

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

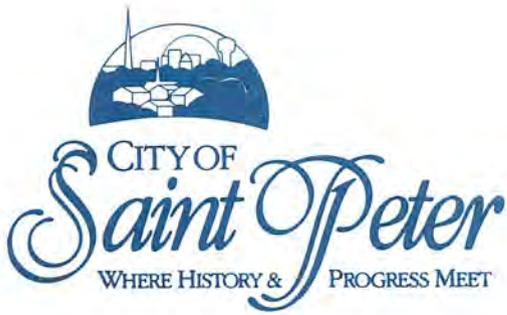
Regular Workshop Session of Monday, April 21, 2014
Library Meeting Room– 5:45 p.m.**
601 South Washington Avenue

- I. CALL TO ORDER
- II. DISCUSSION
 - A. Building Department Presentation
 - B. 2014 Electric Fund Budget
 - C. 2014 Street Maintenance Program
 - D. Others
- III. ADJOURNMENT

****START TIME IS APPROXIMATE...WILL BEGIN
IMMEDIATELY AFTER SPECIAL COUNCIL MEETING WHICH
BEGINS AT 5:30 P.M.****

Office of the City Administrator
Todd Prafke

TP/bal



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 4/17/2014

FROM: Todd Prafke
City Administrator

RE: Building Department Presentation

ACTION/RECOMMENDATION

None needed. For your information only.

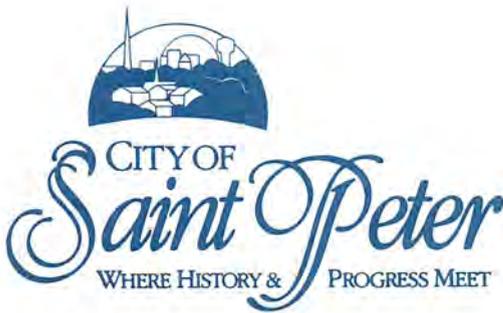
BACKGROUND

Director of Building Dean Busse will provide a presentation on the activities of his department as part of the workshop on Monday evening.

This is the second in a series of presentations that the City's Department Directors will make at the third Monday workshop meeting of the month.

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

TP/bal



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: April 8, 2014

FROM: Todd Prafke Paula O'Connell Lewis Giesking
City Administrator Director of Finance Director of Public Works

RE: 2014 Electric Enterprise Fund Budget

ACTION/RECOMMENDATION

None needed. For your input and discussion only.

BACKGROUND

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

- The last rate increase took place in January 2011. That change was a 4% increase to energy sales. This 2014 budget proposes an increase of \$.0011 to \$.0025 per kilowatt hour (kWh). This increase will result in an increase to reserves of \$75,000 in 2014 and \$151,000 in 2015. Below is our sample of customers and how the increase affects their monthly billing. This table depicts eleven different customers in four separate rate classifications. It also shows the current rate, the projected increase in rate, and the estimated monthly impact to each of these sample customers.

<u>Customer</u>	<u>Current Bill</u>	<u>consumption</u>	<u>current rate/kwh</u>	<u>increase/ kwh</u>	<u>monthly increase</u>
Small Commercial	\$ 107.04	727	\$ 0.1225	\$ 0.0025	\$ 1.78
Residential	\$ 72.49	530	\$ 0.1123	\$ 0.0022	\$ 1.19
Residential	\$ 154.50	1,260	\$ 0.1123	\$ 0.0022	\$ 2.83
Residential	\$ 107.31	840	\$ 0.1123	\$ 0.0022	\$ 1.89
Residential	\$ 170.23	1,400	\$ 0.1123	\$ 0.0022	\$ 3.14
Residential	\$ 109.56	860	\$ 0.1123	\$ 0.0022	\$ 1.93
Large Commercial	\$ 1,240.13	13,160	\$ 0.0731	\$ 0.0015	\$ 19.24
Residential	\$ 74.74	550	\$ 0.1123	\$ 0.0022	\$ 1.24
Residential	\$ 125.29	1,000	\$ 0.1123	\$ 0.0022	\$ 2.25
Large Commercial	\$ 5,240.30	48,400	\$ 0.0731	\$ 0.0015	\$ 70.76
Industrial	\$31,434.86	296,100	\$ 0.0573	\$ 0.0011	\$ 339.33

- Current residential rates are \$9.95 base charge, \$3.00 transmission charge and \$.1123 per kilowatt hour charge.
- The load control rebate is proposed to remain at \$4.00/month credit. This credit is given to our load control customers for five months of the year. Load control helps reduce peak demand by cycling air conditioning units. In the past, we have discussed the removal of this credit due to changes in eligibility for the Conservation Incentive Program (CIP). Currently our load control credit is 100% eligible towards the CIP.
- The current CIP requirements are part of the Next Generation Energy Act that was passed into law in 2007. The energy **savings** requirement is 1.5% of the utility's 3-year average kWh sales from four years previous. The **spending** requirement is 1.5% of the utility's gross operating revenue (GOR) from two years previous. The **low-income spending** requirement is 0.2% of the residential gross operating revenue from two years previous.

