

**AGENDA**  
**FINANCE & PERSONNEL COMMITTEE**  
**CITY HALL COUNCIL CHAMBERS**  
**MONDAY, APRIL 8<sup>th</sup>, 2024**  
**4:30 PM**

Go to: [www.zoom.com](http://www.zoom.com)  
Meeting ID: 978 6396 1227  
Call-in only: 312 626-6799, enter meeting number

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF THE AGENDA**
- 4. PUBLIC PARTICIPATION**
- 5. APPROVAL OF MINUTES OF MARCH 11<sup>th</sup>, 2024 MEETING**
- 6. DISCUSSION REGARDING CREDIT CARD STATEMENT (MARCH, 2024)**
- 7. DISCUSSION REGARDING BANK STATEMENTS (MARCH, 2024)**
- 8. DISCUSSION ON LONG TERM UTILITY RATE PLAN**

City Manager Summary: After this agenda, there are several Exhibits to guide this discussion. At the core of this strategic discussion, which does not need any motion at this time, is the potential revenue issues that will surface in the next several years as it relates to property tax reform in the State of Iowa. A meaningful analysis is due to determine whether or not LOST resources should continue to help support the City's Utility Funds for the purpose of depressing rate increases for the City's citizens and businesses.

Please note that in 2022, the ask of the City's Bond Counsel (without LOST help) was to increase rates by 20% and 25% two years in a row in order to afford the City's eventual WWTP project. This was also for an \$11,000,000 project which we know now the cost impact will be approximately \$16,000,000 all-in. This complex situation, plus the rescuing of the City's Water Fund, put the City in very poor financial position in the City Utility Funds which was and is still the current basis for supporting the Utility Funds until debts are known related to the WWTP project.

That being said, the State has taken drastic action to reduce property tax and City costs continue to rise aggressively. This exercise and study is a heavy and worthy consideration. The Exhibits have been built out to reflect the following rate increases as a path to long-term financial sustainability while also exceeding the City's Fund Balance Reserve Policy of 25%. Please note that this analysis would have to be reviewed independently by the City's Bond Counsel before formal presentation. For consistency, the Wastewater and Water Funds have the same rate proposals. The Stormwater Fund has a constant 3% proposal that wasn't altered due to the fund's overall health.

July 1, 2025: 10%  
July 1, 2026: 10%

July 1, 2027: 7.5%  
July 1, 2028: 5.0%  
July 1, 2029: 5.0%  
July 1, 2030: 3.0%

Discussion and staff direction requested.

**9. DISCUSSION AND POSSIBLE MOTION AUTHORIZING STAFF TO PROCEED WITH THE POTENTIAL HIRING OF A POLICE OFFICER**

City Manager Summary: In December 2023, Finance and Personnel Committee discussed moving forward with the hiring of a Police Officer in order to keep staff continuity in the Police Department pending a likely retirement. No action was taken due to the possibility of employment circumstances changing. Said retirement is a near certainty at this point. There are additional hiring concerns in the Police Department outside of the planned retirement. The objective of this discussion is to seek Finance and Personnel Committee's blessing to proceed with the hiring of a Police Officer. The recruiting, testing, and onboarding of an eventual employee will take months and if the employee is not trained, they will be required to go to the training academy.

Committee support is recommended.

**10. DISCUSSION AND POSSIBLE MOTION AUTHORIZING STAFF TO PROCEED WITH THE POTENTIAL HIRING OF TWO PART-TIME SUMMER HELP EMPLOYEES**

City Manager Summary: Since November 2023, City Staff and the Public Works Department have planned to hire two part-time summer help positions in the Public Works Department. This is routine practice in comparable Cities. At this time of the year, most Cities and employers are actively recruiting summer help. The City has not traditionally taken these steps. Staff's expectations of the two positions are to assist Parks beautification, manage street weeds, water flowers as needed, empty trash, provide supplementary help to the Public Works Department on projects, etc.

City Staff budgeted \$3,000 in FY23-24 and \$5,000 in FY24-25 for the purpose of this plan. Staff believes this is a worthy pursuit and is seeking the Committee's blessing to proceed with job description development and advertising.

Committee support is recommended.

