

**Mt. Lake City Council
Mt. Lake City Hall
Special Meeting – Work Session
Monday, November 24, 2014
3:00 p.m.**

AGENDA

1. Meeting called to order by Mayor, Dean Janzen
* Further information on agenda item is attached
2. Review of Preliminary Budget*(1)
3. Review of Bond Fund Balance*(2)
4. Review of Water Fund 2014 Budget*(3-6)
5. Review of Sewer Fund 2014 Budget*(7-10)
6. Review of Utility Funds Balances as of 11-20-14*(11)
7. Review of Sewer Fund Balance as of 12/31/13*(12)
8. Review of Water Fund Balance as of 12/31/13>(*13)
9. Review of Electric Fund Balance as of 12/31/13*(13a)
10. Memos*(14-16)
11. Review of City of Stewart Deferment Policy*(17-19)
12. Other information as requested by the Council

13. Adjourn

2015 BUDGET AND TAXY LEVY FOR THE CITY OF MOUNTAIN LAKE							
CATEGORY	2015 BUDGET	2015 LGA	REVENUE	OTHER AID	ASSESSMENTS	2015 LEVY	2014 LEVY
General Fund (101)	\$1,267,142.67	\$791,957.53	\$196,250.00	\$26,228.00		\$252,707.14	\$242,084.41
Library Fund (211)	\$153,607.24	\$17,405.66	\$0.00	\$20,000.00		\$116,201.58	\$113,185.24
Fire Fund (221)	\$122,110.80	\$34,811.32	\$27,355.00	\$14,000.00		\$45,944.48	\$29,364.00
Ambulance Fund (231)	\$131,511.00	\$26,108.49	\$73,920.00	\$0.00		\$31,482.51	\$28,294.00
Lake Commission (507)	\$13,000.00	\$0.00	\$11,500.00			\$1,500.00	\$1,500.00
TOTAL	\$1,687,371.71	\$870,283.00	\$309,025.00	\$60,228.00		\$447,835.71	\$414,427.65
Bond Funds							
2002 Street Bond (332)	\$29,184.10		\$0.00	\$1,352.25	\$12,000.00	\$15,831.85	\$15,576.00
2006 Street Bond (308)	\$103,353.38		\$0.00	\$1,600.86	\$30,000.00	\$71,752.52	\$76,594.00
Lakeview Estates (307)	\$46,736.25		\$0.00	\$8,049.00		\$38,687.25	\$48,188.65
City Wide Project (312)	\$137,490.00				\$114,884.89	\$22,605.11	\$13,717.72
Bond Fund Total	\$316,763.73					\$148,876.73	\$154,076.37
SUBTOTAL	\$2,004,135.44					\$596,712.44	\$568,504.02
EDA/Comm Dev (205)	\$124,112.59					\$8,110.89	\$7,851.65
GRAND TOTAL W/EDA	\$2,128,248.03					\$604,823.33	\$576,355.67

This is the preliminary city budget as it looked on 9-15-14.
 \$604,823 represents a 4.99% ²⁰¹⁵levy increase.

On 9-15-14 the council set the preliminary ²⁰¹⁵levy at 633,991 - a 10% levy increase over 2014.

By statute you can lower the ^{preliminary}levy, but not increase it.

If the levy is set with a 10% increase about half \$29,168 (5%) is available for other uses.

The 2015 amount to be raised by special assessments is \$121,700.

This is a 20-21% levy increase.

BOND FUND BALANCE

1994	\$840,076.21
1995	\$701,322.98
1996	\$752,153.55
1997	\$659,513.22
1998	\$599,517.45
1999	\$802,383.35
2000	\$821,869.51
2001	\$442,430.96
2002	\$434,898.85
2003	\$239,785.46
2004	\$242,235.48
2005	\$244,959.79
2006	\$256,678.11
2007	\$267,805.69
2008	\$279,500.41
2009	\$288,331.62
2010	\$291,488.13
2011	\$293,989.15
2012	\$296,311.76
2013	\$296,877.61
2014	\$298,067.79

9 mos. of revenue

MOUNTAIN LAKE MUNICIPAL UTILITIES
REV SHEETS FOR BUDGET

Current Period: November 2014

Account	Source Descr	2014 YTD Amt	2014 Budget	2014 YTD Balance	2015 Budget	Comment
Fund 601 WATER FUND						
Dept 49400 Water Utilities (GENERAL)						
R 601-49400-33100	Federal Grants and Aids	\$0.00	\$0.00	\$0.00	\$0.00	
R 601-49400-33408	PERA RATE INCREASE	\$105.92	\$0.00	-\$105.92	\$0.00	
R 601-49400-33422	Other State Aid Grants	\$0.00	\$0.00	\$0.00	\$0.00	
R 601-49400-36200	Miscellaneous Revenues	\$1,312.50	\$862.50	-\$450.00	\$0.00	HSA GRANT
R 601-49400-36210	Interest Earnings	\$1,324.58	\$4,000.00	\$2,675.42	\$0.00	ckbk int & sweep int.
R 601-49400-37100	Residential Sales	\$347,649.10	\$470,838.00	\$123,188.90	\$0.00	
R 601-49400-37110	Commercial Sales	\$70,738.94	\$98,000.00	\$27,261.06	\$0.00	
R 601-49400-37120	Rural Sales	\$2,551.88	\$2,964.00	\$412.12	\$0.00	
R 601-49400-37150	Taps Installed	\$410.00	\$0.00	-\$410.00	\$0.00	
R 601-49400-37170	Late Fees	\$4,066.64	\$4,000.00	-\$66.64	\$0.00	
R 601-49400-37190	Miscellaneous Services	\$0.00	\$0.00	\$0.00	\$0.00	
R 601-49400-37224	MVTV ANTENNA ON WATERTO	\$1,200.00	\$1,200.00	\$0.00	\$0.00	100x12
R 601-49400-37225	Credit/Debit Card 3% fee	\$0.00	\$0.00	\$0.00	\$0.00	
R 601-49400-39101	Sales of General Fixed Assets	\$0.00	\$0.00	\$0.00	\$0.00	
R 601-49400-39200	Interfund Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	
R 601-49400-39998	OFFSET BONDS	\$0.00	\$0.00	\$0.00	\$0.00	
R 601-49400-39999	Offset to capital outlay	\$0.00	\$10,000.00	\$10,000.00	\$0.00	
Dept 49400 Water Utilities (GENERAL)						
		\$429,359.56	\$591,864.50	\$162,504.94	\$0.00	
		\$429,359.56	\$591,864.50	\$162,504.94	\$0.00	
		\$429,359.56	\$591,864.50	\$162,504.94	\$0.00	
Fund 601 WATER FUND						

2014 expected revenue based on Jan-Sept. actuals

463,532 - Res.

94 318 - Comm.