The 2014 requirements will be based on:

- ✓ 20010-12 average sales for the 1.5% energy savings goal
- ✓ 2012 total GOR for the 1.5% spending requirement
- ✓ 2012 residential GOR to calculate the % Low Income spending

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

- It should be noted that fuel for the Broadway Generation Plant (power production) is reimbursed by SMMPA. City staff exercises the generation plant monthly and, in addition, SMMPA calls on the City to operate the plant as necessary during peak electrical usage on the transmission system.
- Capital purchases of \$1,286,300 are funded from reserves. Approval of the budget does not allow for the purchase of large items without additional City Council approval. Budgeted items over \$7,500 will be presented to the Council for final approval of purchase, as per your purchase policy.

\$ 45,000.00	Planning for Front Street substation improvements for 2015
\$ 50,000.00	Planning for Front Street substation transformer replacement (Depends on failure)
\$113,550.00	Closeout Sunrise substation
\$ 13,000.00	Distribution line - Broadway Substation to Traverse Road (Nicollet Avenue)
\$ 32,000.00	Distribution line - Traverse road to the sunrise substation (Nicollet Avenue)
\$330,000.00	5 new sealed underground switch boxes - Nicollet Avenue (out for bids)
\$ 65,000.00	Replacement underground switch (Catholic Church problem and out for bids)
\$ 40,000.00	Replace 1970 underground distribution wire

\$450,000.00	Install catalytic converters at Broadway generation plant (Project near completion)
\$ 8,000.00	Roof replacement
\$ 29,000.00	Parapet repairs on the Front Street substation equipment room
\$ 15,000.00	10 Traditionaire streetlights at Jefferson Avenue (carryover from 2013)
\$ 56,100.00	22 Black Commercial Streetlights on North Third Street and Old Minnesota Avenue –Union Street to St. Julien Street
\$ 26,000.00	32 LED Traditionaire lights on Washington Avenue Link Project (reuse 21 poles)
\$ 7,650.00	3 Black Commercial LED Lights at Old Minnesota and Union Street
\$ 6,000.00	New line monitor (recorder)

- 6.5% of sales will be transferred to the General Fund.

Current Debt issues: \$1,174,232

- ✓ EDA Public Project Revenue Bond – 2000 (Downtown streetlights)
2014 Debt Service \$67,048; remaining debt \$0; Final payment 2014
- ✓ Electric Revenue Bond – 2004D
2014 Debt Service \$171,554; remaining debt \$335,000; Final payment 2016
- ✓ Electric Revenue Refunding Bond – 2006B (Generation Plant)
2014 Debt Service \$362,597; remaining debt \$3,660,000; Final payment 2027
- ✓ Electric Revenue Refunding Bond – 2006C
2014 Debt Service \$180,400; remaining debt \$685,000; Final payment 2018
- ✓ Taxable Revenue Bond – 2010C (Substation and Transmission)
2014 Debt Service \$392,633; remaining debt \$4,090,000; Final payment 2031

The 2014 projected unrestricted reserve of \$147,638 does not meet our targeted amount of \$1,200,000. The reserve target has been set based on a risk analysis and projections in an effort to cover emergency repairs. Due to the use of reserves for the 2014 capital purchases, it will take a few years to attain our targeted balance of reserves.

Other Considerations:

The goal of this rate change is to moderate your overall trend line and your operational deficit for the 2014 year. As you review the budget spreadsheet information you will see a downward trend in that line and we believe that this change is the best way and time to start to reverse that trend. While capital improvements come and go and your level of debt is remaining relatively steady, it is not prudent to allow an operational negative trend line to continue.

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

You have continued to invest in improved redundancy, dramatically reducing outages and

meeting mandates. Those investments have had an impact on our overall budget and rate needs.

Consideration of smaller transfers to the General Fund may likewise mean an increase to our annual tax levy. A decrease in the transfer of \$100,000 and a corresponding increase of \$100,000 to our tax levy, would mean that a \$250,000 valued home would pay an additional \$62.89 in taxes, based on the 2014 valuation. This issue is not just a numbers or money issue; rather it is a philosophical issue related to how you raise funding from both property tax payers and the large number of non-property tax payers within your community.

This budget and proposed rate changes do nothing to change any potential disparities in rates and costs among the various rate classifications within your overall system.

Discussion from SMMPA has indicated a possible 2% cost increase in purchased power in 2015 and 2016; therefore, rate changes may also need to be addressed in next year's budget to cover changes in wholesale power costs which have been flat for the last few years.