**11. OTHER BUSINESS**

**12. ADJOURN**

**EXHIBIT 1  
WWTP – NO CHANGE**

610 - Wastewater Fund - No Action/LOST Share Remains										
	2022-2023 Actual	2023-2024 Predicted	2024-2025 Budget	2025-2026 Predicted	2026-2027 Predicted	2027-2028 Predicted	2028-2029 Predicted	2029-2030 Predicted	2030-2031 Predicted	
451000 - Sanitary Sewer Receipts	\$ 1,085,202	\$ 1,166,592	\$ 1,201,590	\$ 1,237,637.45	\$ 1,274,766.58	\$ 1,313,009.57	\$ 1,352,399.86	\$ 1,392,971.86	\$ 1,434,761.01	
451200 - DNR Mandate WWTP Fee	\$ 39,271	\$ 162,345	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	
454200 - Misc Sales/Tapping Fee	\$ 2,603	\$ 2,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
458001 - Sales Tax/Sewer	\$ 10,140	\$ 10,753	\$ 11,075	\$ 11,407.25	\$ 11,749.47	\$ 12,101.95	\$ 12,465.01	\$ 12,838.96	\$ 13,224.13	
471500 - Refunds/Reimbursement	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
409000 - 1% Local Prop. Tax Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
430000 - Interest	\$ 40,956	\$ 85,000	\$ 90,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
483000 - Transfer In	\$ 299,207	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
<b>Total Revenues</b>	<b>\$ 1,477,379</b>	<b>\$ 1,727,690</b>	<b>\$ 1,767,665</b>	<b>\$ 1,789,045</b>	<b>\$ 1,801,516</b>	<b>\$ 1,840,112</b>	<b>\$ 1,879,865</b>	<b>\$ 1,920,811</b>	<b>\$ 1,962,985</b>	
63500 - Equipment/Repairs	\$ 67,578	\$ 65,000	\$ 65,000	\$ 66,950	\$ 68,959	\$ 71,027	\$ 73,158	\$ 75,353	\$ 77,613	
63710 - Building Maintenance	\$ 1,413	\$ 5,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	
63720 - Utilities	\$ 101,962	\$ 110,000	\$ 110,000	\$ 113,300	\$ 116,699	\$ 120,200	\$ 123,806	\$ 127,520	\$ 131,346	
64012 - Half maps/Half audit	\$ 3,050	\$ 3,200	\$ 3,200	\$ 3,296	\$ 3,395	\$ 3,497	\$ 3,602	\$ 3,710	\$ 3,821	
64087 - Insurance	\$ 42,995	\$ 49,798	\$ 57,885	\$ 62,515.80	\$ 67,517.06	\$ 72,918.43	\$ 78,751.90	\$ 85,052.06	\$ 91,856.22	
64132 - Misc Expenses/Legal Fee	\$ 1,524	\$ 1,500	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739	\$ 1,791	
64180 - State Sales Tax	\$ 10,086	\$ 10,753	\$ 11,075	\$ 11,407	\$ 11,749	\$ 12,102	\$ 12,465	\$ 12,839	\$ 13,224	
64425 - Haul Screenings	\$ 6,871	\$ 8,500	\$ 8,500	\$ 8,755	\$ 9,018	\$ 9,288	\$ 9,567	\$ 9,854	\$ 10,149	