3402. Rural

561,253.23 - actual

571,802 - Budgeted

((Fund="601"))

(2)

MOUNTAIN LAKE MUNICIPAL UTILITIES

Expense sheets to use for budgets

Current Period: November 2014

Account	Object Descr	2014 YTD Amt	2014 Budget	2014 YTD Balance	2015 Budget	Comment
Fund 601 WATER FUND						
Dept 47000 Debt Service (GENERAL)						
E 601-47000-600	Debt Srv Principal (GENERAL)	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-47000-601	2011A ST & UT IMP	\$18,600.00	\$17,500.00	-\$1,100.00	\$0.00	2011A(2006,\$15500) ST & UT IMP
E 601-47000-602	2009A refinanced project	\$4,000.00	\$4,000.00	\$0.00	\$0.00	2009A (Jennys subd.2002 GO) project
E 601-47000-603	Princ 2013A (12-14 st. project	\$85,000.00	\$85,000.00	\$0.00	\$0.00	2013A (principal) 12-14 project
E 601-47000-606	Water Treatment Plant Bond	\$151,000.00	\$149,000.00	-\$2,000.00	\$0.00	Drinking Water Rev. Fund(PFA)
E 601-47000-609	12-14 St. & Ut Proj Princ	\$2,440.00	\$2,000.00	-\$440.00	\$0.00	PFA drinking water loan 12-14 project
E 601-47000-610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-47000-611	Bond Inttt 2011A ST & UT IMP	\$4,221.82	\$4,155.00	-\$66.82	\$0.00	2011A,\$2204(2006,\$4330)ST & UT IMP
E 601-47000-612	Bond Interest 2009A	\$1,130.40	\$1,130.40	\$0.00	\$0.00	2009A(Jennys subd.2002 GO) project
E 601-47000-613	Bond Interest 2013A (12-14 p	\$43,912.50	\$43,912.50	\$0.00	\$0.00	2013A (interest) 12-14 project
E 601-47000-616	Bond Int. Water Treatment Pla	\$22,980.10	\$25,110.80	\$2,130.70	\$0.00	Drinking Water Rev Fund (PFA)
E 601-47000-619	12-14 St. & Ut Proj. Int.	\$282.34	\$380.00	\$97.66	\$0.00	PFA drinking water loan 12-14 project
E 601-47000-620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-47000-621	Bond Issuance Costs	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-47000-630	DISCOUNT AMORTIZATION	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 47000	Debt Service (GENERAL)	\$333,567.16	\$332,188.70	-\$1,378.46	\$0.00	
Dept 49400 Water Utilities (GENERAL)						
E 601-49400-420	Depreciation Expense	\$142,850.00	\$171,420.00	\$28,570.00	\$0.00	Depreciation(14285 x 12)
E 601-49400-720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49400	Water Utilities (GENERAL)	\$142,850.00	\$171,420.00	\$28,570.00	\$0.00	
Dept 49410 Water-Pumping/Treatment Produc						
E 601-49410-210	Operating Supplies (GENERAL)	\$0.00	\$300.00	\$300.00	\$0.00	shipping
E 601-49410-211	Cleaning Supplies	\$196.26	\$200.00	\$3.74	\$0.00	shop towels,p.towels,t. paper, 25 lbs absorbent
E 601-49410-217	Safety Clothing	\$125.22	\$500.00	\$374.78	\$0.00	steel toe shoes/safety glasses,fire ext insp
E 601-49410-229	Fuel Oil/Diesel	\$2,775.64	\$1,000.00	-\$1,775.64	\$0.00	fuel for backup generator
E 601-49410-240	Small Tools and Minor Equip	\$1,112.74	\$275.00	-\$837.74	\$0.00	marking paint/ cutter,air filter, tools
E 601-49410-310	Meetings,Meals & Travel	\$60.00	\$1,000.00	\$940.00	\$0.00	reservations
E 601-49410-324	Pagers	\$0.00	\$0.00	\$0.00	\$0.00	citymens pagers Don't do anymore)
E 601-49410-383	Natural Gas	\$5,409.45	\$5,000.00	-\$409.45	\$0.00	garage & water plant natural gas
E 601-49410-386	Power for Pumping	\$5,478.28	\$6,000.00	\$521.72	\$0.00	power for pumping
E 601-49410-401	Repairs/Maint Buildings	\$13,435.70	\$38,800.00	\$25,364.30	\$0.00	ro maint/oxygen/concrete/generator maint.,pumps
E 601-49410-405	Repairs/Maint -Wells	\$5,428.20	\$8,000.00	\$2,571.80	\$0.00	well maint., caulk
E 601-49410-430	Miscellaneous (GENERAL)	\$157.99	\$200.00	\$42.01	\$0.00	ice/key/battery,junk to landfill,hose,valve
Dept 49410	Water-Pumping/Treatment Produc	\$34,179.48	\$61,275.00	\$27,095.52	\$0.00	
Dept 49420 Water -Distribution						
E 601-49420-101	Wages and Salaries	\$36,615.89	\$40,840.80	\$4,224.91	\$0.00	Kevin & Dave-Reg hrs.
E 601-49420-102	Full-Time Employees Overtime	\$56.99	\$589.05	\$532.06	\$0.00	Kevin & Dave - OT (30 hrs)9.87+9.02=-18.89x30