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

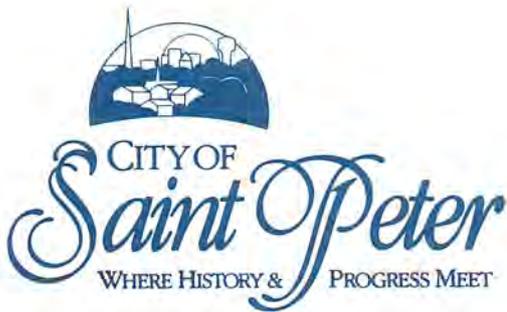
TP/PO/LGG

		ELECTRIC FUND						2015	
		Electric Revenues						Proposed	
		2011	2012	2013	2014	2014	2015		
		Actual	Actual	Actual	Budget	Projected	Budget		
604	37410	Residential Electric Sales	3,689,599	3,667,411	3,661,278	3,769,341	3,769,341	3,919,726	
604	37415	less: Load Management Credit	(34,961)	(35,228)	(35,111)	(35,100)	(35,100)	(35,100)	
604	37416	less: Load Mgmt Credit-Sm Comm	(960)	(931)	(822)	(930)	(930)	(930)	
604	37417	less: Load Mgmt Credit-Lg Comm	(2,296)	(2,320)	(1,028)	(1,100)	(1,100)	(1,100)	
604	37419	Water Heating	660	1,056	992	1,060	1,060	1,067	
604	37420	Small Commercial Electric	334,411	296,398	320,274	305,000	305,000	307,135	
604	37421	Large Commercial Electric	3,094,840	2,924,586	2,967,949	2,967,000	2,967,000	2,987,769	
604	37422	Large Commercial Electric Heat Sales	45,597	42,623	45,039	45,000	45,000	45,315	
604	37423	Industrial Electric Sales	1,927,759	1,770,897	1,994,009	1,995,000	1,995,000	2,008,965	
604	37424	Economic Development Incentive	0	0	0	0	0	0	
604	37425	Large Commercial Peak Alert	0	0	0	0	0	0	
604	37426	Large Commercial Interruptible	42,801	19,556	32,810	35,000	35,000	35,245	
604	37427	Industrial Interruptible	111,342	111,008	107,904	108,000	108,000	108,756	
604	37430	Streetlights	92,681	97,110	90,690	91,000	91,000	91,637	
604	37431	Security Lights	0	0	0	0	0	0	
604	37432	Sirens	288	288	288	288	288	290	
604	37435	Customer Generation	(213)	(251)	(2,285)	(2,285)	(2,285)	(2,285)	
604	37440	Non Utility City - Small	4,818	5,407	5,349	5,300	5,300	5,337	
604	37441	Inter City - Small	2,577	3,513	5,215	3,500	3,500	3,525	
604	37442	Non Utility City - Large	52,686	50,289	54,284	54,300	54,300	54,680	
604	37443	Inter City - Large	44,404	42,755	48,168	48,000	48,000	48,336	
604	37444	Non-Utility- Large Comm./Interruptible	109,755	112,855	113,595	114,000	114,000	114,798	
604	37445	Inter-City - Large Comm./Interruptible	122,324	124,356	127,000	127,000	127,000	127,889	
604	37446	Non-Utility Lg. Comm./Elec. Heat	6,648	5,926	5,970	6,000	6,000	6,042	
604	37447	Inter-City - Industrial	294,148	314,051	190,077	200,000	200,000	201,400	
604	37448	Renewable Energy/Wind Power	62	185	200	200	200	201	
604	37449	Inter City Lg. Industrial Interruptible	224,984	229,636	239,004	235,000	235,000	236,645	
		Sub-Total: Electric Sales	10,163,954	9,781,176	9,970,849	10,070,574	10,070,574	10,265,343	
604	36220	Pole Rentals	0	0	0	0	0	0	
604	37450	Connection Fees	0	100	0	0	0	0	
604	37455	Electric Access Charge	3,900	11,500	27,000	15,000	15,000	12,000	
604	37460	Penalty Revenues	71,982	66,706	65,508	66,000	66,000	65,000	
604	37470	Miscellaneous	546,549	247,176	145,540	120,000	120,000	60,000	
604	36250	Refund & Reimbursements	0	0	0	0	0	0	
		Sub-Total: Other Operating Rev.	622,431	325,482	238,048	201,000	201,000	137,000	
604	33422	Other State Grants	145,860	1,408	1,408	1,408	1,408	1,408	
604	36101	Special Assessments	1,983	0	0	0	0	0	
604	36112	Loan Interest Earned	6,289	5,218	3,936	3,000	3,000	4,000	
604	36210	Interest Earned	62,952	30,503	18,761	20,000	20,000	25,000	
604	39101	Sale of Fixed Assets	18,750	2,345	11,923	0	0	0	
604	39200	Transfers from other Funds	0	0	0	0	0	0	
604	37471	smmpa reimbursement for gen fuel	140,198	209,932	71,116	82,000	82,000	180,000	
604	37480	Excess Equity Dividend	0	0	0	0	0	0	
604	37484	SMMPA Generation Contract	432,000	432,000	432,000	432,000	432,000	432,000	
		Sub-Total: Non-Operating Revenues	808,032	681,406	539,144	538,408	538,408	642,408	
		TOTAL OPERATING REVENUES	10,786,385	10,106,658	10,208,897	10,271,574	10,271,574	10,402,343	
		TOTAL REVENUES	11,594,417	10,788,064	10,748,041	10,809,982	10,809,982	11,044,751	