64687 - Alliance Operations	\$ 467,750	\$ 500,256	\$ 525,268	\$ 541,026	\$ 557,257	\$ 573,975	\$ 591,194	\$ 608,930	\$ 627,197	
64703 - Analysis/Tests	\$ 15,930	\$ 18,000	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493	
64705 - Emergency Repairs	\$ -	\$ 5,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	
64990 - Maintenance Contracts	\$ 9,447	\$ 15,000	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	
65010 - Chemicals/Compliance	\$ 6,418	\$ 6,000	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 7,164	
65080 - Records/Supplies/Postage	\$ 427	\$ 400	\$ 400	\$ 412	\$ 424	\$ 437	\$ 450	\$ 464	\$ 478	
65995 - Materials/Supplies/Misc.	\$ 16,877	\$ 12,500	\$ 12,500	\$ 12,875	\$ 13,261	\$ 13,659	\$ 14,069	\$ 14,491	\$ 14,926	
67998 - Vertical Screen	\$ 3,567	\$ 4,000	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	
69101 - Transfer Out	\$ 265,461	\$ 673,204	\$ 714,785	\$ 959,785	\$ 959,785	\$ 959,785	\$ 959,785	\$ 959,785	\$ 959,785	
<b>Total Expenditures</b>	<b>\$ 1,021,356</b>	<b>\$ 1,488,111</b>	<b>\$ 1,563,113</b>	<b>\$ 1,896,457</b>	<b>\$ 1,865,883</b>	<b>\$ 1,896,442</b>	<b>\$ 1,928,187</b>	<b>\$ 1,961,177</b>	<b>\$ 1,995,471</b>	
<b>Net Revenues/Expenditures</b>	<b>\$ 456,023</b>	<b>\$ 239,579</b>	<b>\$ 204,552</b>	<b>\$ (47,412)</b>	<b>\$ (64,367)</b>	<b>\$ (56,330)</b>	<b>\$ (48,323)</b>	<b>\$ (40,366)</b>	<b>\$ (32,486)</b>	
<b>Ending Fund Balance</b>	<b>\$ 1,065,659</b>	<b>\$ 1,305,238</b>	<b>\$ 1,509,790</b>	<b>\$ 1,462,377</b>	<b>\$ 1,398,010</b>	<b>\$ 1,341,680</b>	<b>\$ 1,293,357</b>	<b>\$ 1,252,991</b>	<b>\$ 1,220,505</b>	
<b>% Reserve Against Operating Expenditures</b>	<b>71.61%</b>	<b>83.50%</b>	<b>82.21%</b>	<b>78.37%</b>	<b>73.72%</b>	<b>69.58%</b>	<b>65.95%</b>	<b>62.79%</b>		
General Fund Transfer for LOST - 37.5%										
FY2022-2023 & FY2023-2024 +7.5% Increase in Sewer Utility Rate; All subsequent years are +3.0%										
Start of SRF 30-Year Repayment: 2.0% @ 30 Years on \$10,384,000 (Estimate) = \$463,340 Annual - 20-Year Sewer Bond @ 2% Rate for \$4,000,000 = \$245,000 Annual										
DNR mandate fee of fixed \$5.00 & \$7.50 fee goes into effect April 2023 (valid for 3 months on 2023 fiscal year)										
With the exception of insurance (8%), all cost increases are assumed at 3%										