MOUNTAIN LAKE MUNICIPAL UTILITIES

expense sheets to use for budgets

Current Period: November 2014

Account	Object Descr	2014 YTD Amt	2014 Budget	2014 YTD Balance	2015 Budget	Comment
E 601-49420-121	PERA Expense (Utilities Share)	\$2,658.96	\$2,756.75	\$97.79	\$0.00	PERA - 6.75%
E 601-49420-122	FICA Expense (Utilities Share)	\$2,690.28	\$3,124.32	\$434.04	\$0.00	FICA - 7.65%
E 601-49420-131	Health Insurance	\$12,847.76	\$6,420.96	-\$6,426.80	\$0.00	Health Ins (1332.00x2x12/2)
E 601-49420-132	HSA Insurance	\$4,160.00	\$4,000.00	-\$160.00	\$0.00	HSA (Kevin/Dave)
E 601-49420-133	Life Insurance	\$22.00	\$24.00	\$2.00	\$0.00	Life Ins(2.00x2x12/2)
E 601-49420-135	OPEB COST	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-49420-136	HSA ADMIN FEE	\$21.10	\$25.32	\$4.22	\$0.00	
E 601-49420-216	Chemicals and Chem Products	\$30,026.55	\$40,000.00	\$9,973.45	\$0.00	chlorine,hydro acid,potassium
E 601-49420-310	Meetings,Meals & Travel	\$26.62	\$300.00	\$273.38	\$0.00	meals pd thru payroll(1 day mtg or trips)
E 601-49420-311	Water Testing	\$801.04	\$2,500.00	\$1,698.96	\$0.00	coliform, water sampling
E 601-49420-321	Telephone	\$110.00	\$120.00	\$10.00	\$0.00	cell phone reimbursement (20x12/2)
E 601-49420-400	Repairs & Maint Misc	\$163.57	\$800.00	\$636.43	\$0.00	batteries/bulb/tire repair/tr. Insp/tires/filter
E 601-49420-406	Repair/Maint-Water Tower	\$39.19	\$10,000.00	\$9,960.81	\$0.00	water tower
E 601-49420-407	Repair/Maint-Mains	\$8,369.65	\$5,000.00	-\$3,369.65	\$0.00	gravel/tar/root control
E 601-49420-408	Repair/Maint-Hydrants	\$82.72	\$1,000.00	\$917.28	\$0.00	hose, nozzle, o-rings
E 601-49420-409	Repair/Maint-Meters	\$1,231.30	\$750.00	-\$481.30	\$0.00	orings/plate/thermwire
E 601-49420-410	Repairs/Maint-Service	\$72.33	\$500.00	\$427.67	\$0.00	curb boxes, meter
E 601-49420-430	Miscellaneous (GENERAL)	\$838.56	\$150.00	-\$688.56	\$0.00	locates/blue flags/markng paint
Dept 49420 Water - Distribution		\$100,834.51	\$118,901.20	\$18,066.69	\$0.00	
Dept 49430 Water-Admin and General						
E 601-49430-101	Wages and Salaries	\$8,656.97	\$9,807.05	\$1,150.08	\$0.00	Wendy & Lynda
E 601-49430-102	Full-Time Employees Overtime	\$202.82	\$100.00	-\$102.82	\$0.00	Lynda -OT (36 hrs)
E 601-49430-106	Boards and Salaries	\$0.00	\$270.00	\$270.00	\$0.00	Comm. Salaries
E 601-49430-121	PERA Expense (Utilities Share)	\$400.12	\$395.50	-\$4.62	\$0.00	PERA - 6.75%
E 601-49430-122	FICA Expense (Utilities Share)	\$422.24	\$448.24	\$26.00	\$0.00	FICA -7.65%
E 601-49430-131	Health Insurance	\$2,632.72	\$2,696.80	\$64.08	\$0.00	Health Ins - Wendy & Lynda
E 601-49430-132	HSA Insurance	\$620.00	\$840.00	\$220.00	\$0.00	HSA (Lynda -Wendy)
E 601-49430-133	Life Insurance	\$4.50	\$5.04	\$0.54	\$0.00	Life Ins - Wendy & Lynda
E 601-49430-135	OPEB COST	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-49430-136	HSA ADMIN FEE	\$26.31	\$3.80	-\$22.51	\$0.00	
E 601-49430-150	Workers Compensation Insura	\$1,301.30	\$1,400.00	\$98.70	\$0.00	Work Comp.
E 601-49430-200	Office Supplies (GENERAL)	\$1,572.85	\$1,000.00	-\$572.85	\$0.00	fax cart/copies/photo/cks made/pencils/paper
E 601-49430-208	Computer Supplies	\$2,471.92	\$1,000.00	-\$1,471.92	\$0.00	mens internet/battery for backup
E 601-49430-212	Motor Fuels	\$2,050.11	\$3,000.00	\$949.89	\$0.00	gas for vehicles
E 601-49430-300	Professional Svcs (GENERAL)	\$2,183.25	\$2,200.00	\$16.75	\$0.00	attorney fees/auditors/
E 601-49430-310	Meetings,Meals & Travel	\$0.00	\$150.00	\$150.00	\$0.00	conference/mileage
E 601-49430-312	Fees and Dues	\$2,676.39	\$4,400.00	\$1,723.61	\$0.00	dues/donations/permits/licensesafety comp/drug&alc
E 601-49430-321	Telephone	\$1,610.92	\$1,600.00	-\$10.92	\$0.00	phone/cell/dsl charge
E 601-49430-322	Postage	\$933.04	\$1,100.00	\$166.96	\$0.00	qtrly postage/bulk permit/postage for machine
E 601-49430-340	Advertising	\$1,138.01	\$1,000.00	-\$138.01	\$0.00	ads in paper/kdom
E 601-49430-361	General Liability Ins	\$5,942.65	\$5,000.00	-\$942.65	\$0.00	insurance

MOUNTAIN LAKE MUNICIPAL UTILITIES

water *expenses* sheets to use for budgets

Current Period: November 2014

Account	Object Descr	2014 YTD Amt	2014 Budget	2014 YTD Balance	2015 Budget	Comment
E 601-49430-400	Repairs & Maint Misc	\$0.00	\$0.00	\$0.00	\$0.00	radio contract
E 601-49430-430	Miscellaneous (GENERAL)	\$35.00	\$0.00	-\$35.00	\$0.00	
E 601-49430-432	Bad Debt Expense	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-49430-530	Capital Improvement Projects	-\$24,877.33	\$2,000.00	\$26,877.33	\$0.00	- well #7 expenses
E 601-49430-531	2012 PUBLIC IMPROVEMENT	\$85,879.19	\$0.00	-\$85,879.19	\$0.00	
E 601-49430-580	Capital Outlay-Equipment	\$31,507.46	\$10,000.00	-\$21,507.46	\$0.00	water meters, processor, dehumidifier put checked more water meters than planned
Dept 49430	Water-Admin and General	\$127,390.44	\$48,416.43	-\$78,974.01	\$0.00	
Dept 49460	Sewer -Admin and General	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-49460-135	OPEB COST	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49460	Sewer -Admin and General	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49999	Contribution of debt from City	\$0.00	\$0.00	\$0.00	\$0.00	
E 601-49999-000	Contribution of Debt from City	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49999	Contribution of debt from City	\$0.00	\$0.00	\$0.00	\$0.00	
Fund 601	WATER FUND	\$738,821.59	\$732,201.33	-\$6,620.26	\$0.00	
		\$738,821.59	\$732,201.33	-\$6,620.26	\$0.00	

738,821.59
 - 85,879.19 Project
 - 26,877.33 well #7
 - 171,420.00 deprec.
 444,645.07

((Fund="601"))

601-49430-531

These are Util & St. Project expenses paid by the 2013 A g.o. Bonds.
 The revenue (bond sale proceeds) is not included in the 2014 Budget.
 This happens because of the way the utility does it's bookkeeping to meet GASB standards.

MOUNTAIN LAKE MUNICIPAL UTILITIES
REV SHEETS FOR BUDGET

9 mos. of revenue

Current Period: November 2014

Account	Source Descr	2014 YTD Amt	2014 Budget	2014 YTD Balance	2015 Budget	Comment
Fund 602 SEWER FUND						
Dept 49460 Sewer -Admin and General						
R 602-49460-39200	Interfund Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49460 Sewer -Admin and General						
R 602-49460-36200	Miscellaneous Revenues	\$7,674.97	\$862.50	-\$6,812.47	\$0.00	
R 602-49470-36210	Interest Earnings	\$1,778.80	\$0.00	-\$1,778.80	\$0.00	
R 602-49470-37100	Residential Sales	\$267,162.40	\$338,283.00	\$71,120.60	\$0.00	
R 602-49470-37110	Commercial Sales	\$312,995.36	\$370,862.00	\$57,866.64	\$0.00	
R 602-49470-37111	MSC SURCHARGE FEE	\$150,178.83	\$0.00	-\$150,178.83	\$0.00	
R 602-49470-37120	Rural Sales	\$5,508.00	\$7,344.00	\$1,836.00	\$0.00	
R 602-49470-37150	Taps Installed	\$410.00	\$0.00	-\$410.00	\$0.00	
R 602-49470-37170	Late Fees	\$3,498.41	\$1,800.00	-\$1,698.41	\$0.00	
R 602-49470-37190	Miscellaneous Services	\$0.00	\$0.00	\$0.00	\$0.00	
R 602-49470-37225	Credit/Debit Card 3% fee	\$0.00	\$0.00	\$0.00	\$0.00	
R 602-49470-37272	Sewer Infrastructure	\$42,588.15	\$50,000.00	\$7,411.85	\$0.00	
R 602-49470-39101	Sales of General Fixed Assets	\$0.00	\$0.00	\$0.00	\$0.00	
R 602-49470-39998	OFFSET BONDS	\$0.00	\$0.00	\$0.00	\$0.00	
R 602-49470-39999	Offset to capital outlay	\$0.00	\$5,000.00	\$5,000.00	\$0.00	
Dept 49470 Sewer Department		\$791,900.83	\$774,151.50	-\$17,749.33	\$0.00	
Fund 602 SEWER FUND		\$791,900.83	\$774,151.50	-\$17,749.33	\$0.00	
		\$791,900.83	\$774,151.50	-\$17,749.33	\$0.00	

2014
 Expected revenue
 based on Jan-Sept.
 actuals
 Res- 356,216.53
 Comm- 417, 326.64
 Rural - 7, 344.00
actual -780, 887.19

expected
 \$716, 489
 \$5 + Loan repay

((Fund="602"))

MSC Surcharge - The utility has a significant industrial user's agreement (S14) with MSC. They are fined if outside parameters. Being outside parameters causes damage to the sewer lines they use. Since Jan. of 2008 to date MSC has paid \$386,887.13 in penalties. Some funds have been used to pay for repair of damages.

