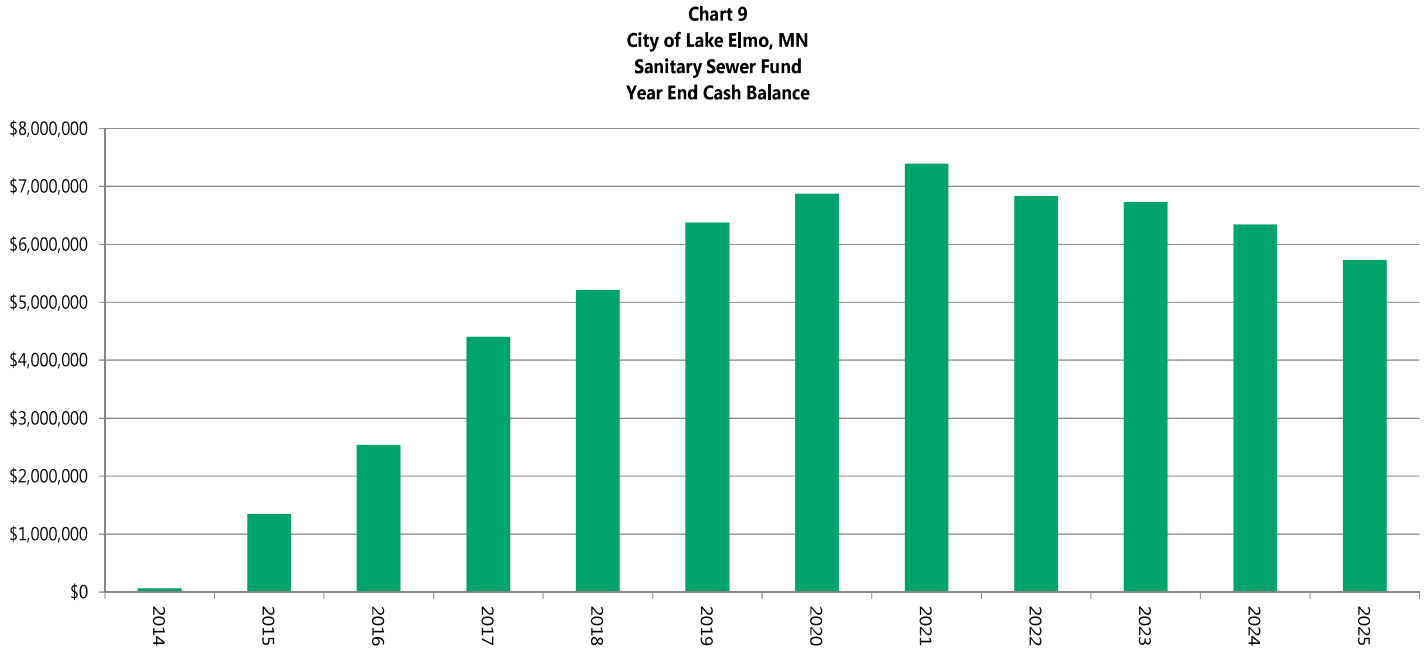
	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Source of Funds												
Charges for service fees	31,054	61,627	89,424	177,228	285,026	383,064	472,352	548,889	621,122	690,273	749,628	782,736
Special assessments		1,189,663	63,870	62,133	60,396	58,658	56,921	55,184	53,447	51,710	49,972	48,235
Special assessments prepaid				660,000	590,000	450,000	-	-	-	-	-	-
Intergovernmental	378,819											
Investment income	1,430	9,929	19,788	12,699	22,038	26,085	31,906	34,379	36,954	34,184	33,681	31,733
Contributions and donations	166,148											
Sewer availability charge	693,000	1,280,820	1,122,000	1,560,000	651,000	1,044,000	429,000	486,000	180,000	276,000	60,000	60,000
Sewer connection fee	17,000	180,000	301,000	504,000	382,000	311,000	243,000	217,000	211,000	186,000	136,000	20,000
Rents/leases												
Miscellaneous				-	-	-	-	-	-	-	-	-
Sale of capital assets												
Transfer in from other funds												
Total Source of Funds	1,287,451	2,722,039	1,596,082	2,976,060	1,990,459	2,272,807	1,233,179	1,341,453	1,102,523	1,238,166	1,029,282	942,705
Use of Funds												
Operating and other expense	225,160	98,964	149,592	223,228	224,793	274,953	354,741	507,279	546,038	635,714	734,881	870,320
Debt service expense	116,463	63,735	68,378	85,337	94,344	96,478	91,928	87,153	108,545	114,124	106,878	99,135
Depreciation	11,815	8,739	30,818	67,635	83,260	94,510	94,510	132,010	149,510	154,810	159,810	164,810
Transfer out to other funds	704,637		-									
Total Use of Funds	1,058,075	171,438	248,788	376,200	402,396	465,940	541,179	726,441	804,093	904,648	1,001,568	1,134,264
Change in net assets	229,376	2,550,601	1,347,294	2,599,859	1,588,063	1,806,866	692,001	615,012	298,429	333,518	27,713	(191,559)
Net Assets	3,599,549	6,150,150	7,497,444	10,097,303	11,685,366	13,492,233	14,184,233	14,799,245	15,097,674	15,431,192	15,458,905	15,267,346
Assets												
Cash and investments	60,592	1,346,782	2,539,753	4,407,570	5,216,902	6,381,288	6,875,808	7,390,839	6,836,788	6,736,125	6,346,658	5,732,918
Cash and investments escrow		-										
Due from other funds	54,305											
Special assessments receivable	1,615,978	527,199	489,189	451,180	413,170	375,161	337,152	299,142	261,133	223,123	185,114	147,104
Accounts receivable	190,412	296,000	296,000	296,000	296,000	296,000	296,000	296,000	296,000	296,000	296,000	296,000
Capital assets	5,829,132	8,228,132	9,111,282	10,583,969	11,208,969	11,658,969	11,658,969	13,158,969	13,858,969	14,070,969	14,270,969	14,470,969
Less accumulated depreciation	*(207,224)*	*(215,963)*	*(246,781)*	*(314,416)*	*(397,676)*	*(492,186)*	*(586,695)*	*(718,705)*	*(868,215)*	*(1,023,025)*	*(1,182,835)*	*(1,347,645)*
Total Assets	7,543,195	10,182,150	12,189,444	15,424,303	16,737,366	18,219,233	18,581,233	20,426,245	20,384,674	20,303,192	19,915,905	19,299,346
Liabilities												
Due to other funds												
Deferred revenue												
Bonds payable	3,732,046	3,825,000	4,485,000	5,120,000	4,845,000	4,520,000	4,190,000	5,420,000	5,080,000	4,665,000	4,250,000	3,825,000
Accounts payable	211,600	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000
Total Liabilities	3,943,646	4,032,000	4,692,000	5,327,000	5,052,000	4,727,000	4,397,000	5,627,000	5,287,000	4,872,000	4,457,000	4,032,000
Total Liabilities and Net Assets	7,543,195	10,182,150	12,189,444	15,424,303	16,737,366	18,219,233	18,581,233	20,426,245	20,384,674	20,303,192	19,915,905	19,299,346

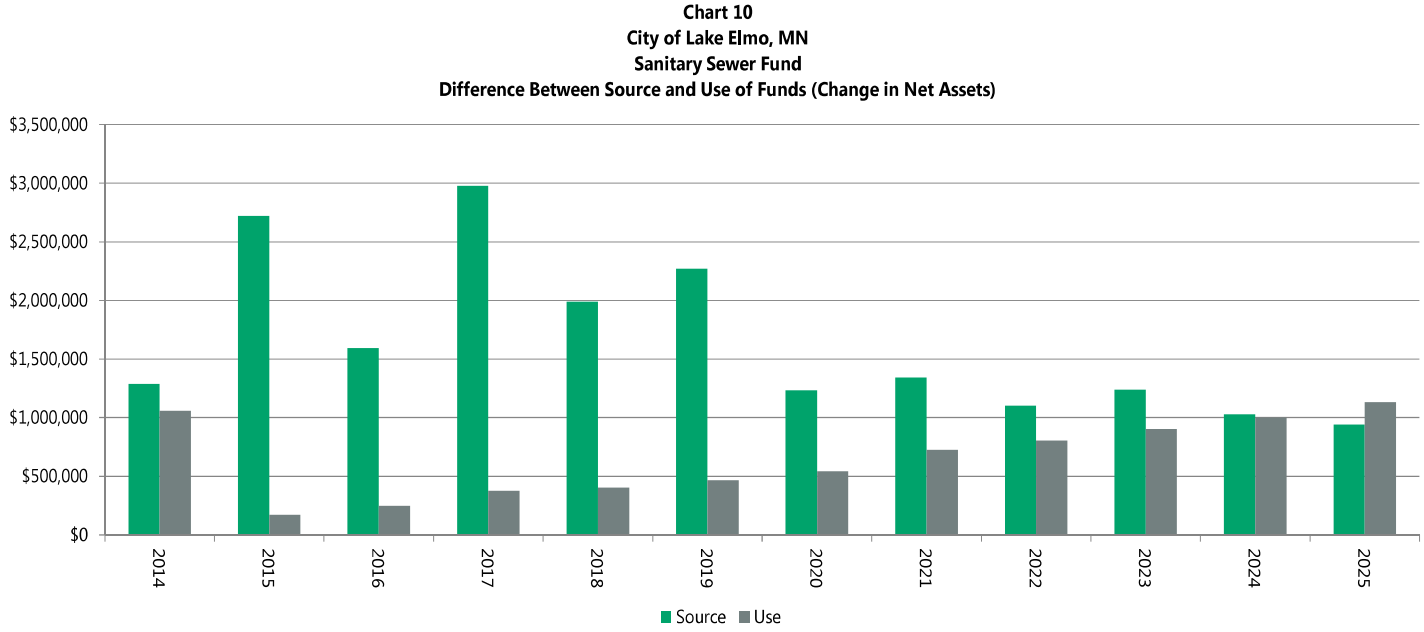
Table K-2
City of Lake Elmo, MN
Sanitary Sewer Fund
Cash Balance

	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Cash	566,631	60,592	1,346,783	2,539,754	4,407,570	5,216,903	6,381,289	6,875,808	7,390,839	6,836,788	6,736,126	6,346,658
Plus revenues	1,207,110	2,722,039	1,596,082	2,976,060	1,990,459	2,272,807	1,233,179	1,341,453	1,102,523	1,238,166	1,029,282	942,705
Plus bond proceeds	840,000	280,000	860,000	855,000				1,570,000				
Less acquisition of capital assets	(1,518,430)	(2,399,000)	(883,150)	(1,472,687)	(625,000)	(450,000)	0	(1,500,000)	(700,000)	(212,000)	(200,000)	(200,000)
Less principal on debt	(135,000)	(150,000)	(200,000)	(220,000)	(275,000)	(325,000)	(330,000)	(340,000)	(340,000)	(415,000)	(415,000)	(425,000)
Less interest on debt	(68,507)	(63,735)	(68,378)	(85,337)	(94,344)	(96,478)	(91,928)	(87,153)	(108,545)	(114,124)	(106,878)	(99,135)
Less operating and other costs	(781,675)	(98,964)	(149,592)	(223,228)	(224,793)	(274,953)	(354,741)	(507,279)	(546,038)	(635,714)	(734,881)	(870,320)
Plus transfers in	0	-	-	-	-	-	-	-	-	-	-	-
Less transfers out	(2,606)	-	-	-	-	-	-	-	-	-	-	-
Incr/decr in other assets and liabilities	(46,931)	995,851	38,009	38,009	38,009	38,009	38,009	38,009	38,009	38,009	38,009	38,009
Change in cash	(506,039)	1,286,191	1,192,971	1,867,817	809,332	1,164,386	494,520	515,031	(554,051)	(100,663)	(389,468)	(613,740)
Ending cash	**60,592**	**1,346,783**	**2,539,754**	**4,407,570**	**5,216,903**	**6,381,289**	**6,875,808**	**7,390,839**	**6,836,788**	**6,736,126**	**6,346,658**	**5,732,918**
Estimated Cash Balance Purposes												
For 6-months operating expense	112,580	49,482	74,796	111,614	112,396	137,476	177,371	253,639	273,019	317,857	367,440	435,160
For following year debt service	213,735	268,378	305,337	369,344	421,478	421,928	427,153	448,545	529,124	521,878	524,135	520,903
For next year planned capital		12,500	-	35,000	-	-	-	700,000	212,000	200,000	200,000	-
For reserves and future capital	(265,723)	1,016,422	2,159,621	3,891,613	4,683,029	5,821,885	6,271,285	5,988,655	5,822,645	5,696,391	5,255,083	4,776,856
For cash held with fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-
Total Ending Cash	60,592	1,346,783	2,539,754	4,407,570	5,216,903	6,381,289	6,875,808	7,390,839	6,836,788	6,736,126	6,346,658	5,732,918
Net Assets	3,599,549	6,150,150	7,497,444	10,097,303	11,685,366	13,492,233	14,184,233	14,799,245	15,097,674	15,431,192	15,458,905	15,267,346
Cash as % of Net Assets	*1.7%*	*21.9%*	*33.9%*	*43.7%*	*44.6%*	*47.3%*	*48.5%*	*49.9%*	*45.3%*	*43.7%*	*41.1%*	*37.6%*

Table K-3
City of Lake Elmo, MN
Sanitary Sewer Fund
Operating and Other Expenses (Not Including Depreciation)

	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Personnel Services												
Full-time Salaries	33,585	23,522	25,874	65,606	72,900	83,272	84,938	86,636	104,304	106,390	108,518	127,599
PERA Contributions	2,472	1,697	1,867	4,756	5,285	6,037	6,158	6,281	7,562	7,713	7,868	9,251
FICA Contributions	2,034	1,378	1,515	4,068	4,520	5,163	5,266	5,371	6,467	6,596	6,728	7,911
Medicare Contributions	477	322	355	951	1,057	1,207	1,232	1,256	1,512	1,543	1,574	1,850
Health\Dental Insurance	6,984	7,165	7,882	13,121	14,580	16,654	16,988	17,327	20,861	21,278	21,704	25,520
Unemployment Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Workers Compensation	1,484	221	243	2,624	2,916	3,331	3,398	3,465	4,172	4,256	4,341	5,104
Total Personnel Services	47,036	34,304	37,735	91,126	101,258	115,664	117,980	120,336	144,878	147,776	150,733	177,235
Supplies												
Utility System Maint Supplies	858	1,910	1,000	1,000	1,320	1,742	2,300	3,036	4,007	5,290	6,983	9,217
Small Tools & Minor Equipment	117	200	500	500	660	871	1,150	1,518	2,004	2,645	3,491	4,609
Total Supplies	975	2,110	1,500	1,500	1,980	2,613	3,450	4,554	6,011	7,935	10,474	13,826
Other Services and Charges												
Engineering Services	17,408	14,921	20,000	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371
Eng Svs Sewer Syst Master Planning	-	-	10,000		-	-	-	-	-	-	-	-
Contract Services	1,875	3,085	9,500	5,000	6,600	8,712	11,500	15,180	20,037	26,449	34,913	46,085
Telephone	1,184	992	1,500	1,500	1,980	2,614	3,450	4,554	6,011	7,935	10,474	13,826
Mileage	-	-	100	100	132	174	230	304	401	529	698	922
Software Support				6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
Postage				1,175	1,551	2,047	2,702	3,567	4,709	6,216	8,205	10,830
Insurance	120	185	2,000	2,000	2,640	3,485	4,600	6,072	8,015	10,580	13,965	18,434
Electric Utility	3,343	4,621	1,500	5,000	6,600	8,712	11,500	15,180	20,037	26,449	34,913	46,085
Sewer Utility - Met Council	18,546	17,592	16,500	44,514	71,172	97,830	163,565	228,532	292,960	353,912	416,347	481,025
Repairs\Maint Imp Not Bldgs	837	1,131	1,000	1,200	1,584	2,091	2,760	3,643	4,809	6,348	8,379	11,060
Miscellaneous Expenses	-	-	300	300	396	523	690	911	1,202	1,587	2,095	2,765
Conferences & Training	572	23	1,500	1,500	1,980	2,614	3,450	4,554	6,011	7,935	10,474	13,826
Other	126,701			-	-	-	-	-	-	-	-	-
Cost of issuance of bonds	6,563	20,000	46,457	42,313	-	-	-	70,000	-	-	-	-
Total Other Services and Charges	177,149	62,550	110,357	130,602	121,555	156,676	233,311	382,389	395,149	480,003	573,674	679,259
Total Operating and Other Expenses	225,160	98,964	149,592	223,228	224,793	274,953	354,741	507,279	546,038	635,714	734,881	870,320





Estimated year end cash balances are projected to increase annually between years 2016 and 2025. This is due the projected annual revenue collection exceeding the use.