## EXHIBIT 2 WWTP – RATE STUDY

610 - Wastewater Fund - Rate Study										
	2022-2023 Actual	2023-2024 Predicted	2024-2025 Budget	2025-2026 Predicted	2026-2027 Predicted	2027-2028 Predicted	2028-2029 Predicted	2029-2030 Predicted	2030-2031 Predicted	
451000 - Sanitary Sewer Receipts	\$ 1,085,202	\$ 1,166,592	\$ 1,201,590	\$ 1,321,749	\$ 1,453,924	\$ 1,562,968	\$ 1,641,116	\$ 1,723,172	\$ 1,774,867	
451200 - DNR Mandate WWTP Fee	\$ 39,271	\$ 162,345	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	\$ 162,500	
452000 - Misc Sales/Tapping Fee	\$ 2,603	\$ 2,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
458001 - Sales Tax/Sewer	\$ 10,140	\$ 10,753	\$ 11,075	\$ 11,407	\$ 11,749	\$ 12,102	\$ 12,465	\$ 12,839	\$ 13,224	
471500 - Refunds/Reimbursement	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
409000 - 1% Local Prop. Tax Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
430000 - Interest	\$ 40,956	\$ 85,000	\$ 90,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
483000 - Transfer In	\$ 299,207	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 1,477,379</b>	<b>\$ 1,727,690</b>	<b>\$ 1,767,665</b>	<b>\$ 1,573,156</b>	<b>\$ 1,680,673</b>	<b>\$ 1,790,070</b>	<b>\$ 1,868,581</b>	<b>\$ 1,951,011</b>	<b>\$ 2,003,091</b>	
63500 - Equipment/Repairs	\$ 67,578	\$ 65,000	\$ 65,000	\$ 66,950	\$ 68,959	\$ 71,027	\$ 73,158	\$ 75,353	\$ 77,613	
63710 - Building Maintenance	\$ 1,413	\$ 5,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	
63720 - Utilities	\$ 101,962	\$ 110,000	\$ 110,000	\$ 113,300	\$ 116,699	\$ 120,200	\$ 123,806	\$ 127,520	\$ 131,346	
64012 - Half maps/Half audit	\$ 3,050	\$ 3,200	\$ 3,200	\$ 3,296	\$ 3,395	\$ 3,497	\$ 3,602	\$ 3,710	\$ 3,821	
64087 - Insurance	\$ 42,995	\$ 49,798	\$ 57,885	\$ 62,516	\$ 67,517	\$ 72,918	\$ 78,752	\$ 85,052	\$ 91,856	
64132 - Misc Expenses/Legal Fee	\$ 1,524	\$ 1,500	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739	\$ 1,791	
64180 - State Sales Tax	\$ 10,086	\$ 10,753	\$ 11,075	\$ 11,407	\$ 11,749	\$ 12,102	\$ 12,465	\$ 12,839	\$ 13,224	
64425 - Haul Screenings	\$ 6,871	\$ 8,500	\$ 8,500	\$ 8,755	\$ 9,018	\$ 9,288	\$ 9,567	\$ 9,854	\$ 10,149	
64687 - Alliance Operations	\$ 467,750	\$ 500,256	\$ 525,268	\$ 541,026	\$ 557,257	\$ 573,975	\$ 591,194	\$ 608,930	\$ 627,197	
64703 - Analysis/Tests	\$ 15,930	\$ 18,000	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493	
64705 - Emergency/Repairs	\$ -	\$ 5,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	
64990 - Maintenance Contracts	\$ 9,447	\$ 15,000	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	
65010 - Chemicals/Compliance	\$ 6,418	\$ 6,000	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 7,164	
65080 - Records/Supplies/Postage	\$ 427	\$ 400	\$ 400	\$ 412	\$ 424	\$ 437	\$ 450	\$ 464	\$ 478	
65995 - Materials/Supplies/Misc.	\$ 16,877	\$ 12,500	\$ 12,500	\$ 12,875	\$ 13,261	\$ 13,659	\$ 14,069	\$ 14,491	\$ 14,926	
67998 - Vertical Screen	\$ 3,567	\$ 4,000	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	
69101 - Transfer Out	\$ 265,461	\$ 673,204	\$ 714,785	\$ 959,785	\$ 959,785	\$ 959,785	\$ 959,785	\$ 959,785	\$ 959,785	
<b>Total Expenditures</b>	<b>\$ 1,021,356</b>	<b>\$ 1,488,111</b>	<b>\$ 1,563,113</b>	<b>\$ 1,836,457</b>	<b>\$ 1,865,883</b>	<b>\$ 1,896,442</b>	<b>\$ 1,928,187</b>	<b>\$ 1,961,177</b>	<b>\$ 1,995,471</b>	
<b>Net Revenues/Expenditures</b>	<b>\$ 456,023</b>	<b>\$ 239,579</b>	<b>\$ 204,552</b>	<b>\$ (263,301)</b>	<b>\$ (185,210)</b>	<b>\$ (106,372)</b>	<b>\$ (59,606)</b>	<b>\$ (10,166)</b>	<b>\$ 7,620</b>	
<b>Ending Fund Balance</b>	<b>\$ 1,065,659</b>	<b>\$ 1,305,238</b>	<b>\$ 1,509,790</b>	<b>\$ 1,246,489</b>	<b>\$ 1,061,279</b>	<b>\$ 954,907</b>	<b>\$ 895,301</b>	<b>\$ 885,134</b>	<b>\$ 892,754</b>	
<b>% Reserve Against Operating Expenditures</b>	<b>71.61%</b>	<b>83.50%</b>	<b>82.21%</b>	<b>66.80%</b>	<b>55.96%</b>	<b>49.52%</b>	<b>45.65%</b>	<b>44.36%</b>		
General Fund Transfer for LOST - 37.5%										
July 1, 2024: 3.0%; 2025: 1.0%; 2026: 1.0%; 2027: 7.5%; 2028: 5.0%; 2029: 5.0%; 2030: 3.0%										
Start of SR# 30-Year Repayment: 2.0% @ 30 Years on \$10,384,000 (Estimate) = \$463,340 Annual - 20-Year Sewer Bond @ 2% Rate for \$4,000,000 = \$245,000 Annual										
DNR mandate fee of fixed \$5.00 & \$7.50 fee goes into effect April 2023 (valid for 3 months on 2023 fiscal year)										
With the exception of insurance (8%), all cost increases are assumed at 3%										