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MOUNTAIN LAKE MUNICIPAL UTILITIES

sheets to use for budgets

Current Period: November 2014



Account	Object Descr	2014		2015		Comment
		YTD Amt	Budget	Balance	Budget	
Fund 602 SEWER-FUND						
Dept 47000 Debt Service (GENERAL)						
E 602-47000-600	Debt Srv Principal (GENERAL)	\$0.00	\$0.00	\$0.00	\$0.00	
E 602-47000-601	2011A ST & UT IMP	\$18,600.00	\$17,500.00	-\$1,100.00	\$0.00	2011A(2006,\$15500) St. & UT IMP
E 602-47000-602	2009A refinanced project	\$24,500.00	\$24,500.00	\$0.00	\$0.00	2009A(Jennysubd,2002 GO) refin. Project
E 602-47000-603	Princ 2013A (12-14 st. project	\$17,000.00	\$17,000.00	\$0.00	\$0.00	2001 Sewer Bond
E 602-47000-609	12-14 St. & Ut Proj Princ	\$358,000.00	\$358,000.00	\$0.00	\$0.00	PFA - Clean Water
E 602-47000-610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	
E 602-47000-611	Bond Intt 2011A ST & UT IMP	\$4,221.82	\$4,155.00	-\$66.82	\$0.00	2011A,\$2204(2006,\$4330) St & UT IMP
E 602-47000-612	Bond Interest 2009A	\$6,923.70	\$6,923.10	-\$0.60	\$0.00	2009A(Jennysubd,2002GO) refin project
E 602-47000-613	Bond Interest 2013A (12-14 p	\$19,035.00	\$19,035.00	\$0.00	\$0.00	2001 Sewer Bond
E 602-47000-619	12-14 St. & Ut Proj. Int.	\$48,812.64	\$74,550.00	\$25,737.36	\$0.00	PFA - clean Water
E 602-47000-620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	
E 602-47000-630	DISCOUNT AMORTIZATION	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 47000 Debt Service (GENERAL)		\$497,093.16	\$521,663.10	\$24,569.94	\$0.00	
Dept 49440 Sewer-Pumping/Treatment Produc						
E 602-49440-210	Operating Supplies (GENERAL)	\$0.00	\$0.00	\$0.00	\$0.00	5 yr oxygen contract
E 602-49440-211	Cleaning Supplies	\$175.32	\$200.00	\$24.68	\$0.00	shop towels
E 602-49440-217	Safety Clothing	\$82.47	\$300.00	\$217.53	\$0.00	Steel Toe Boots/Safety Glasses
E 602-49440-218	Water Softening Salt	\$0.00	\$0.00	\$0.00	\$0.00	Salt Bags
E 602-49440-240	Small Tools and Minor Equip	\$626.52	\$200.00	-\$426.52	\$0.00	Marking Paint/Cutter
E 602-49440-310	Meetings,Meals & Travel	\$1,344.59	\$1,500.00	\$155.41	\$0.00	Safety Comp/Registrations/Dr&Alc Testing/MWOA Mtg
E 602-49440-324	Pagers	\$0.00	\$0.00	\$0.00	\$0.00	City Mens Pagers
E 602-49440-383	Natural Gas	\$362.77	\$500.00	\$137.23	\$0.00	Garage Nat. Gas
E 602-49440-386	Power for Pumping	\$1,483.56	\$3,000.00	\$1,516.44	\$0.00	Power for Pumping
E 602-49440-387	Power for Aerators	\$21,919.15	\$20,000.00	-\$1,919.15	\$0.00	So Central Power to Aerators,surcharge fees
E 602-49440-400	Repairs & Maint Misc	\$14.31	\$1,500.00	\$1,485.69	\$0.00	Batteries/tr. Inspection/tire rep/filter/selant
E 602-49440-419	Maint of Lift Stations	\$4,345.89	\$10,000.00	\$5,654.11	\$0.00	degreaser/ valve
E 602-49440-421	Maint of Ponds	\$5,266.78	\$15,000.00	\$9,733.22	\$0.00	chemicals and surcharge fees
E 602-49440-422	Maint of Backhoe	\$0.00	\$0.00	\$0.00	\$0.00	
E 602-49440-440	MSC/Treatment upgrades	\$2,400.23	\$0.00	-\$2,400.23	\$0.00	
E 602-49440-532	Maint/Purchase Aerators	\$9.41	\$3,000.00	\$2,990.59	\$0.00	maint of aerators
Dept 49440 Sewer-Pumping/Treatment Produc		\$38,031.00	\$55,200.00	\$17,169.00	\$0.00	
Dept 49450 Sewer- Distribution						
E 602-49450-101	Wages and Salaries	\$36,615.89	\$40,840.80	\$4,224.91	\$0.00	Kevin & Dave - Reg. Hrs.
E 602-49450-102	Full-Time Employees Overtime	\$56.98	\$589.05	\$532.07	\$0.00	Kevin & Dave - OT (30 hrs)9.87+9.02=18.89x30
E 602-49450-121	PERA Expense (Utilities Share)	\$2,658.48	\$2,756.75	\$98.27	\$0.00	PERA - 6.75%
E 602-49450-122	FICA Expense (Utilities Share)	\$2,690.01	\$3,124.32	\$434.31	\$0.00	FICA - 7.65%
E 602-49450-131	Health Insurance	\$12,847.76	\$6,420.96	-\$6,426.80	\$0.00	Health Ins (1332.00x2x12/2)
E 602-49450-132	HSA Insurance	\$4,000.00	\$4,000.00	\$0.00	\$0.00	HSA (Kevin/Dave)