The actual year-end cash balances will be impacted by changes in planned capital spending. As projects are implemented, beyond what is included in the draft CIP, cash balances may be lower than what is projected in this report.

The source and use of funds includes depreciation and capital contributions. The difference between the annual source and use of funds is the change in net assets of the

by the projected collection of trunk line availability charges in advance of further build-out of the system.

STORM WATER FUND

Fund Description

The Storm Water Fund is used to account for the operating and capital improvement costs of the storm water utility system.

Background

of future development of land in the City. Future development will increase the demands on the storm water utility infrastructure and provide opportunity for increased revenue to support the infrastructure and operation of the system.

Source of Funds

There is one major source of funds for the Storm Water

fee. The City does not charge an availability fee for the storm water utility system. Build out of the system has been paid as part of the developer's project costs.

The annual fee, presently at $50.00, is assumed to increase by $10.00 per year, beginning in 2017. This increase is needed in order to maintain cash balance. Beginning in 2017, the City will begin paying debt service on the bonds

Some cities choose to manage storm water utility fees

levy, the City will have the ability in the future to consider what costs, if any, of the storm water utility should be spread over the cities entire tax base.

Interest income is earned on the cash balance in the Water Fund that is recorded as revenue. The investment earnings rate is projected to be 0.5% for future years.

Special assessments levied and recorded as revenue to the Storm Water Fund relate to unpaid utility bills and are not related to project costs.

Use of Funds

The use of funds is to pay for the operation of the storm water system, debt service expense, and depreciation, expense.

Operating expense line item details can be found in **Table L-3**.

Debt service expense, which includes interest expense on bonds, can be found in **Table E-2**. (Principal payments on bonds supported by the Storm Water Fund result in a reduction of liability for the Fund.)

Depreciation expense details, including calculation of projected net capital assets, can be found in **Appendix C**.

Transfers

in or out of funds from the Storm Water Fund to other city funds. Presently the City does not charge the utility funds for General Fund overhead but does charge the fund for

Balance Sheet Items

for the Storm Water Fund, this includes projected annual year-end cash balance. **Table L-2** provides a detailed summary on projected change in cash year by year.

Table L-1
City of Lake Elmo, MN
Storm Water Fund
Pro Forma

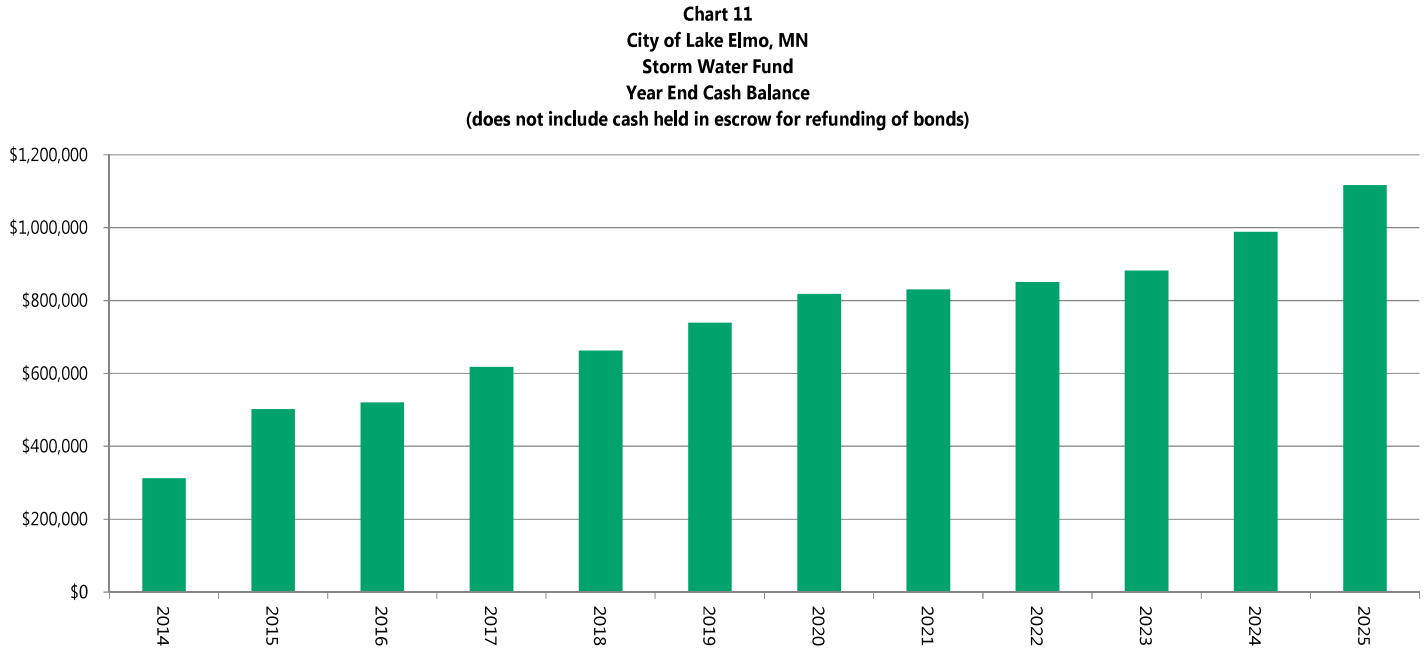
	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Source of Funds												
Charges for service fees	214,915	264,350	221,850	282,360	350,910	425,120	500,130	576,900	654,500	733,920	810,680	873,040
Special assessments	837		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Intergovernmental												
Investment income	1,239	2,844	5,000	2,603	3,088	3,312	3,696	4,092	4,154	4,254	4,414	4,942
Contributions and donations												
Development fees												
Miscellaneous		10,125	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951
Sale of capital assets												
Transfer in from other funds												
Total Source of Funds	216,991	277,319	241,850	300,163	369,402	444,044	519,651	597,033	674,916	754,661	831,810	894,933
Use of Funds												
Operating and other expense	134,302	85,321	197,904	140,824	220,983	201,616	211,931	198,063	229,245	242,614	257,040	292,950
Debt service expense	459	-	-	62,171	53,800	75,474	83,484	111,643	110,725	105,078	99,143	92,880
Depreciation	15,963	15,187	85,090	85,090	115,090	135,090	147,590	147,590	147,590	149,090	150,340	151,590
Transfer out to other funds	82,770		-									
Total Use of Funds	233,494	100,508	282,994	288,085	389,872	412,179	443,005	457,296	487,560	496,781	506,522	537,420
Change in net assets	(16,503)	176,811	(41,144)	12,078	(20,470)	31,864	76,646	139,738	187,356	257,880	325,288	357,513
Prior period adjustment												
Net Assets	1,095,528	1,272,339	1,231,195	1,243,273	1,222,803	1,254,668	1,331,313	1,471,051	1,658,407	1,916,287	2,241,575	2,599,088
Assets												
Cash and investments	312,746	502,676	520,515	617,682	662,302	739,256	818,492	830,819	850,765	882,734	988,362	1,117,465
Cash and investments escrow		-										
Due from other funds	23,915											
Special assessments receivable	22,667	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Accounts receivable	222,732	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Capital assets	611,337	611,337	3,407,444	3,407,444	4,607,444	5,407,444	5,907,444	5,907,444	5,907,444	5,967,444	6,017,444	6,067,444
Less accumulated depreciation	*(86,487)*	*(101,674)*	*(186,764)*	*(271,853)*	*(386,943)*	*(522,033)*	*(669,622)*	*(817,212)*	*(964,802)*	*(1,113,891)*	*(1,264,231)*	*(1,415,821)*
Total Assets	1,106,910	1,272,339	4,001,195	4,013,273	5,142,803	5,884,668	6,316,313	6,181,051	6,053,407	5,996,287	6,001,575	6,029,088
Liabilities												
Due to other funds												
Unearned revenue												
Bonds payable	-	-	2,770,000	2,770,000	3,920,000	4,630,000	4,985,000	4,710,000	4,395,000	4,080,000	3,760,000	3,430,000
Accounts payable	11,382		-	-	-	-	-	-	-	-	-	-
Total Liabilities	11,382	-	2,770,000	2,770,000	3,920,000	4,630,000	4,985,000	4,710,000	4,395,000	4,080,000	3,760,000	3,430,000
Total Liabilities and Net Assets	1,106,910	1,272,339	4,001,195	4,013,273	5,142,803	5,884,668	6,316,313	6,181,051	6,053,407	5,996,287	6,001,575	6,029,088

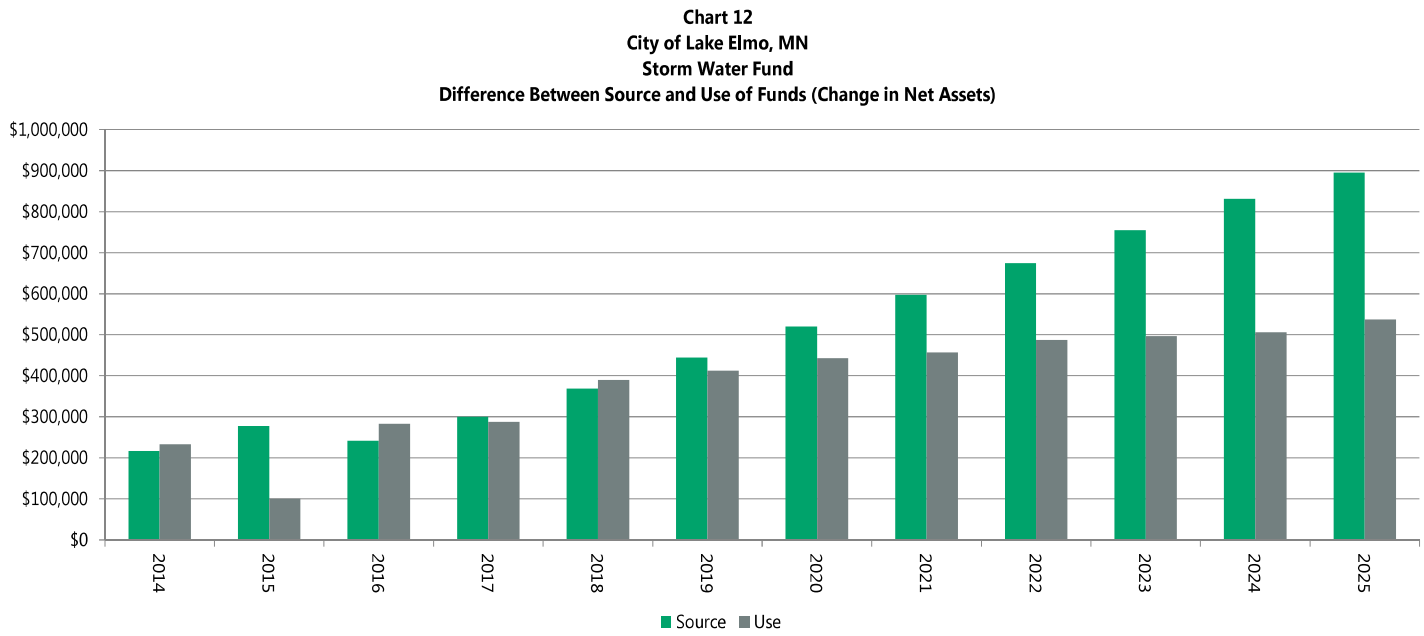
Table L-2
City of Lake Elmo, MN
Storm Water Fund
Cash Balance

	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Cash	230,718	312,746	502,676	520,515	617,682	662,302	739,256	818,492	830,819	850,765	882,734	988,362
Plus revenues	221,045	277,319	241,850	300,163	369,402	444,044	519,651	597,033	674,916	754,661	831,810	894,933
Plus bond proceeds			2,770,000		1,310,000	875,000	575,000					
Less acquisition of capital assets		-	(2,796,107)	-	(1,200,000)	(800,000)	(500,000)	-	-	(60,000)	(50,000)	(50,000)
Less principal on debt		-	-	-	(160,000)	(165,000)	(220,000)	(275,000)	(315,000)	(315,000)	(320,000)	(330,000)
Less interest on debt	(459)	-	-	(62,171)	(53,800)	(75,474)	(83,484)	(111,643)	(110,725)	(105,078)	(99,143)	(92,880)
Less operating and other costs	(138,558)	(85,321)	(197,904)	(140,824)	(220,983)	(201,616)	(211,931)	(198,063)	(229,245)	(242,614)	(257,040)	(292,950)
Plus transfers in		-	-	-	-	-	-	-	-	-	-	-
Less transfers out		-	-	-	-	-	-	-	-	-	-	-
Incr/decr in other assets and liabilities		(2,068)	-	-	-	-	-	-	-	-	-	-
Change in cash	82,028	189,930	17,839	97,167	44,620	76,954	79,236	12,327	19,946	31,970	105,628	129,103
Ending cash	**312,746**	**502,676**	**520,515**	**617,682**	**662,302**	**739,256**	**818,492**	**830,819**	**850,765**	**882,734**	**988,362**	**1,117,465**
Estimated Cash Balance Purposes												
For 6-months operating expense	67,151	42,661	98,952	70,412	110,491	100,808	105,965	99,031	114,623	121,307	128,520	146,475
For following year debt service	-	-	62,171	213,800	240,474	303,484	386,643	425,725	420,078	419,143	422,880	426,180
For next year planned capital		-	-	-	-	-	-	-	60,000	50,000	50,000	-
For reserves and future capital	245,595	460,016	359,392	333,470	311,337	334,964	325,883	306,063	256,065	292,285	386,962	544,810
For cash held with fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-
Total Ending Cash	312,746	502,676	520,515	617,682	662,302	739,256	818,492	830,819	850,765	882,734	988,362	1,117,465
Net Assets	1,095,528	1,272,339	1,231,195	1,243,273	1,222,803	1,254,668	1,331,313	1,471,051	1,658,407	1,916,287	2,241,575	2,599,088
Cash as % of Net Assets	*28.5%*	*39.5%*	*42.3%*	*49.7%*	*54.2%*	*58.9%*	*61.5%*	*56.5%*	*51.3%*	*46.1%*	*44.1%*	*43.0%*