**EXHIBIT 3  
WATER – NO CHANGE**

600 - Water Fund - NO ACTION/LOST Share Remains									
	2022-2023 Actual	2023-2024 Predicted	2024-2025 Budgeted	2025-2026 Predicted	2026-2027 Predicted	2027-2028 Predicted	2028-2029 Predicted	2029-2030 Predicted	2030-2031 Predicted
450000 - Water Receipts	\$ 608,968	\$ 684,480	\$ 705,000	\$ 726,150	\$ 747,935	\$ 770,373	\$ 793,484	\$ 817,288	\$ 841,807
450100 - Sales/Misc Customers	\$ 6,763	\$ 5,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970
454000 - Tapping/Reconnect Fee	\$ 3,774	\$ 4,000	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776
458001 - Sales Tax Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
458002 - State Excise Tax	\$ 41,838	\$ 41,069	\$ 42,300	\$ 43,569	\$ 44,876	\$ 46,222	\$ 47,609	\$ 49,037	\$ 50,508
471500 - Refunds/Reimbursements	\$ 2,496	\$ 2,000	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388
474500 - Sale of Salvage	\$ -	\$ 332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
430000 - Interest	\$ 20,016	\$ 25,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
483000 - Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
483000 - Transfer in from General Fund CIP Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
483000 - Transfer in from General Fund	\$ 70,000	\$ 85,854	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742	\$ 95,524
<b>Total Revenue</b>	<b>\$ 753,855</b>	<b>\$ 847,735</b>	<b>\$ 868,300</b>	<b>\$ 883,449</b>	<b>\$ 909,352</b>	<b>\$ 931,033</b>	<b>\$ 958,514</b>	<b>\$ 986,819</b>	<b>\$ 1,015,974</b>
63325 - Vehicle Fuel	\$ 1,567	\$ 1,800	\$ 1,854	\$ 1,910	\$ 1,967	\$ 2,026	\$ 2,087	\$ 2,149	\$ 2,214
63503 - Building Maintenance	\$ 14,369	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
63504 - Emergency Repairs	\$ 6,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
63506 - Water Tests VOC/SOC	\$ 3,822	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
63507 - State Permit Fees	\$ 790	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230
63511 - Utility Bills	\$ 4,625	\$ 5,120	\$ 5,274	\$ 5,432	\$ 5,595	\$ 5,763	\$ 5,935	\$ 6,114	\$ 6,297
63710 - Building Utilities/Maint.	\$ 130,187	\$ 136,000	\$ 140,080	\$ 144,282	\$ 148,611	\$ 153,069	\$ 157,661	\$ 162,391	\$ 167,263
64012 - Half maps/Half audit	\$ 3,050	\$ 3,200	\$ 3,296	\$ 3,395	\$ 3,497	\$ 3,602	\$ 3,710	\$ 3,821	\$ 3,936
64086 - Insurance	\$ 32,516	\$ 37,122	\$ 38,236	\$ 41,295	\$ 44,598	\$ 48,166	\$ 52,019	\$ 56,181	\$ 60,675
64114 - Attorney/Engineer Fee	\$ 375	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	\$ 580	\$ 597	\$ 615
64181 - State Excise Tax	\$ 41,826	\$ 41,069	\$ 42,301	\$ 43,570	\$ 44,877	\$ 46,224	\$ 47,610	\$ 49,039	\$ 50,510
64402 - Maint/Equipment Rentals	\$ 9,787	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911	\$ 14,329	\$ 14,758
64403 - Water Main Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64409 - Refunds/Overpayments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64901 - Alliance Operations	\$ 116,938	\$ 125,064	\$ 128,816	\$ 132,680	\$ 136,661	\$ 140,761	\$ 144,983	\$ 149,333	\$ 153,813
64990 - Maintenance Contracts	\$ 3,239	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 3,690
64999 - AMI Hosting	\$ 754	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 30,747
65010 - Chemicals	\$ 85,783	\$ 83,000	\$ 85,490	\$ 88,055	\$ 90,696	\$ 93,417	\$ 96,220	\$ 99,106	\$ 102,080
65054 - Water Meter	\$ 25,771	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
65060 - Office Supplies/Expenses	\$ 257	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	\$ 580	\$ 597	\$ 615
65080 - Records/Supplies/Postage	\$ 16,889	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448
65422 - Valves/Hydrants	\$ 16,622	\$ 17,000	\$ 17,510	\$ 18,035	\$ 18,576	\$ 19,134	\$ 19,708	\$ 20,299	\$ 20,908
65980 - Misc. Expenses	\$ 749	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230
65995 - Materials/Supplies/Misc	\$ 13,041	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529
69101 - Transfer Out	\$ 187,750	\$ 331,342	\$ 341,282	\$ 351,521	\$ 362,066	\$ 372,928	\$ 384,116	\$ 395,640	\$ 407,509
<b>Total Expenditures</b>	<b>\$ 716,707</b>	<b>\$ 869,717</b>	<b>\$ 895,809</b>	<b>\$ 924,595</b>	<b>\$ 954,397</b>	<b>\$ 985,259</b>	<b>\$ 1,017,225</b>	<b>\$ 1,050,343</b>	<b>\$ 1,084,662</b>
<b>Net Revenues/Expenditures</b>	<b>\$ 37,148</b>	<b>\$ (21,982)</b>	<b>\$ (27,509)</b>	<b>\$ (41,146)</b>	<b>\$ (45,045)</b>	<b>\$ (54,226)</b>	<b>\$ (58,711)</b>	<b>\$ (63,523)</b>	<b>\$ (68,688)</b>
<b>Ending Fund Balance</b>	<b>\$ 460,891</b>	<b>\$ 438,909</b>	<b>\$ 411,400</b>	<b>\$ 370,255</b>	<b>\$ 325,210</b>	<b>\$ 270,984</b>	<b>\$ 212,273</b>	<b>\$ 148,750</b>	<b>\$ 80,062</b>
<b>% Reserve Against Operating Expenditures</b>	<b>52.99%</b>	<b>49.00%</b>	<b>44.50%</b>	<b>38.79%</b>	<b>33.01%</b>	<b>26.64%</b>	<b>20.21%</b>	<b>13.71%</b>	
FY2022-2023 & FY2023-2024 Water Rate Increase = +7.5%; All Subsequent years +3.0% Increase									
LOST TRANSFER - 10%									
With the exception of Insurance 8%, all revenue & cost increase assumptions are 3%									