MOUNTAIN LAKE MUNICIPAL UTILITIES

sheets to use for budgets

Current Period: November 2014

Account	Object Descr	2014 YTD Amt	2014 Budget	2014 YTD Balance	2015 Budget	Comment
E 602-49450-133	Life Insurance	\$22.00	\$24.00	\$2.00	\$0.00	Life Ins (2.00x2x12/2)
E 602-49450-135	OPEB COST	\$0.00	\$0.00	\$0.00	\$0.00	
E 602-49450-136	HSA ADMIN FEE	\$21.10	\$25.32	\$4.22	\$0.00	
E 602-49450-310	Meetings, Meals & Travel	\$26.61	\$600.00	\$573.39	\$0.00	meals pd thru payroll (1 day mtg or trips)
E 602-49450-311	Water Testing	\$3,737.75	\$2,500.00	-\$1,237.75	\$0.00	sampling/CBOD/TSS/Fecal Coliform/Ice/cell phone reimbursement (20x12/2)
E 602-49450-321	Telephone	\$110.00	\$120.00	\$10.00	\$0.00	tire repair/ battery
E 602-49450-400	Repairs & Maint Misc	\$29.75	\$500.00	\$470.25	\$0.00	manholes
E 602-49450-407	Repair/Maint-Mains	\$986.12	\$1,000.00	\$13.88	\$0.00	dye/services installed/
E 602-49450-410	Repairs/Maint-Service	\$0.00	\$3,000.00	\$3,000.00	\$0.00	filter/oil/inspection
E 602-49450-423	Maint of Vactor & Pickup	\$14.69	\$3,000.00	\$2,985.31	\$0.00	
E 602-49450-424	Camp Ground/skating rink	\$0.00	\$0.00	\$0.00	\$0.00	
E 602-49450-430	Miscellaneous (GENERAL)	\$190.31	\$400.00	\$209.69	\$0.00	gopher locates/cement/cement & padlock drop box
E 602-49450-438	Sewer Infrastructure (Loans)	\$60,329.13	\$0.00	-\$60,329.13	\$0.00	→ taken from reserves
E 602-49450-441	Sewer Infrastructure (grant)	\$1,134.90	\$0.00	-\$1,134.90	\$0.00	
Dept 49450 Sewer - Distribution		\$125,471.48	\$68,901.20	-\$56,570.28	\$0.00	
Dept 49460 Sewer - Admin and General						
E 602-49460-101	Wages and Salaries	\$8,656.89	\$9,807.05	\$1,150.16	\$0.00	Wendy & Lynda
E 602-49460-102	Full-Time Employees Overtime	\$202.82	\$100.00	-\$102.82	\$0.00	Lynda - OT
E 602-49460-106	Boards and Salaries	\$0.00	\$270.00	\$270.00	\$0.00	Comm. Salaries
E 602-49460-121	PERA Expense (Utilities Share)	\$400.12	\$395.50	-\$4.62	\$0.00	PERA - 6.75%
E 602-49460-122	FICA Expense (Utilities Share)	\$422.24	\$448.24	\$26.00	\$0.00	FICA - 7.65%
E 602-49460-131	Health Insurance	\$2,632.71	\$2,696.80	\$64.09	\$0.00	Health Ins -Wendy & Lynda
E 602-49460-132	HSA Insurance	\$779.91	\$840.00	\$60.09	\$0.00	HSA (Lynda -Wendy)
E 602-49460-133	Life Insurance	\$4.50	\$5.03	\$0.53	\$0.00	Life Ins - Wendy & Lynda
E 602-49460-135	OPEB COST	\$0.00	\$0.00	\$0.00	\$0.00	
E 602-49460-136	HSA ADMIN FEE	\$26.29	\$3.80	-\$22.49	\$0.00	Work Comp.
E 602-49460-150	Workers Compensation Insura	\$1,403.96	\$1,400.00	-\$3.96	\$0.00	
E 602-49460-200	Office Supplies (GENERAL)	\$810.43	\$600.00	-\$210.43	\$0.00	copies/fax cart/checks made/paper/ink/pencils
E 602-49460-208	Computer Supplies	\$309.70	\$500.00	\$190.30	\$0.00	mens internet/battery for backup
E 602-49460-212	Motor Fuels	\$1,475.99	\$3,000.00	\$1,524.01	\$0.00	gas for vehicles
E 602-49460-300	Professional Svcs (GENERAL)	\$2,183.25	\$2,200.00	\$16.75	\$0.00	auditors/attorney fees/
E 602-49460-310	Meetings, Meals & Travel	\$0.00	\$50.00	\$50.00	\$0.00	conference
E 602-49460-312	Fees and Dues	\$1,841.03	\$2,500.00	\$658.97	\$0.00	dues/donation/license/box rent/computer support
E 602-49460-321	Telephone	\$155.79	\$200.00	\$44.21	\$0.00	telephone
E 602-49460-322	Postage	\$917.62	\$1,100.00	\$182.38	\$0.00	postage for machine/bulk permit/qtrly charge
E 602-49460-340	Advertising	\$303.77	\$250.00	-\$53.77	\$0.00	ads
E 602-49460-361	General Liability Ins	\$5,940.95	\$5,000.00	-\$940.95	\$0.00	insurances
E 602-49460-400	Repairs & Maint Misc	\$0.00	\$0.00	\$0.00	\$0.00	radio contract
E 602-49460-430	Miscellaneous (GENERAL)	\$35.00	\$0.00	-\$35.00	\$0.00	
E 602-49460-530	Capital Improvement Projects	\$2,370.80	\$0.00	-\$2,370.80	\$0.00	
E 602-49460-531	2012 PUBLIC IMPROVEMENT	\$1,147,871.77	\$0.00	-\$1,147,871.77	\$0.00	

9

Public Facilities Authority

MOUNTAIN LAKE MUNICIPAL UTILITIES

Exp. sheets to use for budgets

Current Period: November 2014

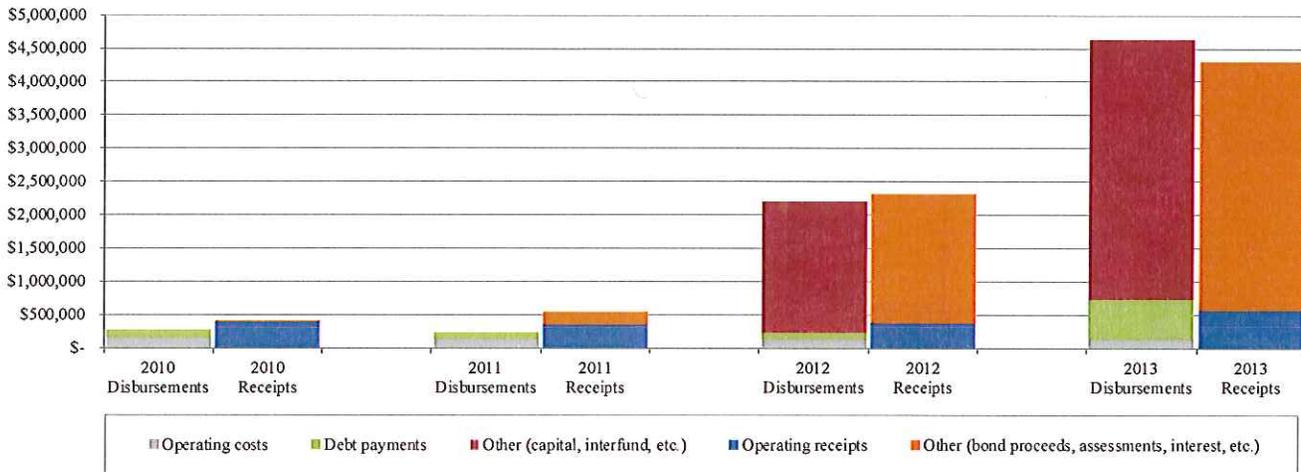
Account	Object Descr	2014 YTD Amt	2014 Budget	2014 YTD Balance	2015 Budget	Comment
E 602-49460-580	Capital Outlay-Equipment	\$4,323.74	\$5,000.00	\$676.26	\$0.00	
Dept 49460 Sewer -Admin and General		\$1,183,069.28	\$36,366.42	-\$1,146,702.86	\$0.00	rollover savings for jet rodder
Dept 49470 Sewer Department						
E 602-49470-420	Depreciation Expense	\$67,250.00	\$80,700.00	\$13,450.00	\$0.00	Depreciation (6760 x 12)
E 602-49470-720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49470 Sewer Department		\$67,250.00	\$80,700.00	\$13,450.00	\$0.00	
Dept 49999 Contribution of debt from City						
E 602-49999-000	Contribution of Debt from City	\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49999 Contribution of debt from City		\$0.00	\$0.00	\$0.00	\$0.00	
Fund 602 SEWER FUND		\$1,910,914.92	\$762,830.72	-\$1,148,084.20	\$0.00	
		\$1,910,914.92	\$762,830.72	-\$1,148,084.20	\$0.00	