Table L-3
City of Lake Elmo, MN
Storm Water Fund
Operating and Other Expenses (Not Including Depreciation)

	Actual		Current	Projected								
	2014 Actual	2015 Prel	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Personnel Services												
Full-time Salaries	31,708	23,522	25,874	36,630	45,738	51,109	52,132	53,174	68,034	69,394	70,782	86,837
PERA Contributions	2,290	1,697	1,867	2,656	3,316	3,705	3,780	3,855	4,932	5,031	5,132	6,296
FICA Contributions	1,857	1,378	1,515	2,271	2,836	3,169	3,232	3,297	4,218	4,302	4,388	5,384
Medicare Contributions	436	322	355	531	663	741	756	771	986	1,006	1,026	1,259
Health\Dental Insurance	7,641	7,165	7,882	7,326	9,148	10,222	10,426	10,635	13,607	13,879	14,156	17,367
Unemployment Benefits	-	-	-	-	1	2	3	4	5	6	7	8
Workers Compensation	1,312	221	243	1,465	1,830	2,044	2,085	2,127	2,721	2,776	2,831	3,473
Total Personnel Services	45,244	34,305	37,736	50,879	63,531	70,993	72,414	73,863	94,504	96,395	98,323	120,624
Supplies												
Office Supplies	375	2,172	375	500	545	594	648	706	769	839	914	996
Utility System Maint Supplies	411	551	500	1,000	1,090	1,188	1,295	1,412	1,539	1,677	1,828	1,993
Small Tools & Minor Equipment	299	200	1,000	1,000	1,090	1,188	1,295	1,412	1,539	1,677	1,828	1,993
Other Equipment	8,422	-	-	-	-	-	-	-	-	-	-	-
Total Supplies	9,507	2,923	1,875	2,500	2,725	2,970	3,238	3,529	3,847	4,193	4,570	4,981
Other Services and Charges												
Comprehensive Planning	-	-	3,000	-	-	-	-	-	-	-	-	-
Engineering Services	21,009	20,332	30,000	20,000	21,800	23,762	25,901	28,232	30,772	33,542	36,561	39,851
Eng Svcs SW Master Planning	-	-	15,000	-	-	-	-	-	-	-	-	-
Contract Services	9,711	9,941	7,500	10,000	10,900	11,881	12,950	14,116	15,386	16,771	18,280	19,926
Software Support	3,268	3,617	1,500	8,400	8,568	8,739	8,914	9,092	9,274	9,460	9,649	9,842
Postage	1,700	1,500	1,700	1,645	1,793	1,954	2,130	2,322	2,531	2,759	3,007	3,278
Insurance				1,500	1,635	1,782	1,943	2,117	2,308	2,516	2,742	2,989
Street Sweeping	12,403	10,438	22,000	20,000	21,800	23,762	25,901	28,232	30,772	33,542	36,561	39,851
Repairs/Maint Not Bldg	5,304	-	1,500	3,000	3,270	3,564	3,885	4,235	4,616	5,031	5,484	5,978
Miscellaneous Expenses	459	-	400	400	436	475	518	565	615	671	731	797
Conferences & Training	2,225	2,265	1,800	2,500	2,725	2,970	3,238	3,529	3,847	4,193	4,570	4,981
Improvements Other Than Bldgs	18,190	-	30,000	20,000	21,800	23,762	25,901	28,232	30,772	33,542	36,561	39,851
Vehicles	5,743	-	-	-	-	-	-	-	-	-	-	-
Cost of issuance of bonds			43,893	-	60,000	25,000	25,000	-	-	-	-	-
Other/adjustments	(461)											
Total Other Services and Charges	79,551	48,093	158,293	87,445	154,727	127,653	136,280	120,671	130,895	142,026	154,146	167,344
Total Operating and Other Expenses	134,302	85,321	197,904	140,824	220,983	201,616	211,931	198,063	229,245	242,614	257,040	292,950





Estimated year end cash balances are projected to decline due to the increase in debt service expense related

provement projects. Year-end cash balances are expected to recover due to the projected increase in the annual storm water fee (assumed to be $5 per year increase).

The actual year-end cash balances will be impacted by changes in planned capital spending. As projects are implemented, beyond what is included in the draft CIP, cash balances may be lower than what is projected in this report.

The source and use of funds includes depreciation. The

nual source and use of funds is the change in net assets of the fund.

APPENDIX A
City of Lake Elmo, MN
Water Fund
Calculation of Net Capital Assets

	Actual		Current	Projected								
	2014 Actual	2015 Un-Audited	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Balance of Capital Assets and Depreciation												
Land	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675
Construction in progress	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086	1,201,086
Machinery & Equipment	300,587	300,587	300,587	300,587	300,587	300,587	300,587	300,587	300,587	300,587	300,587	300,587
Infrastructure	17,551,239	18,763,247	22,019,575	23,885,764	25,170,764	26,162,764	29,362,764	29,412,764	29,686,764	30,536,764	32,684,764	32,684,764
Total capital assets	19,107,587	20,319,595	23,575,923	25,442,112	26,727,112	27,719,112	30,919,112	30,969,112	31,243,112	32,093,112	34,241,112	34,241,112
Less allowance for depreciation	3,217,170	3,535,975	3,936,188	4,383,056	4,862,049	5,365,842	5,949,635	6,534,678	7,126,571	7,739,714	8,406,557	9,073,400
Net capital assets	15,890,417	16,783,620	19,639,735	21,059,056	21,865,063	22,353,270	24,969,477	24,434,434	24,116,541	24,353,398	25,834,555	25,167,712
Changes in Capital Assets and Depreciation												
Land												
Construction in progress	1,075,430											
Machinery & Equipment	17,727											
Infrastructure	3,842,011	1,212,008	3,256,328	1,866,189	1,285,000	992,000	3,200,000	50,000	274,000	850,000	2,148,000	-
Total capital assets	4,935,168	1,212,008	3,256,328	1,866,189	1,285,000	992,000	3,200,000	50,000	274,000	850,000	2,148,000	-
Less allowance for depreciation on current assets	317,759	416,864	318,805	400,213	446,868	478,993	503,793	583,793	585,043	591,893	613,143	666,843
Less allowance for depreciation on new assets	99,105	(98,059)	81,408	46,655	32,125	24,800	80,000	1,250	6,850	21,250	53,700	-
Total increase in allowance for depreciation	416,864	318,805	400,213	446,868	478,993	503,793	583,793	585,043	591,893	613,143	666,843	666,843
Change in net capital assets	4,518,304	893,203	2,856,115	1,419,321	806,007	488,207	2,616,207	(535,043)	(317,893)	236,857	1,481,157	(666,843)

* New assets depreciated over 40 years.

APPENDIX B
City of Lake Elmo, MN
Sanitary Sewer Fund
Calculation of Net Capital Assets

	Actual		Current	Projected								
	2014 Actual	2015 Un-Audited	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Balance of Capital Assets and Depreciation												
Land		-	-	-	-	-	-	-	-	-	-	-
Construction in progress	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146	5,467,146
Machinery & Equipment		-	-	-	-	-	-	-	-	-	-	-
Infrastructure	361,986	2,760,986	3,644,136	5,116,823	5,741,823	6,191,823	6,191,823	7,691,823	8,391,823	8,603,823	8,803,823	9,003,823
Total capital assets	5,829,132	8,228,132	9,111,282	10,583,969	11,208,969	11,658,969	11,658,969	13,158,969	13,858,969	14,070,969	14,270,969	14,470,969
Less allowance for depreciation	207,224	215,963	246,781	314,416	397,676	492,186	586,695	718,705	868,215	1,023,025	1,182,835	1,347,645
Net capital assets	5,621,908	8,012,169	8,864,501	10,269,553	10,811,293	11,166,783	11,072,274	12,440,264	12,990,754	13,047,944	13,088,134	13,123,324
Changes in Capital Assets and Depreciation												
Land												
Construction in progress	2,313,830	-										
Machinery & Equipment												
Infrastructure	(8,071)	2,399,000	883,150	1,472,687	625,000	450,000	-	1,500,000	700,000	212,000	200,000	200,000
Total capital assets	2,305,759	2,399,000	883,150	1,472,687	625,000	450,000	-	1,500,000	700,000	212,000	200,000	200,000
Less allowance for depreciation on current assets	8,740	11,815	8,739	30,818	67,635	83,260	94,510	94,510	132,010	149,510	154,810	159,810
Less allowance for depreciation on new assets	3,075	(3,076)	22,079	36,817	15,625	11,250	-	37,500	17,500	5,300	5,000	5,000
Total increase in allowance for depreciation	11,815	8,739	30,818	67,635	83,260	94,510	94,510	132,010	149,510	154,810	159,810	164,810
Change in net capital assets	2,293,944	2,390,261	852,332	1,405,052	541,740	355,490	(94,510)	1,367,990	550,490	57,190	40,190	35,190

* New assets depreciated over 40 years.

APPENDIX C
City of Lake Elmo, MN
Storm Water Fund
Calculation of Net Capital Assets

	Actual		Current	Projected								
	2014 Actual	2015 Un-Audited	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Balance of Capital Assets and Depreciation												
Land		-	-	-	-	-	-	-	-	-	-	-
Construction in progress		-	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment		-	-	-	-	-	-	-	-	-	-	-
Infrastructure	611,337	611,337	3,407,444	3,407,444	4,607,444	5,407,444	5,907,444	5,907,444	5,907,444	5,967,444	6,017,444	6,067,444
Total capital assets	611,337	611,337	3,407,444	3,407,444	4,607,444	5,407,444	5,907,444	5,907,444	5,907,444	5,967,444	6,017,444	6,067,444
Less allowance for depreciation	86,487	101,674	186,764	271,853	386,943	522,033	669,622	817,212	964,802	1,113,891	1,264,231	1,415,821
Net capital assets	524,850	509,663	3,220,680	3,135,591	4,220,501	4,885,411	5,237,822	5,090,232	4,942,642	4,853,553	4,753,213	4,651,623
Changes in Capital Assets and Depreciation												
Land												
Construction in progress	(82,770)											
Machinery & Equipment												
Infrastructure	-	-	2,796,107	-	1,200,000	800,000	500,000	-	-	60,000	50,000	50,000
Total capital assets	(82,770)	-	2,796,107	-	1,200,000	800,000	500,000	-	-	60,000	50,000	50,000
Less allowance for depreciation on current assets	15,187	15,963	15,187	85,090	85,090	115,090	135,090	147,590	147,590	147,590	149,090	150,340
Less allowance for depreciation on new assets	776	(776)	69,903	-	30,000	20,000	12,500	-	-	1,500	1,250	1,250
Total increase in allowance for depreciation	15,963	15,187	85,090	85,090	115,090	135,090	147,590	147,590	147,590	149,090	150,340	151,590
Change in net capital assets	(98,733)	(15,187)	2,711,017	(85,090)	1,084,910	664,910	352,410	(147,590)	(147,590)	(89,090)	(100,340)	(101,590)

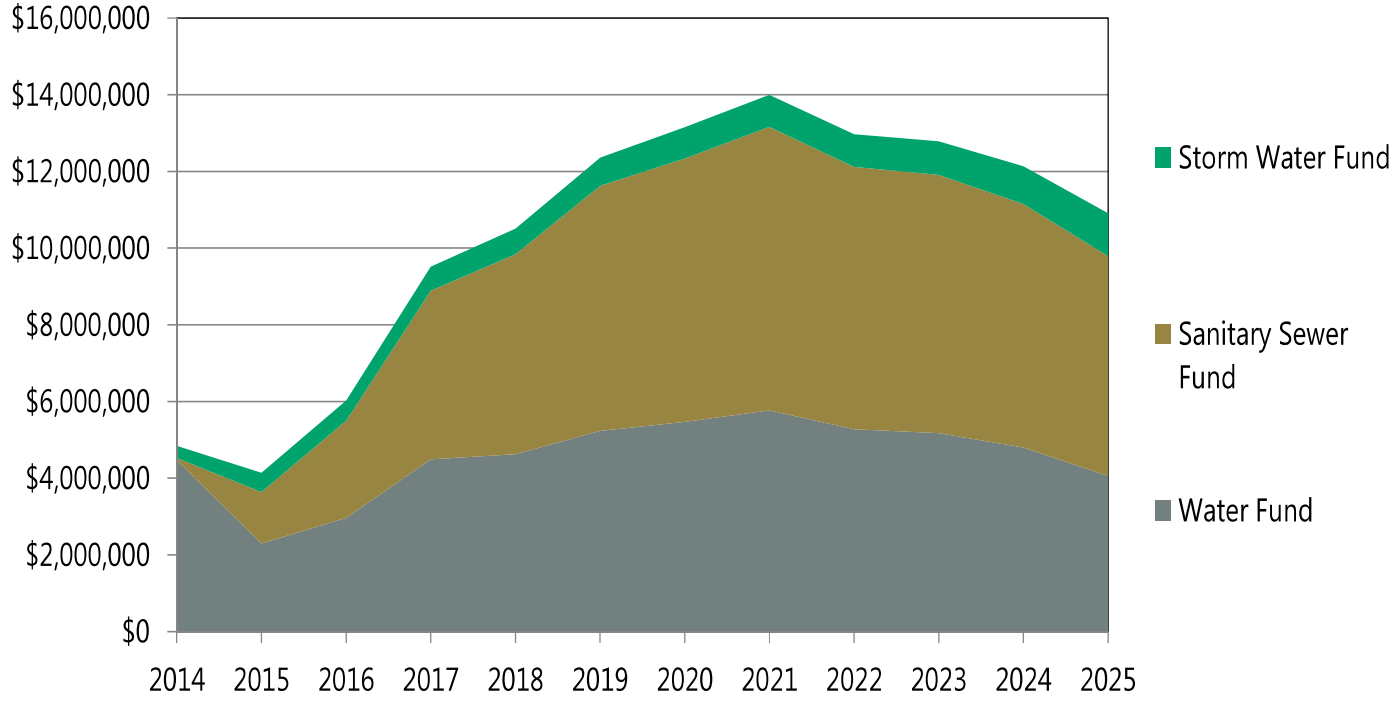
* New assets depreciated over 40 years.