## EXHIBIT 4 WATER – RATE STUDY

600 - Water Fund - Rate Study									
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	Actual	Predicted	Budgeted	Predicted	Predicted	Predicted	Predicted	Predicted	Predicted
450000 - Water Receipts	\$ 608,968	\$ 684,480	\$ 705,000	\$ 775,500	\$ 853,050	\$ 917,029	\$ 962,880	\$ 1,011,024	\$ 1,041,355
450100 - Sales/Misc Customers	\$ 6,763	\$ 5,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970
454000 - Tapping/Reconnect Fee	\$ 3,774	\$ 4,000	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776
455000 - AMI Hosting Fee	\$ -	\$ -	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 30,747
458001 - Sales Tax Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
458002 - State Excise Tax	\$ 41,838	\$ 41,069	\$ 42,300	\$ 43,569	\$ 44,876	\$ 46,222	\$ 47,609	\$ 49,037	\$ 50,508
471500 - Refunds/Reimbursements	\$ 2,496	\$ 2,000	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388
474500 - Sale of Salvage	\$ -	\$ 332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
430000 - Interest	\$ 20,016	\$ 25,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
483000 - Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
483000 - Transfer in from General Fund CIP Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
483000 - Transfer in from General Fund	\$ 70,000	\$ 85,854	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 753,855</b>	<b>\$ 847,735</b>	<b>\$ 894,050</b>	<b>\$ 876,922</b>	<b>\$ 956,914</b>	<b>\$ 1,018,409</b>	<b>\$ 1,066,852</b>	<b>\$ 1,117,665</b>	<b>\$ 1,150,745</b>
63325 - Vehicle Fuel	\$ 1,567	\$ 1,800	\$ 1,854	\$ 1,910	\$ 1,967	\$ 2,026	\$ 2,087	\$ 2,149	\$ 2,214
63503 - Building Maintenance	\$ 14,369	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
63504 - Emergency Repairs	\$ 6,000	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
63506 - Water Tests VOC/SOC	\$ 3,822	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
63507 - State Permit Fees	\$ 790	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230
63511 - Utility Bills	\$ 4,625	\$ 5,120	\$ 5,274	\$ 5,432	\$ 5,595	\$ 5,763	\$ 5,935	\$ 6,114	\$ 6,297
63710 - Building Utilities/Maint.	\$ 130,187	\$ 136,000	\$ 140,080	\$ 144,282	\$ 148,611	\$ 153,069	\$ 157,661	\$ 162,391	\$ 167,263
64012 - Half maps/Half audit	\$ 3,050	\$ 3,200	\$ 3,296	\$ 3,395	\$ 3,497	\$ 3,602	\$ 3,710	\$ 3,821	\$ 3,936
64086 - Insurance	\$ 32,516	\$ 37,122	\$ 38,236	\$ 41,295	\$ 44,598	\$ 48,166	\$ 52,019	\$ 56,181	\$ 60,675
64114 - Attorney/Engineer Fee	\$ 375	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	\$ 580	\$ 597	\$ 615