((Fund="602"))

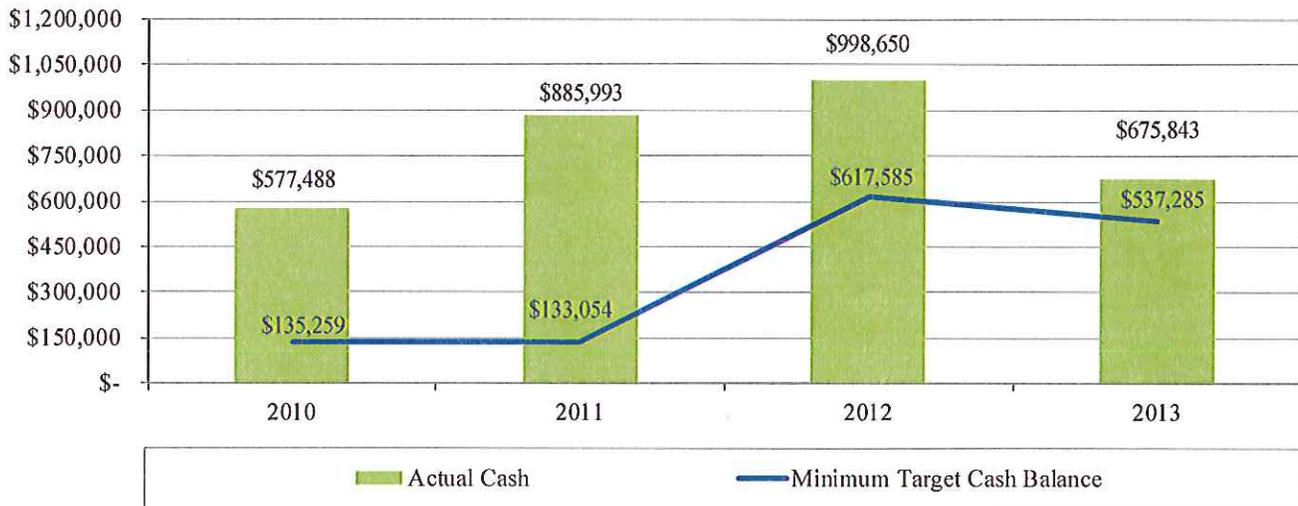
Utility Funds as of
11-20-14

Checking		
Water	\$100,630	
Sewer	\$262,005	
Electric	\$735,726	
Sweep Savings		
Water	\$205,108	Includes \$150,000 of 2013A G. O. Bond proceeds for final payment of Utility and Street Project
Sewer	\$539,334	Includes \$157,246 that must held in the wastewater infrastructure fund to keep the reserve requirements of 2001 G. O. Sewer Revenue bonds. Includes penalties paid by MSC for exceeding their Significant Industrial User agreement parameters.
Electric	\$765,715	Includes \$32,000 remaining in the \$2 equipment fund (sewer/electric); includes \$64,500 required debt reserve for the 2012C electric bonds; includes \$55,000 for the debt reserve of the 2009B electric bonds. In January the Utility Commission will be discussing needed upgrades to the power plant and sub-station. Upgrades have an estimated cost of \$2,000,000.
Savings		
Electric	\$837,304	self-insurance for the electric department's 6 mile 69Kv line that brings electricity from the substation north of city into the city.

Sewer Utility Fund Cash Flows
2013 Audit 12/31/13



Sewer Utility Fund Cash Balance Analysis



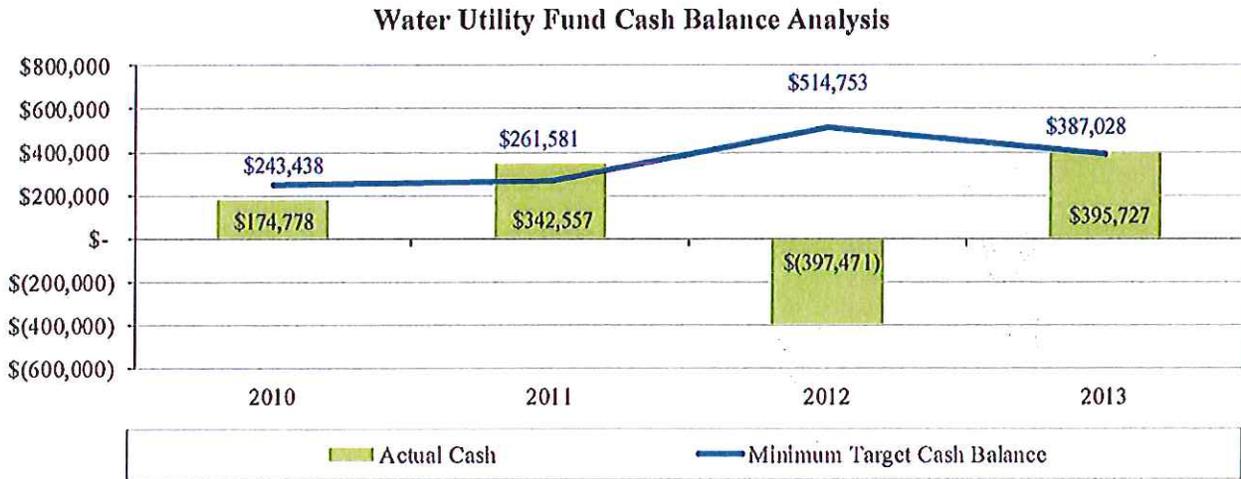
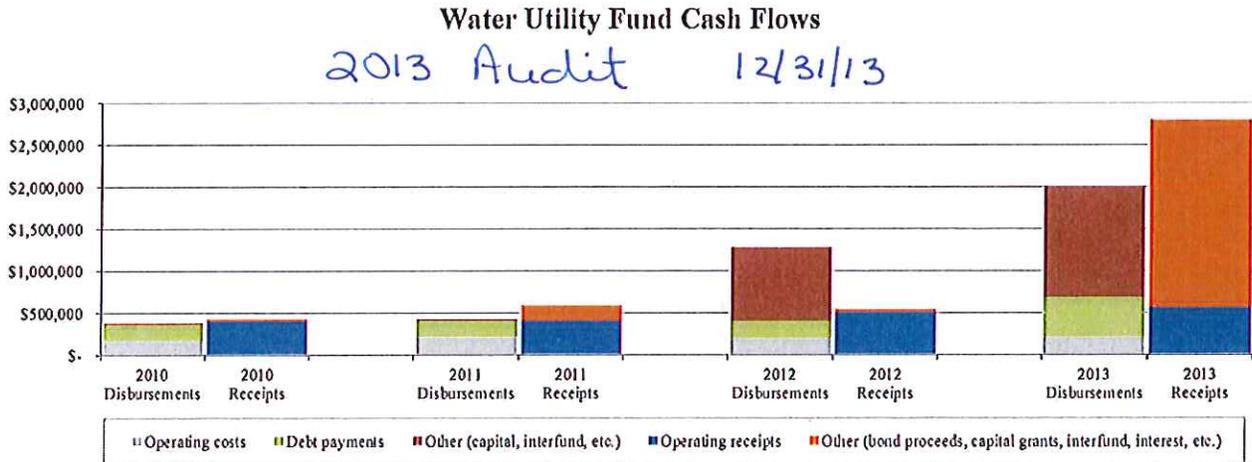
The minimum target cash balance is based off of 25 percent of operating costs plus the next year's debt payments for the fund.