APPENDIX D
City of Lake Elmo, MN
Example Quarterly Utility Fees Payable by Property Types

	Current	Projected								
	2016 Estimated	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential Customer										
Gallons of water per month	*8,000*	*8,000*	*8,000*	*8,000*	*8,000*	*8,000*	*8,000*	*8,000*	*8,000*	*8,000*
Water Bill	$36	$36	$36	$37	$37	$37	$38	$38	$39	$39
Sanitary Sewer Bill	$108	$108	$109	$110	$111	$112	$114	$115	$116	$117
Storm Sewer Bill	$13	$15	$18	$20	$23	$25	$28	$30	$33	$35
Total	$157	$159	$163	$167	$171	$175	$179	$183	$187	$191
Commercial Customer										
Gallons of water per quarter	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*
Water Bill	$196	$196	$198	$200	$202	$204	$206	$208	$210	$212
Sanitary Sewer Bill	$225	$225	$227	$230	$232	$234	$236	$239	$241	$244
Storm Sewer Bill	$13	$15	$18	$20	$23	$25	$28	$30	$33	$35
Total	$433	$436	$443	$449	$456	$463	$470	$477	$484	$491

Note:
1. City bills the storm sewer charge on an annual basis. For the purpose of this report it is shown on a quarterly basis.
2. The commercial residential equivalents units (REU) billed are based on 5X the amount billed for a single REU.

Appendix E
Chart 13
Year End Cash Estimates By Fund

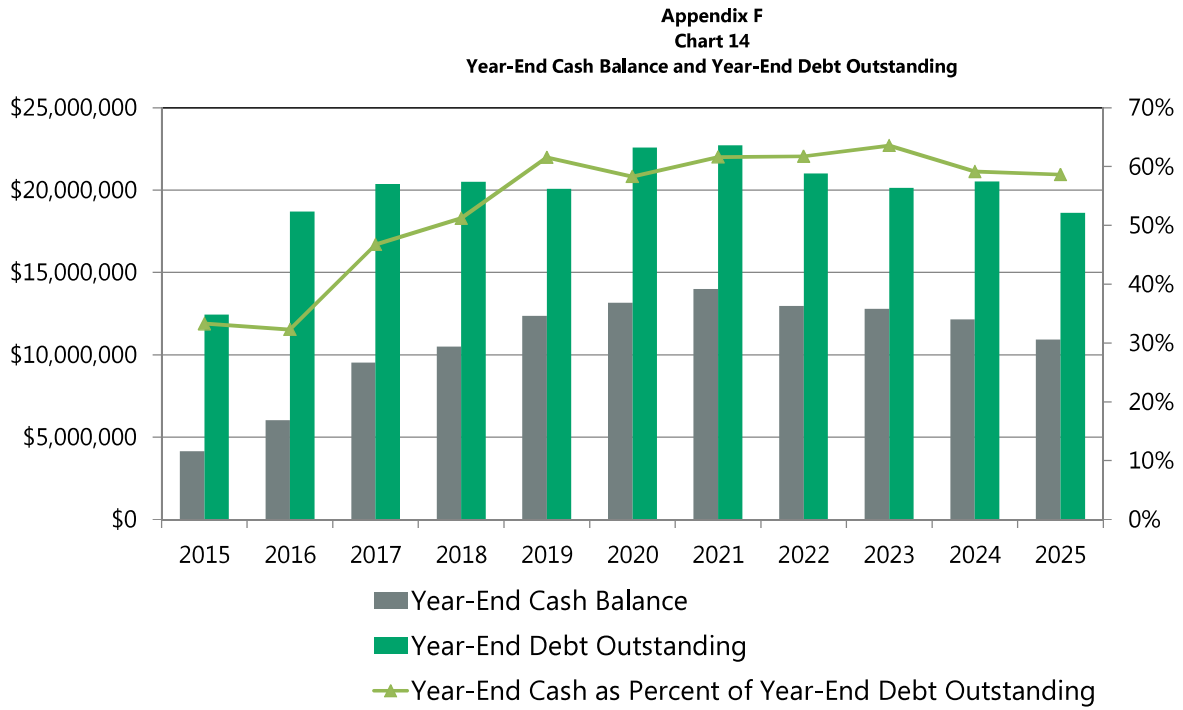


Note: Year 2015 is estimated (un-audited) and years 2016 through 2025 are projected based on financial plans (pro forma) for each of the funds.

The increase in estimated year-end cash is due to the collection of charges from development to pay for future capital improvement projects, including debt service

The estimated spend down of cash is projected to occur as projected development units are realized and the collection of development fees begins to decline and debt service payments are met.

For year by year explanation of projected change in year-end cash balances, see Table J-2 on page 29 for the Water Fund), Table K-2 on page 34 for the Sanitary Sewer Fund, and Table L-2 on page 39 for the Storm Water Fund.



Note: Amounts for Year 2015 are un-audited actual. Years 2016-2025 are projected amounts based on this report.

As noted for Chart 13 on page 46, the increase in estimated year-end cash is due to the collection of charges from development to pay for future capital improvement projects, including debt service

The CIP anticipates the issuance of debt in the future to pay for capital improvements.

The projected future year-end cash as percent of year-end debt outstanding will increase as cash increases from the collection of development charges. The cash collected will be used to pay future debt service.

Northland Securities, Inc.
45 South 7th Street, Suite 2000
Minneapolis, MN 55402
(800) 851-2920
Member NASD and SIPC

THE CITY OF
LAKE ELMO

MAYOR AND COUNCIL COMMUNICATION

DATE: 7/19/2016
CONSENT
ITEM #: 18

AGENDA ITEM: Street Naming Policy

SUBMITTED BY: Emily Becker, City Planner

THROUGH: Kristina Handt, City Administrator

REVIEWED BY: Stephen Wensman, Planning Director

BACKGROUND:

Currently, Chapter 153: Subdivision Regulations, Section 07: Preliminary Plat, Subd. E: Proposed Design Features mandates that street names and numbering system shall comply with the County Uniform Street Numbering System. It also states that the "name of any street used in the city or its environs shall not be used [in a proposed plat] unless the proposed street is a logical extension of an already named street, in which event the same name shall be used."

The County Uniform Street Naming and Property Numbering System was developed by the County in 1967 and adopted by the City in an Agreement with the County in 1971. The City canceled the street naming portion of the agreement by Resolution #2000-071 in 2000 in response to the County's refusal to record the Fields of St. Croix II plat because the street names did not correspond to the agreed-to system.

In 2005, Ordinance 97-149 was adopted reintroducing a uniform street naming system within the City that follows the general pattern (alphabetical west-to-east) of the 1971 Agreement, but which also allows some street naming latitude as long as the alphabetical range is adhered to. The purpose of this ordinance was to have the force of law for future plats in regards to street naming. This ordinance, however, no longer exists in the published Lake Elmo Code of Ordinances. The reason for this is unclear to Staff as there has been no found record of its repeal.

Without a current and clear street naming policy or ordinance, there has been recent confusion and discussion about street naming within new developments. Attached is research gathered on these discussions about street naming from Council meeting minutes in the past year. Summarily, with Staff transitions, it has not been clear what actual policy or ordinance to refer to when reviewing proposed street names.

Staff has found that a motion "that if the street dead ends, so does the name" was passed at the May 5, 2015 City Council meeting with a vote of 3-2. However, no formal document was prepared or approved. This supposed policy holds that when streets are not continuous, they should not have the same name (i.e. a street name should only be in one development within the City).

In order to provide clarity on this issue, Staff is proposing an official City street naming policy be enacted and that the policy be referred to in the City Code. Staff is also recommending repeal of City Code references to the County Uniform Street Naming and Property Numbering System

ISSUE BEFORE COUNCIL:

The Council should decide if the City should adopt a street naming policy, repealing reference to the County Uniform Street Numbering System

PROPOSAL DETAILS/ANALYSIS:

Repeal Section 540. Ordinance No. 97-149, which added Section 540 relating to the uniform system for naming streets and numbering properties and principal buildings in the City of Lake Elmo, was never found to be repealed, according to research by Staff; there is no reference to the References to Ordinances Section of the City Code. As a result, the proposed ordinance will officially repeal this Section.

Amendment to Section 153.07: Preliminary Plat, Subd. (E) (1). It is being proposed that the reference to the County Uniform Street Numbering System in Chapter 153 be repealed as well as the language stating that the "name of any street used in the city or its environs shall not be used [in a proposed plat] unless the proposed street is a logical extension of an already named street, in which event the same name shall be used." Reference to the City Street Naming Policy should be placed here instead.

Proposed Policy. As previously explained, a number of changes have been made to how streets are named over the past years. With changes to the City, it is likely that changes will continue to happen in order to accommodate new development. Because of this, it is proposed that a street naming policy be enacted, and that this policy be referenced by ordinance. Resultantly, changes to the way streets are named can be made without ordinance amendments.

Partial Utilization of County Uniform Street Naming and Property Numbering System. There are a number of procedures from this manual that make sense and should be utilized in the City street naming policy. The following are proposed policies that follow the Uniform Street Naming and Property Numbering System:

> *North-South Streets.* Streets running north-south are labelled as avenues. It is proposed that streets will need to be named based on alphabetical order east to west, starting with "Hi-" on the far west side of the City and ending with "Ma-" on the far east side of the City. A grid outlining this system is attached.
>
> > *Exception.* Because the City has deviated from this rule in the past (i.e. in the Wildlfower, Tapestry, Whistling Valley) the Council should consider if street names that do not follow the alphabetical order but relate to the development name should be allowed.
>
> *East-West Streets.* Streets running north-south are labelled as streets and are numbered, decreasing from 60th Street at the far north of the city, ending at Hudson Boulevard. A grid outlining this numbering system is attached.
>
> *All Other Streets.* Such streets that do not directionally fit in to the above-mentioned categories should be named as follows:

NE to SW streets shall be called Boulevards.

NW to SE streets shall be called Roads.

Streets that relate to a base street from which it is extended shall be called Courts or Circles.

Streets that dip in form a connecting off-shoot from another street shall be called Lanes or Ways.

Meandering routes shall be called Trails.

Property Numbering System. There shall be 1000 property numbers, or 500 numbers on each side of the street, available per mile. Each 12 feet of street frontage shall be assigned a number.

Odd and Even Numbers. Odd numbers shall be used on the South and East sides of the streets and even numbers shall be used on the North and West sides of the streets.

Assignment of Numbers on Corner Lots. Property numbers should be assigned to according to what is meant to be the front lot line as defined by the Lake Elmo Code of Ordinances.

No Duplication. Any street that stops in one part of the City shall not be used in another part of the City, regardless if it is on the same grid as another street. Numbered streets are an exception to this rule.

Must End With "North." In order to keep all street names uniform, it is proposed that all street names be required to end with "North."

New Development. The City Street Naming Policy shall apply to new development. Existing street names shall remain the same.

FISCAL IMPACT:

Enacting a clarifying City Street Naming Policy may reduce Staff, Commission and Council time spent reviewing and approving street names.

OPTIONS:

The Council has the following options in regards to this Agenda Item:

- Approve the City Street Naming Policy as proposed.
- Approve the City Street Naming Policy with edits.
- Deny the City Street Naming Policy and keep existing language of Section 153.07: Preliminary Plat, Subd. (E) (1).
- Deny the City Street Naming Policy and direct Staff to prepare edits to Section 153.07: Preliminary Plat, Subd. (E) (1).
- Deny the City Street Naming Policy and direct Staff to prepare an Ordinance guiding street naming.

RECOMMENDATION:

Staff recommends that the Council approve the City Street Naming Policy as proposed.

ATTACHMENTS:

- City of Lake Elmo Street Naming Policy.
- Lake Elmo Address Map.
- Ord. No. 08-144
- Ordinance 97-149 and Staff Report.
- City Council Meeting Minutes Pertaining to Street Naming Research.

City of Lake Elmo Street Naming Policy

Title and Scope

This guide shall be known as the Lake Elmo Street Naming Policy. Its purpose is to establish standards for naming streets, assigning property numbers, and posting street signs. The goal of these standards is to assist emergency services, the United States Postal Service, and the public in timely and efficient delivery of services to residents and businesses.

Street Naming Agency

It will be the responsibility of the Planning Director or designee to assign street names and property numbers in accordance with the guidelines set forth in this Policy. The Planning Director should confer with the Fire Chief to ensure that street names and property numbers provide adequate directional assistance to emergency service providers. An inventory of City street names should also be kept so as to avoid duplication.

Street Naming Process

Streets are named and approved at the time of Preliminary Plat approval.

Street Naming Methodology

I. *North-South Streets.* Streets running north-south are labelled as Avenues. Accept as outlined in this Policy, such street names should be assigned alphabetically consistent with the Address Map attached to this Policy. The first two letters of street names should progress alphabetically from West to East along the grid.
   i. *Exception.* Street names that relate to a specific development are allowed as approved by Council during Preliminary Plat approval. Street names must be easily identifiable with the development.

II. *West-East Streets.* Streets running west-east are labelled as Streets. They must be numbered as outlined in the Address Map grid attached to this Policy. While proposed streets should be numbered according to the Address Map grid, chronological ordering of streets in relation to existing streets directly north and south of the proposed street takes precedence.
   i. *Duplication.* There may be more than one street that has the same number only if the proposed street is both numbered according to the Address Map grid and is located in a logical numerical order in relation to existing streets directly to the north and south of the proposed street. If the proposed street does not meet the aforementioned criteria, the street need not be labelled Street, and a different name, as approved by Council, may be chosen, however, the street should still be assigned a number.

III. *Deflecting Streets.* Parts of deflecting streets that run continuous may be categorized by preceding street numbers with the words "Upper" or "Lower," depending on how the section of street relates to the grid.

IV. *Streets Changing Direction.* Streets that run from west to east and turn to run from north to south, or vice versa, forming a logical angle and turning point for the driver, should have different names in order to match the grid. This standard shall not apply to streets that run circular, have no turning point and do not form an angle.

V. *All Other Streets.* Such streets that do not directionally fit in to the above-mentioned categories shall be named as follows:

   i. NE to SW streets shall be called Boulevards.
   ii. NW to SE streets shall be called Roads.
   iii. Streets that relate to a base street from which it is extended shall be called Courts or Circles.
   iv. Streets that dip in form a connecting off-shoot from another street shall be called Lanes or Ways.
   v. Meandering routes shall be called Trails.