64181 - State Excise Tax	\$ 41,826	\$ 41,069	\$ 42,301	\$ 43,570	\$ 44,877	\$ 46,224	\$ 47,610	\$ 49,039	\$ 50,510
64402 - Maint/Equipment Rentals	\$ 9,787	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911	\$ 14,329	\$ 14,758
64403 - Water Main Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64409 - Refunds/Overpayments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64901 - Alliance Operations	\$ 116,938	\$ 125,064	\$ 128,816	\$ 132,680	\$ 136,661	\$ 140,761	\$ 144,983	\$ 149,333	\$ 153,813
64990 - Maintenance Contracts	\$ 3,239	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 3,690
64999 - AMI Hosting	\$ 754	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 30,747
65010 - Chemicals	\$ 85,783	\$ 83,000	\$ 85,490	\$ 88,055	\$ 90,696	\$ 93,417	\$ 96,220	\$ 99,106	\$ 102,080
65054 - Water Meter	\$ 25,771	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149
65060 - Office Supplies/Expenses	\$ 257	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	\$ 580	\$ 597	\$ 615
65080 - Records/Supplies/Postage	\$ 16,889	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448
65422 - Valves/Hydrants	\$ 16,622	\$ 17,000	\$ 17,510	\$ 18,035	\$ 18,576	\$ 19,134	\$ 19,708	\$ 20,299	\$ 20,908
65980 - Misc. Expenses	\$ 749	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230
65995 - Materials/Supplies/Misc	\$ 13,041	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529
69101 - Transfer Out	\$ 187,750	\$ 331,342	\$ 341,282	\$ 351,521	\$ 362,066	\$ 372,928	\$ 384,116	\$ 395,640	\$ 407,509
<b>Total Expenditures</b>	<b>\$ 716,707</b>	<b>\$ 869,717</b>	<b>\$ 895,809</b>	<b>\$ 924,595</b>	<b>\$ 954,397</b>	<b>\$ 985,259</b>	<b>\$ 1,017,225</b>	<b>\$ 1,050,343</b>	<b>\$ 1,084,662</b>
<b>Net Revenues/Expenditures</b>	<b>\$ 37,148</b>	<b>\$ (21,982)</b>	<b>\$ (1,759)</b>	<b>\$ (47,673)</b>	<b>\$ 2,517</b>	<b>\$ 33,150</b>	<b>\$ 49,627</b>	<b>\$ 67,322</b>	<b>\$ 66,083</b>
<b>Ending Fund Balance</b>	<b>\$ 460,891</b>	<b>\$ 438,909</b>	<b>\$ 437,150</b>	<b>\$ 389,477</b>	<b>\$ 391,994</b>	<b>\$ 425,144</b>	<b>\$ 474,771</b>	<b>\$ 542,093</b>	<b>\$ 608,176</b>
<b>% Reserve Against Operating Expenditures</b>	<b>52.99%</b>	<b>49.00%</b>	<b>47.28%</b>	<b>40.81%</b>	<b>39.79%</b>	<b>41.79%</b>	<b>45.20%</b>	<b>49.98%</b>	
July 1, 2024: 3.0% ; 2025: 10% ; 2026: 10% ; 2027: 7.5% ; 2028: 5.0% ; 2029: 5.0% ; 2030: 3.0%									
LOST TRANSFER - 10%									
With the exception of Insurance 8%, all revenue & cost increase assumptions are 3%									
The City Council should consider the AMI Hosting Fee that is charged by FENIX. \$1.10 per account.									