	2010	2011	2012	2013
Bonds payable	\$ 991,850	\$ 1,122,850	\$ 3,010,647	\$ 6,219,011

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises- where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

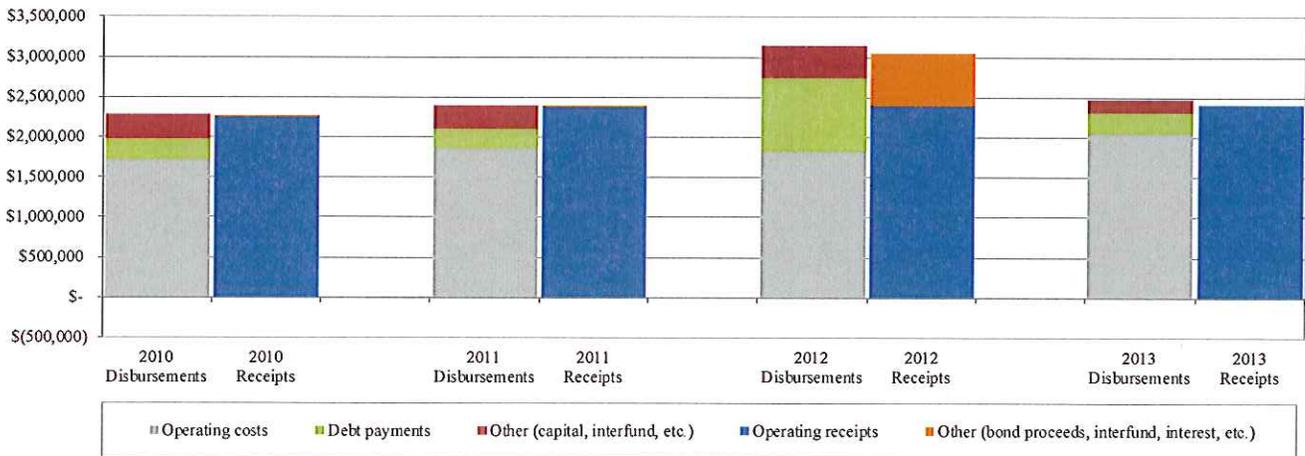
A comparison of enterprise fund cash flows and cash balances for the past four years is as follows:



The minimum target cash balance is based off of 25 percent of operating costs plus the next year's debt payments for the fund.

	2011	2011	2012	2013
Bonds payable	<u>\$ 2,315,700</u>	<u>\$ 2,338,200</u>	<u>\$ 2,174,360</u>	<u>\$ 3,927,437</u>

2013 Audit
Electric Utility Fund Cash Flows
 as of 12-31-13



Electric Utility Fund Cash Balance Analysis



The minimum target cash balance is based off of 25 percent of operating costs plus the next year's debt payments for the fund.

	2010	2011	2012	2013
Bonds payable	<u>\$ 2,908,750</u>	<u>\$ 2,715,000</u>	<u>\$ 2,450,379</u>	<u>\$ 2,244,434</u>

Wendy Meyer

From: David Savage <savagepastor@live.com>
Sent: Friday, November 21, 2014 1:22 PM
To: Wendy Meyer; Muske Muske Suhrhoff
Subject: Re: Special Assessments

Hi Wendy,

I am still hoping to get the cash reserve info for the City and Utility today. Also, if we approve the special assessments on Monday, can we still adjust individual assessments in December?

If so, here is what I am thinking to propose. Approve the assessments on Monday for the full \$2,975,000. Then allow anyone who feels their assessment is too high to come to City Hall on or before the December 16th City Council Meeting requesting a 20% reduction in their assessment. This 20% reduction will be granted provided they waive their right to challenge their assessment in District Court.

The maximum reduction in annual income to the city would be \$26,000, although not likely everyone would come in, so likely less than that. For the next 20 years, the Utilities will provide an additional \$15,000/year. The City would then cover the remaining amount (maximum of \$11,000 per year, but likely less than that) or we could take the difference out of reserves or a combination with raised levy depending on the amount. We would know this exact amount at our final December 16 meeting and could set the final 2015 budget accordingly.

This way we still get our 20% project cost requirement met even with the available reduction, if the City's assessments count toward the 20%. Even if the City's assessments don't count it is likely few enough people would request the reduction to maintain the 20% assessment. Finally, this proposal could keep us out of court thus saving the city that additional expense.

I know it's not perfect and will not make everyone happy, but it does show we are trying and will help. Thoughts?

David

Wendy,

One thing I think we could do is take a look at the properties that we received objections on.

I recommend that since we had assessments done in 2006 that we say \$7,000 per property is fair. I'm not sure if the 5 to 6,000 dollar increase in value per house included houses with side lots or not. That would need to be taken into consideration. If we could calculate the amount of money the City would owe per year based on reductions to \$7,000 it is possible we could take money from Utilities every year to pay for it. At one time I thought we took substantially more from Utilities than we do now.

We could also look at what the reductions would be if you we did that for every property assessed but that task might be too much to take on. There may be obvious cases where the \$7,000 is too low and we could look at those one at a time. This is of course provided we can even reduce the assessment to less than 20%.

It would also be nice to know what the increase per year in the levy would be if it was to be spread across the entire City (I'm guessing around a 25% increase over 20 years).

The other option would be to pay the \$121,000 for this year with reserves as we talked about last night and let the new Council make the decision since they will be the ones who will feel the ramifications of something this Council did. Feel free to share this with the rest of the Council. Thanks Wendy and hope you have a great day.

Brian Schultz

Wendy Meyer

From: Muske Law Office - Windom <muskelaw@qwestoffice.net>
Sent: Friday, November 21, 2014 2:11 PM
To: Wendy Meyer
Subject: assessments

As part of your 20%, you can include city owned properties, intersections with abutting city-owned property.
You can adopt the assessment and then defer collection, for Ag and empty lots
You can adopt the Christian school assessment and then deduct \$25,000.

Deferments can be as long as 30 years. If an empty lot is adjacent to a residential lot, I personally would only defer half because I think it adds to the value of the home to have a bigger lot.
If you defer, you also decide when interest is paid. Interest can be deferred or paid.

For ag and empty lots, we recommend that you ask the owner to withdraw their objection and consent to the assessment; defer until developed or 20 years, whichever is sooner;
Interest is deferred for 20 years and they pay the assessment over 10 years (years 20 to 30).