VI. *No Duplication.* Any street that stops in one part of the City shall not be used in another part of the City, regardless if it is on the same grid as another street. Numbered streets are an exception to this standard as provided in this Policy. Names tending to be confused as homonyms or have the same or similar pronunciation but with different spellings are also discouraged (i.e. Allen or Alan; Smith or Smyth; John or Jon, etc.).

VII. *Theming.* If appropriate, names with the same theme (i.e. flowers, nature) are suggested for naming streets in an entire subdivision.

VIII. *Pronounceability.* When possible, names should be easily pronounceable in order for children to read and pronounce them in emergency situations.

IX. *Directional Suffix.* All street names must end with the directional suffix of North.

Property Numbering Methodology

I. *Numbering System for Properties Located on Avenues.* Properties with front lot lines abutting avenues should be numbered according the Address Map grid whenever possible. In the event a street number does not correlate with the Address Map grid, properties should be numbered according to the street number above which they are perpendicularly located directly north. Each 12 feet of street frontage shall be assigned a number as demonstrated in Figure 1-1. In the case of an "Upper" and "Lower" street number prefix, or any other situation in which there may be two street numbers are adjacent to each other, property numbers should increase accordingly to the next street number. Similarly, in the case there is not enough lineal footage between numbered streets, properties shall be numbered accordingly.

II. *Numbering System for Properties Located on Numbered Streets.* Properties with front lot lines abutting streets should be numbered according to the Address Map Grid.

III. *Assigning Addresses.* Addresses should be assigned according to what is meant to be the front lot line as defined by the Lake Elmo Code of Ordinances.

IV. *Odd and Even Numbers.* Odd numbers shall be used on the South and East sides of the streets and even numbers shall be used on the North and West sides of the streets.

V. *Multi-Tenant Structures.* Multi-tenant structures including apartment buildings, office buildings, townhomes and duplexes shall be assigned a property number if all on one parcel and then unit numbers as secondary location indicators.

VI. *Manufactured Home Parks.* Manufactured Home Parks may be assigned one number and then unit numbers for individual homes.

VII. *Exemptions.* The following buildings and uses will be exempt from the addressing system, but may be addressed at the request of the property owner:

   i. Unoccupied farm land or lots containing no dwellings or businesses.
   ii. Farm buildings which are not residential or commercial.

Applicability

New Development. The City Street Naming Policy shall apply to new development only. Existing street names at the time of publication of this policy shall remain the same.

Placement/Display Requirements

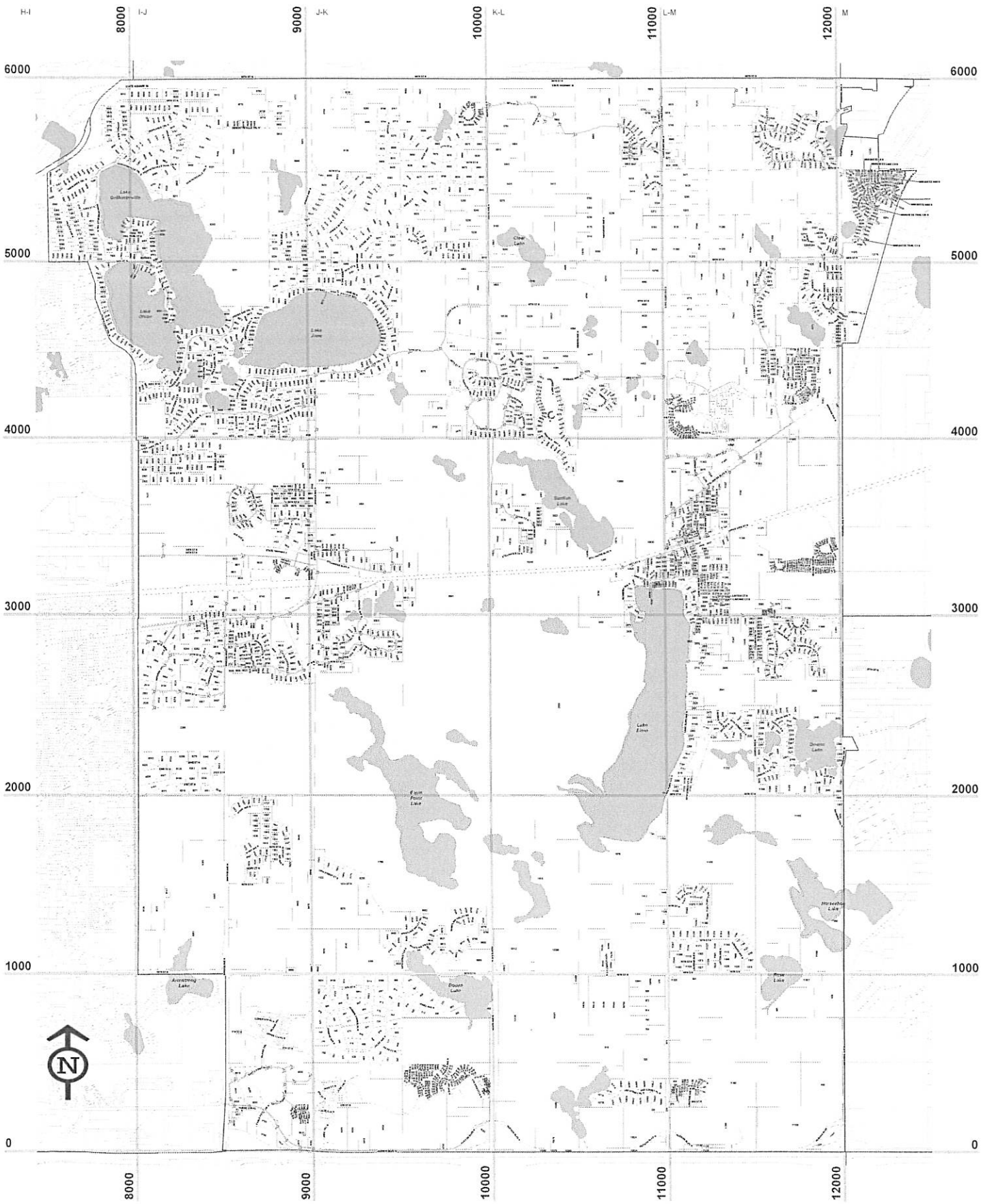
Each principal building shall bear the number assigned to the frontage on the side of the building that faces the assigned frontage. In case a principal building is occupied by more than one business or family dwelling unit, each separate front entrance of such principal building shall bear a separate number.

Visibility of Property Numbers. Numerals indicating the official numbers for each principal building or each front entrance to such building shall be posted in a manner as to be visible from the street on which the property is located. Numerals shall be at least four inches in height and located at a reasonable height on the building. Properties with principal buildings set back far enough for four inch numerals to be deemed illegible should bear larger numerals, while still complying with the City's Sign Code, or display property numbers both on the building and elsewhere on the property to make them visible from the street; Zoning Code regulations apply.

Street Signs. Street signs shall be displayed in accordance with City Engineer Design Standards.

Figure 1-1

The above example shows a property with front lot line frontage on Irish Avenue north, abutting 28th Street North. There is 135 feet of frontage on Irish Avenue North. 135 divided by 12 is approximately 11. Therefore, it is properly addressed as 2811; the property essentially starts at the 2800 block and is given one number for every 12 feet of street frontage.



THE CITY OF LAKE ELMO

Lake Elmo Address Map

Hydrant Locations
Address Grid
Water Pipe System

Map upated by Sambatek on 3-17-16

Sambatek

CITY OF LAKE ELMO
COUNTY OF WASHINGTON
STATE OF MINNESOTA

ORDINANCE NO. 08-144

AN ORDINANCE AMENDING THE LAKE ELMO CITY CODE OF ORDINANCES PERTAINING TO STREET NAMING

SECTION 1. The City Council of the City of Lake Elmo hereby amends Section 540: Uniform Naming and Numbering System as it was adopted on the 15th Day of February of 2005 by officially repealing the Section in its entirety.

SECTION 2. The City Council of the City of Lake Elmo hereby amends Title XV: Land Usage; Chapter153: Subdivision Regulations; Section 07: Preliminary Plat; Subd. (E) (1) to read the following:

(1) Layout of proposed streets showing the right-of-way widths, center line gradients, typical cross sections, and proposed names of streets in conformance with all applicable city ordinances and the City of Lake Elmo Street Naming Policy.

Effective Date. This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

SECTION 3. Adoption Date. This Ordinance 08-144 was adopted on this _____ day of _____, 2016, by a vote of ___ Ayes and ___ Nays.

LAKE ELMO CITY COUNCIL

_____
Mike Pearson, Mayor

ATTEST:

_____
Julie Johnson, City Clerk

This Ordinance 08-144 was published on the ____ day of _____, 2016.

CITY OF LAKE ELMO
WASHINGTON COUNTY, MINNESOTA

ORDINANCE NO. 97-149

AN ORDINANCE ADDING SECTION 540 RELATAING TO THE UNIFORM SYSTEM FOR NAMING STREETS AND NUMBERING PROPERTIES AND PRINCIPAL BUILDINGS IN CITY OF LAKE ELMO

BE it ordained by the City Council of the City of Lake Elmo as follows:

Chapter 5 – Building

Section 540 – Uniform Naming and Numbering System:

Section 540.01 Uniform Naming and Numbering System:
A uniform system of naming streets and numbering properties and principal buildings, as shown in the manual or procedures identified by the title Uniform Street Naming and Property Numbering System is adopted for use in the City. This map and all explanatory matter on the map is adopted and made a part of this section.

Section 540.02 Assignment of Names and Numbers:
Subd. 1 Conformance.
All properties or parcels of land within the City of Lake Elmo shall hereafter be identified by reference to the uniform numbering system adopted herein. Except as herein prescribed, the names of all streets in the City of Lake Elmo shall be designated by the Uniform Street Naming System.

Subd. 2 Placement/Display
Each principal building shall bear the number assigned to the frontage on which the front entrance is located. In case a principal building is occupied by more than one business or family dwelling unit, each separate front entrance of such principal building shall bear a separate number.

Subd. 3 Visibility.
Numerals indicating the official numbers for each principal building or each front entrance to such building shall be posted in a manner as to be visible from the street on which the property is located.

Subd. 4 Naming Assignment
Naming of North/South streets shall be governed by the referenced Uniform Street Naming System only to the extent that said street names are assigned alphabetically consistent with the System's 1 mile grid of street names Ideal, Jamaca, Keats, Lamar and Manning. Names of North/South streets located geographically between these streets need not be from the list provided in the Uniform Street Naming System, but must be within the alphabetical range between said mandatory street names.

Subd. 5 Number Assignment
The Building Official shall assign to nay property owner in the City upon request a number for each principal building or separate front entrance to the building. In doing so, the Building Official shall assign only the numbers assigned to the building under the provisions of this section. The Recorder may assign additional numerals in accordance with the official numbering system whenever a property has been subdivided, a new front entrance opened, or undue hardship has been worked on any property owner.

Section 540.03 Administration:
Subd. 1 Responsibility for Maintaining System.
The Building Official shall be responsible for maintaining the numbering system. In the performance of this responsibility he shall be guided by the provisions of Section 2 of this ordinance.

Subd. 2 Records
The Building Official shall keep a record of all numbers assigned under this ordinance.

Section 540.04: Penalties: Violation of this ordinance shall be a misdemeanor. Each separate day such violation is continued shall constitute a separate offense.

Section 540.05: Effective Date: This ordinance shall become effective upon passage and publication according to law.

ADOPTED, by the Lake Elmo City Council on the 15th day of February, 2005.

Dean A. Johnston
Mayor

ATTEST:

Martin J. Rafferty, Administrator

Lake Elmo City Council February 15, 2005	Agenda Section: Planning, Land Use & Zoning	No. 9C

Agenda Item: Street Naming Ordinance

Background Information for February 15, 2005:

On February 8 the Council's Public Health and Safety Committee considered the present City policy for the naming/numbering of streets. The City Planner explained that the City continues to use the street/address numbering system that was developed for Washington County in 1967, and adopted by the City in an Agreement with the County in 1971. He explained that the City canceled the street naming portion of the Agreement by Resolution #2000-071 in 2000 in response to the County's refusal to record the Fields of St. Croix II plat because the street names did not correspond to the agreed-to system.

The Committee directed staff to draft City Council action that would reintroduce a uniform street naming system within the City that follows the general pattern (alphabetical west-to-east) of the 1971 Agreement, but which also allows some street naming latitude as long as the alphabetical range is adhered to. The City has never had an ordinance establishing street naming – only the 1971 Agreement. If street naming is to have the force of law for future plats, it must be addressed by ordinance. Staff has prepared a draft ordinance that would, by reference, adopt the County-wide street naming/numbering system – but with a slight modification to provide the street naming latitude noted above.

Action items:	**Person responsible:**
Motion to adopt draft Ordinance #97 - , adopting a uniform street naming and numbering system.	City Planner
Attachments: 1. Draft Ordinance #97 – 2. Copy of the County-wide system (portion)	**Time Allocated:**

Street Naming Research 06/06/2016

153.06.E.1 in relation to subdivision general regulations

- Layout of proposed streets showing right-of-way widths, center line grade, typical cross sections, and proposed names of streets in conformance with all applicable city ordinances and policies; the name of any street used in the city or its environs shall not be used unless the proposed street is the logical extension of an already named street, in which event the same name shall be used. The names and number shall comply with the County Uniform Street Numbering System.

City Council Meeting 5/5/2015 Minutes

- Street naming for Hunters Crossing was discussed, and a motion was passed moved by Council Member Fliflet and passed 3-2: "That if the street dead ends, so does the name."

City Council Meeting 7/21/2015 Minutes

- Street naming was also discussed, with Mayor Pearson questioning the use of unique street names versus using the county system of naming streets.

City Council Meeting 8/4/2015 Minutes

- **Councilmember Fliflet, seconded by Councilmember Lundgren, moved TO ADOPT RESOLUTION 2015-63 APPROVING THE DEVELOPER'S AGREEMENT FOR WILDFLOWER AT LAKE ELMO. Motion passed 5 – 0.**
- Councilmember Lundgren stated that she would like to change her vote on the street naming in Wildflower after reconsidering what the developer had initially proposed.
- **Councilmember Lundgren, seconded by Councilmember Fliflet, moved TO RECONSIDER STREET NAMES IN WILDFLOWER TO USE THE NAMING SYSTEM PROPOSED BY THE DEVELOPER ON HIS INITIAL PROPOSED PLAT. Motion passed 3 – 2. (Pearson, Bloyer – Nay)**
- Discussion held concerning enforceability of changes to the plat that has already been approved. Attorney Snyder stated that the developer cannot be held to the changes but can make them if he chooses.
- Mayor Pearson stated that he felt it was better to abide by the recommendations of safety professionals and use the county street naming system.