**EXHIBIT 5  
STORMWATER – NO CHANGE**

740 - Stormwater Fund										
	2022-2023 Actual	2023-2024 Predicted	2024 - 2025 Budget	2025 - 2026 Predicted	2026 - 2027 Predicted	2027 - 2028 Predicted	2028 - 2029 Predicted	2029 - 2030 Predicted	2030 - 2031 Predicted	
451500 - Stormwater Revenue	\$ 142,887	\$ 153,604	\$ 158,212	\$ 162,958	\$ 167,847	\$ 172,882	\$ 178,069	\$ 183,411	\$ 188,913	
458001 - Sales Tax	\$ 1,973	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
459000 - Permit Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
483000 - Transfer in from General Fund	\$ 17,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 162,360</b>	<b>\$ 156,104</b>	<b>\$ 160,712</b>	<b>\$ 165,458</b>	<b>\$ 170,347</b>	<b>\$ 175,382</b>	<b>\$ 180,569</b>	<b>\$ 185,911</b>	<b>\$ 191,413</b>	
64180 - Sales Tax	\$ 1,962	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
65996 - Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
67650 - Stormwater Expense	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	
67655 - Stormsewer Repairs	\$ 33	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	
69151 - Transfer Out	\$ 70,200	\$ 136,873	\$ 305,875	\$ 136,873	\$ 136,873	\$ 136,873	\$ 136,873	\$ 136,873	\$ 136,873	
<b>Total Expenditures</b>	<b>\$ 72,195</b>	<b>\$ 147,373</b>	<b>\$ 316,375</b>	<b>\$ 147,373</b>	<b>\$ 147,373</b>	<b>\$ 147,373</b>	<b>\$ 147,373</b>	<b>\$ 147,373</b>	<b>\$ 147,373</b>	
<b>Net Revenue/Expenditures</b>	<b>\$ 90,165</b>	<b>\$ 8,731</b>	<b>\$ (155,663)</b>	<b>\$ 18,085</b>	<b>\$ 22,974</b>	<b>\$ 28,009</b>	<b>\$ 33,196</b>	<b>\$ 38,538</b>	<b>\$ 44,040</b>	
<b>Ending Fund Balance</b>	<b>\$ 365,052</b>	<b>\$ 373,783</b>	<b>\$ 218,119</b>	<b>\$ 236,204</b>	<b>\$ 259,178</b>	<b>\$ 287,187</b>	<b>\$ 320,383</b>	<b>\$ 358,920</b>	<b>\$ 402,960</b>	
<b>% Reserve Against Operating Expenditures</b>	<b>247.71%</b>	<b>118.15%</b>	<b>148.00%</b>	<b>160.28%</b>	<b>175.87%</b>	<b>194.87%</b>	<b>217.40%</b>	<b>243.55%</b>		
FY2022-2023 & FY2023-2024 +7.5% Rate Increase; All Subsequent Years are +3.0% Increase										
Lost Transfer - 2.5% - F & P Committee and Budget adjusted LOST revenue in Spring 2024										