We suggest adopting the assessment roll except the properties where people filed an objection. Then either negotiate or get appraisals for those parcels only. The other owners will not have standing to sue.

Maryellen Suhrhoff

Muske, Muske & Suhrhoff, Ltd.
937 Third Avenue
P.O. Box 397
Windom, MN 56101
Phone: (507)831-5575
Fax: (507)831-1097
E-mail: muskelaw@qwestoffice.net

SPECIAL ASSESSMENT POLICY
CITY OF STEWART, MN

reasonably foreseen at the time of the original construction (e.g. new industry, school, etc.) .

3. Other cause as determined by the Council.

V. DEFERMENT OF ASSESSMENTS

A. Deferment of Special Assessments Outside of Corporate Limits.

If the City installs utility facilities that benefit property which lies outside the corporate limits, the area and the allocable costs shall be included in the original public hearing for the improvement. The City may attempt to negotiate a contract with the property owner of the property lying outside the City that will provide for payment to the City on the same basis as if the property were within the City and to be assessed for the improvement as a prepayment upon completion of the project. If such a contract cannot be executed, the City will assume the temporary responsibility for payment of the cost allocable to the property lying outside the City limits. In that event, the original principal amount of the assessment, if it had been assessed, plus accumulated interest, may increase annually by a percentage to be determined by the Council. At the time of annexation of the property to the City, a subsequent public hearing may be held for that property and an assessment roll prepared, adopted and certified to the County Auditor, payable at the same rate and terms except for the total amount, as were applicable to other property owners included in the original assessment. The City shall reserve the right to delay the assessment of benefit for facilities previously installed, and to make such assessment at the same time it causes to be constructed other public improvements on the property following its annexation. When property lies outside the City limits, no physical connection to the City's utility or drainage system will be permitted until a utility agreement and contract, including satisfaction of costs or assessments, is executed.

B. Deferment of Special Assessment at the discretion of the City Council

The City Council may elect to defer an assessment for agricultural property or non-developable property along a project. When the property is developed, the City Council reserves the right to apply the previous assessment with interest to the newly developed property.

The City Council may also elect to defer an assessment which causes a gross financial burden or hardship on the property owner. If a request is made of the Council to defer an assessment due to a hardship, the property owner shall provide the Council with written documentation including, but not limited to tax records, paycheck receipts, bank account balances, other assets, other real or personal property etc, which proves the hardship. If the asset/income exceeds \$30,000 it is presumed the applicant does not qualify for a hardship.

C. Deferment of Special Assessment for Senior Citizens, Property Owners that reside at the home that is on Permanently Disability or is a member of the Minnesota National Guard or Other Military Reserves who is ordered into Active Military Service.

SPECIAL ASSESSMENT POLICY
CITY OF STEWART, MN

Criteria. In determining whether or not a senior citizen, a property owner that is on Permanently Disability or are a member of the Minnesota National Guard or other military reserves who is ordered into active military service is eligible for deferral of special assessment installment payments, the following criteria are established:

- (1) Senior Citizens, a property owner that is on Permanently Disability or are a member of the Minnesota National Guard or other military reserves who is ordered into active military service special assessment hardship deferral applies to special assessments levied after the date of the adoption of this Policy, providing the City Council adopts an ordinance to this effect.
- (2) Senior Citizens, a property owner that resides at the home that is on Permanently Disability or are a member of the Minnesota National Guard or other military reserves who is ordered into active military service special assessment hardship deferral applies to qualifying special assessments against all properties classified as "homestead" pursuant to M.S. Chapter 273, where one or more of the owners of such property is 65 years of age or older; a property owner that is on Permanently Disability or are a member of the Minnesota National Guard or other military reserves who is ordered into active military service and it would create a hardship for the owner or owners of the property to pay the special assessment installments as they become due.

D. It shall be presumed that a hardship exists if:

- (1) The annual assessment installment exceeds 1% of the previous year's total adjusted gross incomes, for Federal Income Tax purposes, for all owners of the property; in no event shall "total adjusted gross income" include Social Security Benefits, Railroad Retirement Benefits, retirement benefits attributable to employee contributions, disability benefits, personal injury awards or workmen's compensation payments.
- (2) All owners of the property verify, under oath, that they meet the criteria for establishing a hardship by completing an application provided by the City.
- (3) In cases where exceptional and unusual circumstances exist, the City Council may determine that a hardship exists despite the fact that the minimum income requirements of Section (3) (a) are not met; such cases shall be decided by the Council on a case by case basis.

E. Interest. Interest shall be charged on any assessment deferred pursuant to this Policy at a rate equal to the rate charged on other assessments for the particular public improvement project the assessment is financing.

F. When Deferred. The deferment shall be granted upon a certification by the owner on a form prescribed by the county assessor supplemented by the City Clerk to establish the qualification of the owner for such a deferment. The application shall be made within thirty (30) days after the adoption of the assessment roll by the Council and shall be renewed each following year upon the filing of a similar application not later than May 31st. The Council shall either grant or deny the

SPECIAL ASSESSMENT POLICY
CITY OF STEWART, MN

deferment and, if it grants the deferment, it may require the payment of the interest due each year. If the Council grants the deferment, the City Clerk shall notify the county auditor and the county assessor who shall, in accordance with Minnesota Statutes, Section 444.23 record a notice of the deferment with the register of deeds setting forth the amount of the assessment. When a deferment is allowed by the Council, it shall be noted and made a part of the resolution adopting the Final Assessment Roll.

- G. When Deferment Ends.** The option to defer the payment of special assessments shall terminate and all amounts accumulated, plus applicable interest, shall become due upon the occurrence of any one of the following events:
- (1) The death of the property owner 65 years of age or older, providing the surviving owner is otherwise not eligible for deferment;
 - (2) The property owner is no longer on Permanently Disability
 - (3) The member of the Minnesota National Guard or other military reserves is no longer on active military service
 - (4) the sale, transfer, or subdivision of all or any part of the property;
 - (5) loss of homestead status on the property;
 - (6) determination by the Council for any reason that there would be no hardship to require immediate or partial payment;
 - (7) failure to file a renewal application within the time prescribed by Subd. B, herein above; or
 - (8) at the request of the property owner.
- H. Procedure for Termination.** Upon the occurrence of one of the events specified herein above, the Council shall terminate the deferment. Thereupon, the Clerk shall notify the county assessor and the county auditor of the termination, including the amounts accumulated on unpaid installments plus applicable interest which shall become due and payable as a result of the termination.
- I. Publication.** The City Clerk shall publish notice in the official publication of the City, said notice to be published in the first week of April and the first week of May of each year. Said notice shall advise of the availability of the deferment of payments on special assessments and shall advise as to the deadline for filing of same.
- J. Partial Payment.** After the adoption by the Council of the assessment roll in any local improvement proceeding, the owner of any property specially assessed in the proceeding may, prior to the certification of the assessment or the first installment to the County Auditor, pay to the City Clerk any portion of the assessment. The remaining unpaid balance shall be spread over the period of time established by the Council for installment payment of the assessment.
- K. Certification of Assessments.** After the adoption of any special assessment by the Council, the City Clerk shall transmit a certified duplicate of the assessment roll with each installment, including interest, set forth separately to the County Auditor to be extended on the proper tax lists of the County.