City Council Meeting 3/15/2016 Minutes

- <u>ITEM 10: Savona 4th Addition Final Plat</u>
- Planning Director Wensman presented an overview of the Savona 4th Addition plat, zoning, site information and issues discussed by the Planning Commission. Discussion was held concerning street naming and avoiding duplication of street names for streets elsewhere in the City that do not connect to Savona.
- **Mayor Pearson moved TO APPROVE RESOLUTION 2016-16 GRANTING APPROVAL OF SAVONA 4TH FINAL PLAT WITH CONDITIONS. Motion failed – no second.**
- **Mayor Pearson, seconded by Councilmember Bloyer, moved TO DENY THE SAVONA 4TH ADDITION FINAL PLAT. Motion failed 0 – 5.**

- **Mayor Pearson, seconded by Councilmember Smith, moved TO APPROVE RESOLUTION 2016-16 GRANTING APPROVAL OF SAVONA 4TH FINAL PLAT WITH EIGHT CONDITIONS.**
- **Councilmember Fliflet, seconded by Councilmember Smith, moved TO ADD A 9TH CONDITION THAT THE PLAT FOLLOW THE CITY STREET NAMING CONVENTION POLICY. Motion passed 3 – 2. (Pearson, Bloyer –nay)**

- Primary motion passed as amended 3 – 1- 1. (Bloyer – nay; Fliflet - abstain). Councilmember Bloyer stated he was opposed to forcing a naming policy on the developer.

City Council Meeting 4/19/16 Minutes

- ITEM 19: Village Preserve 2nd Addition Final Plat
- City Planner Wensman presented the final plat for Village Preserve 2nd Addition and Planning Commission recommendations for approval. Street naming was discussed to address potential conflicts with the use of Laverne as a street name.
- **Councilmember Smith, seconded by Councilmember Fliflet, moved TO APPROVE RESOLUTION 2016-35 GRANTING APPROVAL OF THE VILLAGE PRESERVE 2ND ADDITION FINAL PLAT WITH 13 CONDITIONS BASED ON THE FINDINGS OF FACT IN THE STAFF REPORT.**
- **Councilmember Fliflet, seconded by Councilmember Smith, moved TO STRIKE CONDITION #8 AND REPLACE IT WITH A CONDITION STATING THAT ALL STREETS WILL COMPLY WITH THE CITY'S STREET NAMING CONVENTION POLICY. Motion passed 4 – 0.**
- **Primary motion passed 4 – 0 as amended.**
- ITEM 20a: Inwood 3rd Addition Final Plat
- Planning Director Wensman reviewed the plat for the Inwood 3rd Addition and the proposed conditions of approval recommended by staff and the Planning Commission. Council added condition 11 by consensus that all streets follow the City's naming convention.
- **Councilmember Smith, seconded by Councilmember Lundgren, moved TO ADOPT RESOLUTION 2016-34 APPROVING THE FINAL PLAT FOR INWOOD 3RD ADDITION WITH THE FINDINGS IN THE STAFF REPORT AND THE ADDITION OF CONDITION 11. Motion passed by unanimous consent.**

MAYOR AND COUNCIL COMMUNICATION

DATE: 7/19/2016
CONSENT
ITEM #: 20

AGENDA ITEM: Hunting Ordinance

SUBMITTED BY: Stephen Wensman, Planning Director

THROUGH: Kristina Handt, City Administrator

REVIEWED BY: Sarah Sonsalla, City Attorney

Washington County Sheriff's Department

BACKGROUND:

In fall of 2015, City staff received numerous complaint calls about illegal or perceived illegal hunting. In response, Planning Staff drafted an amendment to the Weapons Ordinance, Section 130.15 and held a public hearing at the January 11, 2016 Planning Commission meeting. No member of the public spoke at that public hearing, but the Planning Commission raised a number of issues including wanting to know how the changes related to the MN conceal and carry legislation. Because of the complexities of this Statute, Planning Staff had the City Attorney draft the Ordinance Amendment attached to this report.

The City Attorney has informed Planning Staff that the public hearing was not necessary because the Ordinance is not part of the City's zoning code.

ISSUE BEFORE COUNCIL:

The Council should consider approval of the new hunting ordinance and map.

PROPOSAL DETAILS/ANALYSIS:

Ordinance

Hunting is presently addressed by the Weapons Ordinance, Section 130.15. Section 130.15 prohibits hunting as follows:

> (B) *Unlawful acts.* Except as otherwise provided in this section, it shall be unlawful for any person:
>
> > (1) To fire, discharge, release, throw, or in any other manner propel a weapon within 500 feet of a residence, whether or not inhabited, or any other structure or building or within 500 feet of any platted area in the city and , except on an approved target range;

The average resident is not likely to know the differences between platted and unplatted property, making self-enforcement difficult.

The new Hunting Ordinance is an amendment of the Weapons Ordinance, Section 130.15. The ordinance allows hunting in areas designated on a hunting map established by Council Resolution each year. This allows the City to adjust allowed hunting areas as the City grows and develops. The ordinance references a hunting map which will be updated by City staff from time to time as needed. The hunting map will be posted on the City's website and at City Hall and will enable residents a greater ability to determine where hunting is allowed and prohibited.

In addition to hunting, the amendment also amends Section 130.15B to align with conceal and carry law, MN Statute 624.714. Since the enactment of this statute, the City Attorney believes it is unlawful for the City of Lake Elmo to require a person carrying a loaded weapon to obtain written permission from a property owner in order to carry the weapon on the property. The Statute does allow the city to require written permission from a property owner for another to hunting on the property.

Approved Hunting Areas Map

The proposed ordinance was modeled after Minnetrista's Hunting Ordinance, which designates both areas in which hunting with a bow and arrow or handgun is allowed and areas in which hunting with a bow and arrow only are allowed. The proposed hunting ordinance for Lake Elmo states that a map will be provided to designate these two areas as well. Currently, the proposed Approved Hunting Areas Map shows areas that have been found to be at least 500 feet away from a structure (as viewed from the Washington County Property Viewer website aerial view) and not located in a Public Facilities zoning district. This reflects the specific language in the ordinance that prohibits the discharge of any weapon within 500 feet of a platted area or structure. The map does not designate areas in which hunting with a bow and arrow only are allowed. If the Council wishes to establish areas in which hunting with a bow and arrow only are allowed, it needs to determine what criteria needs to be met in order to allow this so that the map can be properly amended to reflect this criteria.

As previously mentioned, the proposed Approved Hunting Areas Map shows areas that were found to be appropriately zoned and not shown to be located within at least 500 feet of a structure. Minnetrista's Hunting Zones Map, attached, does not designate specific areas that are at least 500 feet away from structures, but instead restricts hunting in more dense areas (Residential, R-1, R-2, etc.), allows hunting with a bow and arrow in areas with bigger lots and more open space, and allows hunting with a shotgun or bow and arrow in areas that are agriculturally zoned with parcels upwards of 40 acres in area. The Council should decide if it chooses to adopt a map that specifically shows areas that are appropriately zoned and not within 500 feet of a structure or a map that simply designates areas in which hunting would be appropriate with the stipulation that hunting with a shotgun within 500 feet of a structure inhabited by a human or livestock is prohibited unless authorized by written permission of the property owner as state statute dictates.

If the Council feels that the proposed Approved Hunting Areas Map is appropriate, it should adopt it by resolution by approving the attached Resolution 2016-142. If this is so determined, the Council should also consider adopting the attached Alternative Ordinance 08-142 (the redlined version of the ordinance) so that the ordinance does not lead one to believe that there are areas in the city in which one cannot hunt with a shotgun but can hunt with a bow and arrow only.

FISCAL IMPACT:

The proposed hunting ordinance will likely lessen the number of complaints taken by City Staff pertaining to illegal hunting and may eliminate costs associated to enforcement.

OPTIONS:

The City Council may approve or deny approval to the hunting ordinance.

RECOMMENDATION:

Staff respectfully requests, as part of tonight's consent agenda, that the Council approve Ordinance 08-142 as it pertains to hunting in the City of Lake Elmo, Section 300.15; Resolution 2016-55, approving summary publishing of the ordinance; and Resolution 2016-___, adopting the Approved Hunting Areas Map. If removed from the Consent Agenda, the recommended action can be completed through the following motions:

1. ***"Move to approve Ordinance 08-142 as it pertains to hunting in the City of Lake Elmo, Section 300.15."***
2. ***"Move to approve Resolution 2016-55 approving the summary publishing of Ordinance 08-142."***
3. ***"Move to approve Resolution 2016-__ adopting the Approved Hunting Areas Map."***

ATTACHMENTS:

1) Ordinance 08-142.
2) Alternative Ordinance 08-142 (redlined version).
3) Draft Approved Hunting Areas Map.
4) Resolution 2016-55 approving the summary publishing of ordinance 08-142.
5) Resolution 2016-___ adopting the Approved Hunting Areas Map.
6) Minnetrista Hunting Ordinance and Map

CITY OF LAKE ELMO
COUNTY OF WASHINGTON
STATE OF MINNESOTA

ORDINANCE NO. 142

AN ORDINANCE AMENDING THE LAKE ELMO CITY CODE OF ORDINANCES BY AMENDING SECTION 130 OF THE CITY CODE WHICH REGULATES WEAPONS

SECTION 1. The City Council of the City of Lake Elmo hereby amends Section 130.15, paragraph (B) of the City Code by adding the double underlined language and deleting the ~~stricken~~ language as follows:

§ 130.15 POSSESION, DISCHARGE, OR SALE OF WEAPONS

(B) *Unlawful acts.* Except as otherwise provided in this section, it shall be unlawful for any person:

(1) To fire, discharge, release, throw, or in any other manner propel a weapon within 500 feet of any residence, whether or not inhabited, or any other structure or building or within 500 feet of any platted area in the city, except on an approved target range;

(2) To ~~wear or carry a loaded weapon for hunting or other purposes~~ hunt on land not owned by the person ~~wearing or carrying the weapon,~~ hunting in the city, without specific written and dated permission of the owner of the land. The writing containing the permission shall also describe with reasonable accuracy the boundaries of the land owned by the owner giving the permission except on an approved target range.

SECTION 2. The City Council of the City of Lake Elmo hereby amends the City Code by inserting the following new sections in Section 130 of the Code as follows:

§ 130.16 RESTRICTIONS ON THE DISCHARGE OF FIREARMS; HUNTING.

No person may discharge any firearm or bow and arrow, or engage in hunting of any game birds or other animals by any means within the corporate limits of the city:

(A) Except as otherwise provided in this section;

(B) Unless discharged in lawful defense of person or property; or

(C) Unless the person is a duly authorized law enforcement officer engaged in the performance of his or her official duties.

§ 130.17 HUNTING REGULATIONS.

(A) Hunting with a shotgun or with a bow and arrow as authorized by the Minnesota Department of Natural Resources, state laws pertaining to trespass, and by landowner permission, is allowed but only in the areas established by the city council. No other firearms, including long

guns or hand guns, or any other weapon, except a bow and arrow, are permitted to be used for hunting within the city.

(B) The city council shall, by resolution, establish by map or other means the areas in which the discharge of shotguns and the use of a bow and arrow are allowed for hunting and the areas in which only the use of a bow and arrow is allowed for hunting. No hunting shall be allowed in other areas of the city.

§ 130.18 HUNTING TO MANAGE WILDLIFE

Notwithstanding anything herein to the contrary, the city's law enforcement agency shall be entitled to issue permits to hunt in any area of the city to manage wildlife populations upon evidence that all required state permits have been secured and a determination by law enforcement that such hunting will not pose an undue risk to public health and safety.

SECTION 2. Effective Date. This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

SECTION 5. Adoption Date. This Ordinance No. 142 was adopted on this _____ day of _____, 2016, by a vote of __ Ayes and __ Nays.

LAKE ELMO CITY COUNCIL

_____
Mike Pearson, Mayor

ATTEST:

_____
Julie Johnson, City Clerk

This Ordinance 08-142 was published on the _____ day of _____, 2016.

CITY OF LAKE ELMO
COUNTY OF WASHINGTON
STATE OF MINNESOTA

ORDINANCE NO. 08-142

AN ORDINANCE AMENDING THE LAKE ELMO CITY CODE OF ORDINANCES BY AMENDING SECTION 130 OF THE CITY CODE WHICH REGULATES WEAPONS

SECTION 1. The City Council of the City of Lake Elmo hereby amends Section 130.15, paragraph (B) of the City Code by adding the double underlined language and deleting the ~~stricken~~ language as follows:

§ 130.15 POSSESION, DISCHARGE, OR SALE OF WEAPONS

(B) *Unlawful acts.* Except as otherwise provided in this section, it shall be unlawful for any person:

(1) To fire, discharge, release, throw, or in any other manner propel a weapon within 500 feet of any residence, whether or not inhabited, or any other structure or building or within 500 feet of any platted area in the city, except on an approved target range;

(2) To ~~wear or carry a loaded weapon for hunting or other purposes~~ hunt on land not owned by the person ~~wearing or carrying the weapon,~~ hunting in the city, without specific written and dated permission of the owner of the land. The writing containing the permission shall also describe with reasonable accuracy the boundaries of the land owned by the owner giving the permission except on an approved target range.

SECTION 2. The City Council of the City of Lake Elmo hereby amends the City Code by inserting the following new sections in Section 130 of the Code as follows:

§ 130.16 RESTRICTIONS ON THE DISCHARGE OF FIREARMS; HUNTING.

No person may discharge any firearm or bow and arrow, or engage in hunting of any game birds or other animals by any means within the corporate limits of the city:

(A) Except as otherwise provided in this section;

(B) Unless discharged in lawful defense of person or property; or

(C) Unless the person is a duly authorized law enforcement officer engaged in the performance of his or her official duties.

§ 130.17 HUNTING REGULATIONS.

(A) Hunting with a shotgun or with a bow and arrow as authorized by the Minnesota Department of Natural Resources, state laws pertaining to trespass, and by landowner permission, is allowed but only in the areas established by the city council. No other ~~firearms, including long~~

~~guns or hand guns, or any other weapon, except a bow and arrow,~~ weapons except for a bow and arrow or shotgun are permitted to be used for hunting within the city.

(B) The city council shall, by resolution, establish by map or other means the areas in which the discharge of shotguns and the use of a bow and arrow are allowed for hunting ~~and the areas in which only the use of a bow and arrow is allowed for hunting~~. No hunting shall be allowed in other areas of the city.

§ 130.18 HUNTING TO MANAGE WILDLIFE

Notwithstanding anything herein to the contrary, the city's law enforcement agency shall be entitled to issue permits to hunt in any area of the city to manage wildlife populations upon evidence that all required state permits have been secured and a determination by law enforcement that such hunting will not pose an undue risk to public health and safety.

SECTION 2. Effective Date. This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

SECTION 5. Adoption Date. This Ordinance No. ____ was adopted on this _____ day of _____, 2016, by a vote of __ Ayes and __ Nays.

LAKE ELMO CITY COUNCIL

_____
Mike Pearson, Mayor

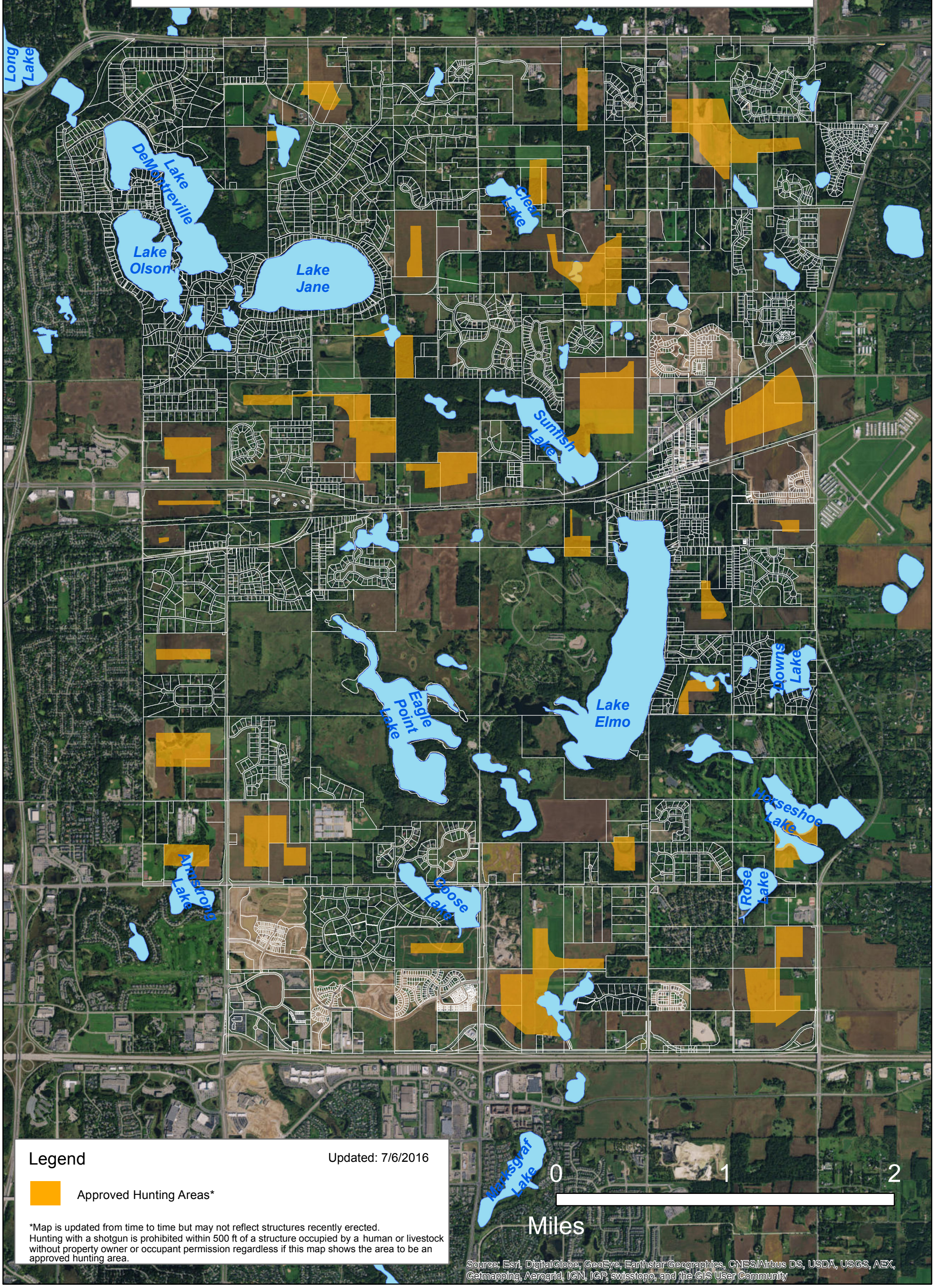
ATTEST:

_____
Julie Johnson, City Clerk

This Ordinance 08-142 was published on the _____ day of _____, 2016.

Approved Hunting Areas

The following map outlines where hunting with a bow and arrow or shotgun is allowed in the City (all other weapons prohibited for hunting).
Hunting is not allowed within 500' of any residence, structure or platted area in the city unless in an approved target range.
Hunting ordinance, DNR regulations, and trespassing laws apply.



Legend

Updated: 7/6/2016

Approved Hunting Areas*

*Map is updated from time to time but may not reflect structures recently erected.
Hunting with a shotgun is prohibited within 500 ft of a structure occupied by a human or livestock without property owner or occupant permission regardless if this map shows the area to be an approved hunting area.

CITY OF LAKE ELMO
COUNTY OF WASHINGTON
STATE OF MINNESOTA

RESOLUTION NO. 2016-55

RESOLUTION AUTHORIZING PUBLICATION OF ORDINANCE 08-142 BY TITLE AND SUMMARY

WHEREAS, the City Council of the City of Lake Elmo has adopted Ordinance No. 08-142, an ordinance to amend Section 130 of the Lake Elmo City Code which regulates weapons; and

WHEREAS, the ordinance is lengthy; and

WHEREAS, Minnesota Statutes, section 412.191, subd. 4, allows publication by title and summary in the case of lengthy ordinances or those containing charts or maps; and

WHEREAS, the City Council believes that the following summary would clearly inform the public of the intent and effect of the ordinance.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lake Elmo, that the City Clerk shall cause the following summary of Ordinance No. 08-142 to be published in the official newspaper in lieu of the entire ordinance:

Public Notice

The City Council of the City of Lake Elmo has adopted Ordinance No. 08-142, which amends the Chapter 130: General Offenses:

- By amending Section 15: Possession, discharge, or sale of weapons, to replacing language that makes it unlawful to wear or carry a loaded weapon with language that makes it unlawful to hunt on land not owned by the person or without specific written and dated permission of the owner.
- By inserting Section 16: Restrictions on the discharge of firearms; that restricts hunting of any game birds or other animals.
- By inserting Section 17: Hunting regulations, that establishes restrictions on hunting by establishing a map that designates areas in which the discharge of shotguns and the use of a bow and arrow are allowed for hunting.
- By inserting Section 18: Hunting to manage wildlife, that entitles law enforcement to issue permits to hunt in any area of the city to manage wildlife populations.

The full text of Ordinance No. 08-142 is available for inspection at Lake Elmo city hall during regular business hours.

BE IT FURTHER RESOLVED by the City Council of the City of Lake Elmo that the City Administrator keep a copy of the ordinance at City Hall for public inspection and that a full copy of the ordinance be placed in a public location within the City.

Dated: July 19, 2016

_____
Mayor Mike Pearson

ATTEST:

_____
Julie Johnson, City Clerk

(SEAL)

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and upon vote being taken thereon, the following voted in favor thereof:_____and the following voted against same:_____

Whereupon said resolution was declared duly passed and adopted.

CITY OF LAKE ELMO
COUNTY OF WASHINGTON
STATE OF MINNESOTA

RESOLUTION NO. 2016-__

RESOLUTION ESTABLISHING A MAP DESIGNATING APPROVED HUNTING AREAS WITHIN THE CITY

WHEREAS, the City Council of the City of Lake Elmo has adopted Ordinance No. 08-142, an ordinance to amend Section 130 of the Lake Elmo City Code which regulates weapons; and

WHEREAS, Ordinance No. 08-142 states that the City Council shall, by resolution, establish by map or other means the areas in which the discharge of shotguns and the use of a bow and arrow are allowed for hunting; and

WHEREAS, § 130.15: Possession, Discharge, or Sale of Weapons of the Lake Elmo City Code which regulates weapons states that it is unlawful for any person to fire, discharge, release, throw, or in any other manner propel a weapon within 500 feet of any residence, whether or not inhabited, or any other structure or building or within 500 feet of any platted area in the city, except on an approved target range; and

WHEREAS, the City Council, at its meeting on the 19th day of July 2016, considered the areas in which the discharge of shotguns and the use of a bow and arrow are allowed for hunting and found the established map to delineate these areas; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lake Elmo that the map entitled Approved Hunting Areas, updated on the 6th day of July 2016, which designates areas in which hunting with a shotgun and bow and arrow, is hereby adopted.

BE IT FURTHER RESOLVED by the City Council of the City of Lake Elmo that the City Administrator keep a copy of the established map at City Hall for public inspection and be placed on the City's website to be made available for public viewing access.

Dated: July 19, 2016

_____
Mayor Mike Pearson

ATTEST:

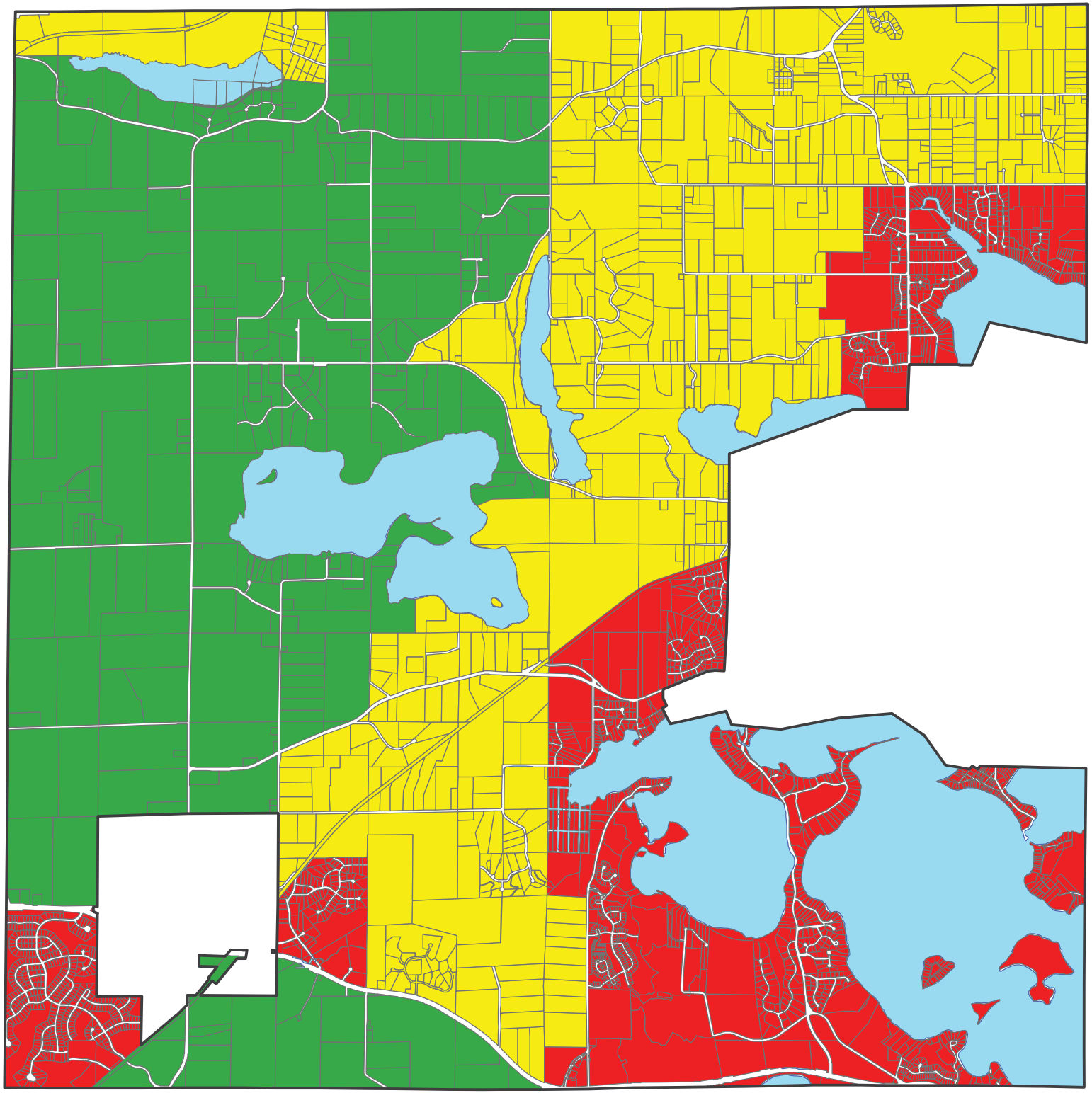
_____
Julie Johnson, City Clerk

(SEAL)

The motion for the adoption of the foregoing resolution was duly seconded by member

_____ and upon vote being taken thereon, the following voted in favor thereof:_____and the following voted against same:_____

Whereupon said resolution was declared duly passed and adopted.



Hunting Zones

Permitted - Shotgun and Bow

Permitted - Bow Only

Restricted - No Hunting Allowed

Per Section 1125.11
Minnetrista City Code

N
W E
S

0 5,000 Feet

WSB & Associates, Inc.

Date: 8/26/2014

Section 1125 – Weapons

1125.01. Definitions.

Terms used in this section, unless expressly defined in this subsection, will have the meaning prescribed by Minnesota Statutes, chapter 609 for the same terms. The following terms will have the following meaning:

Club means any group of persons having a regular membership and improved or permanent facilities for target or trap and skeet shooting.

Concealed manner means having the object on the person in such a manner so that it is not completely visible to any other person. Having a knife in a sheath will be considered as having the knife concealed, irrespective of the position of the sheath on the person.

Firearms mean any device from which is propelled any projectile or bullet by means of explosions or gas.

Military type weapon means any firearm or other weapon such as bazookas, machine guns, mortars or grenades.

Nunchucks mean any device constructed of two solid cylindrical objects joined together on one end by a chain, rope, thong or other such material.

Person means any natural individual, firm, partnership, trust, estate, club, association or corporation.

Public place means any building or establishment, place, or public street or highway, where the business, social or governmental activity ordinarily conducted is generally held open to the public; specifically including, but not limited to, such locations as governmental buildings, meeting halls, centers for art and culture, places of amusement, liquor or beer establishments, and restaurants. It must also include any private residence, which is the site of unlawful activity. *Public place* will not include:

(a) A dwelling place or residence when a person is present with the permission of its lawful possessor, or one's own place of business;

(b) Business premises at which the buying, selling, repair, or trade in weapons or firearms is regularly conducted;

(c) Places at which an event or activity is conducted involving the exhibition, display, or carrying of a weapon, done in a manner not intended or calculated to result in or lead to the unlawful use of the weapon, including, but not limited to, educational or training programs, weapons or collectors'

shows or exhibitions, or religious, artistic, educational, or cultural events; or

(d) Parades or other public events when the use or display of weapons is specifically authorized by the city for such events;

(e) Places at which the weapon is used in a lawful manner for hunting, fishing, recreation, or agricultural purposes.

Secured container means a closed and fastened case, box or securely tied package having no mechanical features designed for immediate weapons removal or use and containing no other nonrelated objects. A sheath or scabbard alone will not constitute a *secured container*.

Unlawful use means, with respect to a weapon or a firearm, to brandish, assault with, threaten with, or otherwise employ in a manner calculated and likely to cause death, great bodily harm, or substantial bodily harm, or the reasonable and immediate fear thereof.

Weapon means any firearm, whether loaded or unloaded, or device designed as a weapon and capable of producing death, great bodily harm, or substantial bodily harm, or any other device or instrumentality which, in the manner it is used or intended to be used, is calculated or likely to produce death, great bodily harm, or substantial bodily harm, or the reasonable and immediate fear thereof. *Weapon* includes but is not limited to any bow and arrow, bayonet, blackjack, chain club, Chinese stars, dagger, dirk, firearm, folding knife with a blade in excess of four inches, fixed blade knife carried in a concealed manner or within reach of any person in a motor vehicle, gravity knife, machete, nunchucks, pipe club, push-button knife, sand club, slingshot, stiletto, or switchblade.
[*Revised 5-18-15, Ordinance 429*]

1125.03. Carrying weapons.

Except as otherwise provided for herein or by state law, it is unlawful for any person within the limits of the city to carry on that person in a public place or transport in any vehicle in a public place any weapon, except that:

(a) Any weapon may be transported by a person not in a vehicle directly to or from any place or activity referred to in subsection 1125.01 under the definition of *public place* or to or from person's vehicle and the places, gatherings or activities set forth therein, in a secured container; or

(b) Any weapon may be transported in a motor vehicle in a secured container or in the locked trunk of such vehicle.

The provisions of this subsection will not be applicable to the transport of weapons

by persons who are regularly engaged in the lawful manufacture, distribution, or sale at retail or wholesale of weapons, or the agents of any of them while engaged in such business; to the carrying or transport of weapons by licensed police officers, law enforcement officers or military personnel while in the course of their duties; to any officer of a state adult correctional facility when on guard duty or otherwise engaged in an assigned duty; to an owner or agent while owner or agent is present at a business place operated by owner or agent, except a business which is the site of unlawful activity; or to persons holding a permit to carry a weapon while acting within the scope of such permit.
[*Revised 5-18-15, Ordinance 429*]

1125.05. Target shooting.

Annual permits authorizing the use of firearms may be granted for target shooting or trap and skeet shooting to clubs if the city determines that such use is not contrary to the public safety or welfare and if the use of the firearms would not constitute a hazard to persons or property or would not create a nuisance. The applicant must be responsible for meeting all conditions imposed by the city and provide a detailed application that demonstrates that issuance of a permit would not be contrary to the provisions in this section.
[*Revised 5-18-15, Ordinance 429*]

1125.07. Training dogs.

Annual permits authorizing the use of firearms may be granted to clubs or individuals for the training of dogs. Such permit will allow this activity on land described in the permit by other persons with the consent of the owner or lessee thereof. Applicants for the training of dogs from April 16th to July 14th must also comply with Minnesota Statutes, section 97B.005. A person carrying a firearm, while training dogs, may only have in possession and discharge blank cartridges and shells.
[*Revised 5-18-15, Ordinance 429*]

1125.09. Hunting restricted.

Subd. 1. Restrictions.

No person may discharge any firearm or bow and arrow, or engage in hunting of any game birds or animal by any means within the city:

(a) Except as otherwise provided in this section;

(b) Unless discharged in lawful defense of person or property; or

(c) Unless the person is a duly authorized law enforcement officer engaged in the performance of his or her official duty.

Subd. 2. Regulations.

(a) Hunting with shotgun or with bow and arrow as authorized by the Minnesota department of natural resources, state laws pertaining to trespass and by landowner permission is allowed only in the areas established by the city council. No other firearms, including long guns~~,~~ or hand guns, or other weapons, except bow and arrow, are permitted to be used for hunting within the city.

(b) The city council shall, by resolution, establish by map or by other means the areas in which the discharge of shotguns and the use of bow and arrow are allowed for hunting, and the areas in which only the use of bow and arrow is allowed for hunting. No hunting shall be allowed in other areas of the city.

Subd. 3. Property.

Property owners in areas in which no hunting is allowed may apply for a waiver to hunt by bow and arrow. Property owners in the areas in which only bow and arrow may be used may apply for a waiver to use shotguns to hunt. City staff may administratively grant or deny a waiver on the basis of the following criteria:

(a) The property must be a minimum of 10 acres in size and able to accommodate hunting safely;

(b) Hunting may only be conducted from a fixed location identified by the property owner and which must be 500 feet or more from any residence located on another property;

(c) Hunting locations for deer or turkeys and any discharge of a shotgun slug must be from an elevated platform and shots must be downward in direction;

(d) The property owner must provide prior written notice to the owners of all abutting properties regarding the owner's intent to apply for a waiver; and

(e) The city's public safety department shall conduct a site visit and investigation to verify the application, identify any additional safety concerns and take input from the owners of adjacent properties. The proximity of structures other than residences within 500 feet of the proposed shooting area and other relevant factors may be considered as additional safety concerns.

Application for a waiver must be received at least 30 days prior to the applicable hunting season. Any waiver granted shall only be valid through the end of that hunting season. The city may impose such limitations or restrictions as it deems necessary to ensure the public safety and welfare.

Subd. 4. Bow and Arrow Target Practice Waiver

Property owners may apply for a waiver to allow target practice with a bow and arrow and city staff may administratively grant or deny a waiver on the basis of the following criteria:

(a) The property must be a minimum of 2 acres and able to accommodate target practice safely.

(b) Target practice may only be conducted from a fixed location identified by the property owner at a single target.

(c) Target practice must be from an elevated platform and arrows must be discharged in a downward direction.

(d) The city's public safety department shall conduct a site visit and investigation to verify the application and identify any additional safety concerns. The proximity of structures and other relevant factors may be considered as additional safety concerns,

Subd. 5. Appeals.

Applications made under subds. 3 or 4 above and denied by staff may be appealed to the city council. The city council shall conduct such hearing as it deems appropriate to review the application, the staff findings, the reasons for denial, input by the applicant, and input by the owners of adjacent properties and shall uphold, reverse or modify the staff's decision regarding the waiver.

Subd. 6. Hunting to Manage Wildlife

Notwithstanding anything herein to the contrary, the city's public safety department shall be entitled to issue permits to hunt in any area of the city to manage wildlife populations upon evidence that all required state permits have been secured and a determination that such hunting will not pose an undue risk to public health and safety.

[*Revised 5-18-15, Ordinance 429*]

1125.11. Exemption.

Nothing in this section will be construed to restrict firing of any gun, pistol or other species of firearms when done in the lawful defense of persons or property or the necessary enforcement of the law.

[*Revised 5-18-15, Ordinance 429*]

1125.13. Possession of knives in schools.

It is unlawful for any person to be in possession of, carry, transport, or control any

THE CITY OF LAKE ELMO

STAFF REPORT

DATE: July 19, 2016
REGULAR
ITEM #: 21
MOTION

TO: Mayor and City Council
FROM: Kristina Handt, City Administrator
REVIEWED BY: Rob Weldon, Public Works Director
Cathy Bendel, Finance Director
AGENDA ITEM: Rain Garden Maintenance

BACKGROUND:
Since the City began a Rain Garden Program in 2008, there have been a total of 34 rain gardens to be maintained privately and 6 rain gardens to be maintained by the City as follows:

- Tablyn Park.
- Demontreville Park.
- Demontreville Trail DNR Boat Launch area.
- Jane Rd.
- Legion Avenue.
- Reid Park (30th Street).

The 6 city maintained rain gardens are shown in red on the attached map

ISSUE BEFORE COUNCIL:
Should the seasonal parks workers be retained to maintain the city owned rain gardens?

PROPOSAL DETAILS/ANALYSIS:
The water work group of the Environmental Committee discussed rain gardens at their July 8, 2016 meeting. The work group discussed the concern of a resident expressed at recent Council meetings regarding the upkeep of the rain gardens. The discussion included the possibility of organizing a group of volunteers to weed the gardens, hiring the work out or expanding the use of the City's seasonal parks staff to complete this work.

The work group reported back to the committee that they would recommend the Council have the task completed by seasonal employees. Furthermore, a member of the work group, Wendy Griffin, volunteered to provide a brief training to staff on what to pull from the gardens.

FISCAL IMPACT:
Our seasonal employees make $10-11/hour. It is estimated to take about a week to make it through all of the city rain gardens. This would be an additional cost of $473.66. The budget for PT employees in Parks was $32,500 for 2016. Staff is projecting the actual to be $46,135.50 given the fact that the City was successful in filling the rink attendant position in 2016 as well as successfully recruiting and hiring summer help earlier in 2016 which did not occur in previous years.

OPTIONS:

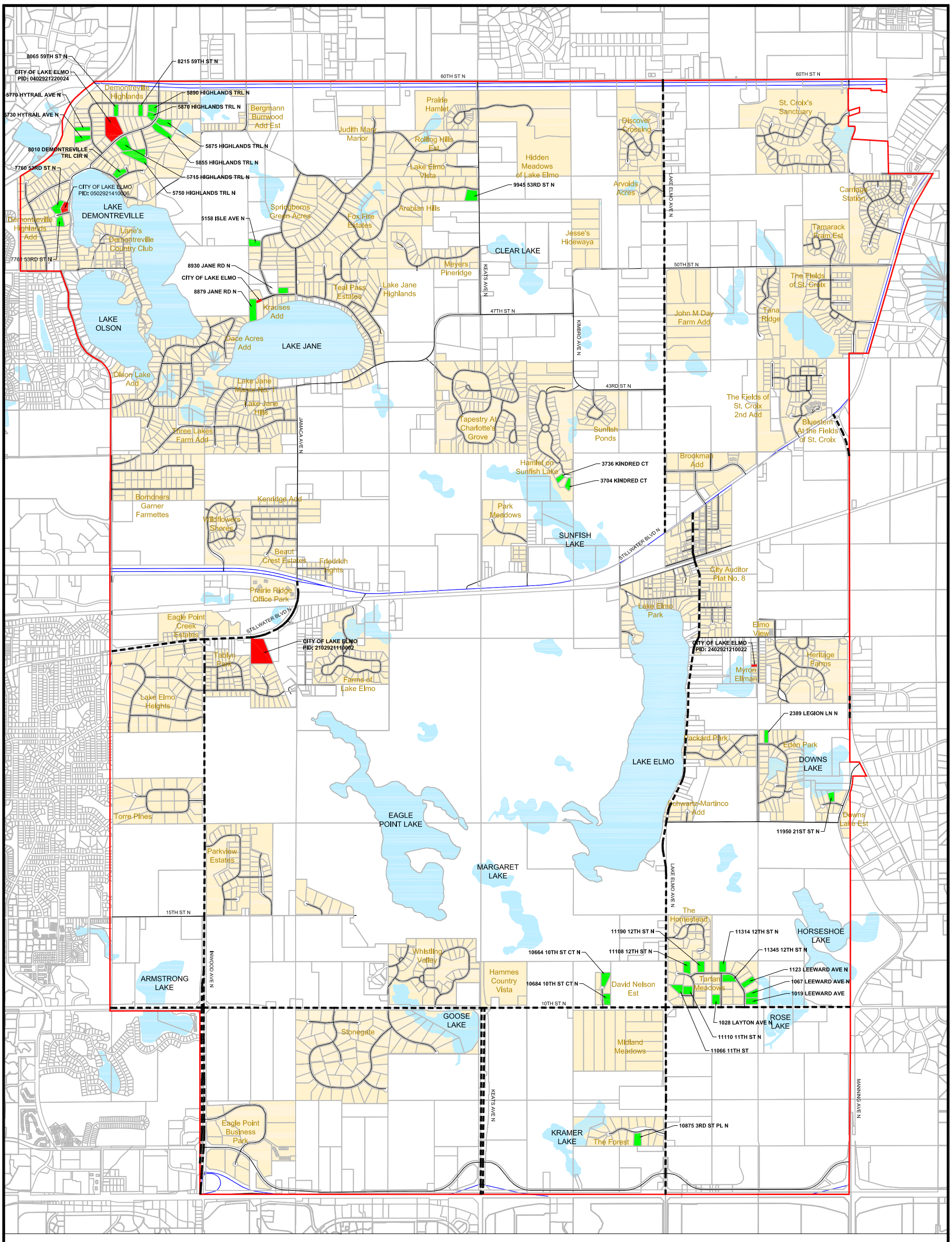
1) Approve keeping seasonal parks staff on to complete rain garden maintenance
2) Approve hiring out maintenance of rain gardens

3) Approve establishing a volunteer group to maintain rain gardens
4) Do not take any action with regarding to maintaining rain gardens.

RECOMMENDATION:

Environmental Committee recommendation:

Motion to approve keeping seasonal parks staff on to complete rain garden maintenance.



RAIN GARDEN PROGRAM

State Hwys
County Roads
City Streets
City Limits

City Maintained Rain Garden
Privately Maintained Rain Garden

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FOCUS ENGINEERING, inc.

THE CITY OF LAKE ELMO

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MEMORANDUM

TO: Kristina Handt, City Administrator

FROM: Sarah J. Sonsalla, City Attorney

DATE: July 15, 2016

RE: Censure of Council Member Bloyer

At the meeting on July 5, 2016, the City Council adopted Resolution No. 2016-60, which censured Council Member Bloyer. The Resolution imposed restrictions on Council Member Bloyer, including that he may not interact with any member of City staff without another council member present, he must direct all questions during City Council meetings to the chair and that he be required to participate in training on handling of confidential information. I was unaware of and therefore did not have the opportunity to review the resolution prior to it being adopted by the Council.

Council Member Bloyer has asked whether the City can legally impose these restrictions on him. I have consulted with the League of Minnesota Cities and independently researched the issue and the answer to this question is that the City should not impose these restrictions on Council Member Bloyer because they go beyond the scope of a censure and cannot be enforced.

The dictionary definition of a censure is "limited to expressing severe disapproval of (someone or something), typically in a formal statement, but not to discipline or punish." In this case, the resolution censuring Council Member Bloyer not only expresses the Council's disapproval of his behavior but also imposes restrictions that are in the form of a penalty or deprivation for his behavior. That goes further than the Council expressing its disapproval of Council Member Bloyer's behavior.

The restrictions that are being imposed on Council Member Bloyer limit his rights to hold and enjoy his office as a city council member. The rule is well established that an elected official is entitled to hold that office without any restrictions. State v. Magie, 183 Minn. 60, 63-64 (Minn. 1931). Furthermore, under the First Amendment, a council member's speech (which is considered highly protected political speech) also may not be restricted. Goward v. City of Minneapolis, 456 N.W.2d 460, 464 (Minn. Ct. App. 1990).

Based on the above, if Council Member Bloyer violates the restrictions that have been imposed on him, the City will not have a legal basis to be able to enforce them. Because there is no legal basis for the City to be able to enforce the restrictions against Council Member Bloyer, it is my recommendation that they be removed.

Please contact me if you have any questions regarding this information.