			Electric Expenditures						
			2011	2012	2013	2014	2014	2015	
			Actual	Actual	Actual	Budget	Projected	Proposed	
			Power Production						
604	49550	100	Wages	11,667	12,316	14,767	12,306	12,306	12,429
604	49550	102	Overtime	948	1,845	1,591	366	366	370
604	49550	121	PERA	911	1,020	1,184	919	919	928
604	49550	122	FICA	764	853	973	786	786	794
604	49550	126	Medicare	179	200	228	184	184	186
604	49550	131	Health Insurance	1,985	3,112	2,791	2,625	2,625	2,651
604	49550	132	Dental Insurance	304	159	346	166	166	154
604	49550	133	Life Insurance	4	6	6	5	5	5
604	49550	151	Worker's Compensation	321	325	313	430	430	444
604	49550	210	Operating Supplies	1,833	1,880	298	0	0	0
604	49550	211	Motor Fuels	140,198	209,965	71,116	82,000	82,000	180,000
604	49550	220	Repair and Maintenance Supplies	321	0	0	0	0	0
604	49550	300	Professional Services	0	3,170	7,542	10,000	10,000	5,000
604	49550	360	Insurance	27,677	28,338	32,426	40,000	40,000	40,000
604	49550	380	Utilities	39,406	34,978	37,777	38,000	38,000	38,000
604	49550	401	Repair & Maint. - Buildings	4,202	102	1,032	1,000	1,000	4,000
604	49550	404	Repair & Maint. - Equipment	49,230	59,582	56,799	40,000	40,000	80,000
604	49550	430	Miscellaneous	0	0	0	0	0	0
			Sub-Total: Power Production	279,950	357,851	229,189	228,787	228,787	364,961
			Power Supply						
604	49560	381	Purchased Power (paid to SMMPA)	7,221,284	7,357,680	7,276,105	7,276,200	7,276,200	7,400,000
			Sub-Total: Power Supply	7,221,284	7,357,680	7,276,105	7,276,200	7,276,200	7,400,000
			Power Distribution System						
604	49570	100	Wages	190,362	213,197	247,657	297,653	297,653	300,630
604	49570	102	Overtime	13,829	24,249	13,726	8,563	8,563	8,649
604	49570	121	PERA	20,718	22,046	21,786	22,201	22,201	22,423
604	49570	122	FICA	17,452	18,593	18,303	18,985	18,985	19,175
604	49570	126	Medicare	4,081	4,348	4,281	4,440	4,440	4,484
604	49570	131	Health Insurance	52,996	49,515	52,622	57,832	57,832	58,410
604	49570	132	Dental Insurance	5,195	3,787	4,148	3,984	3,984	3,704
604	49570	133	Life Insurance	110	105	112	115	115	109
604	49570	151	Worker's Compensation	7,652	7,826	7,500	10,384	10,384	10,628
604	49570	210	Operating Supplies	27,198	38,498	25,610	28,000	28,000	32,000
604	49570	211	Motor Fuels	11,187	11,215	10,670	11,000	11,000	10,000
604	49570	220	Repair and Maintenance Supplies	1,635	325	517	1,000	1,000	1,000
604	49570	300	Professional Services	61,076	13,524	7,345	10,000	10,000	5,000
604	49570	310	Contractual Labor	0	0	0	0	0	0
604	49570	360	Insurance	10,247	10,232	15,146	19,000	19,000	19,000
604	49570	380	Utilities	5,268	10,841	11,324	11,000	11,000	10,000
604	49570	401	Repair & Maint. - Buildings	0	0	750	1,000	1,000	1,020
604	49570	402	Repair & Maint. - Substations	19,959	2,780	139	5,000	5,000	5,000
604	49570	404	Repair & Maint. - Equipment	9,937	10,082	10,360	10,000	10,000	5,000
604	49570	405	Repair & Maint. - Underground Lines	29,003	19,203	58,540	30,000	30,000	22,000
604	49570	406	Repair & Maint. - Overhead Lines	0	0	0	0	0	0
604	49570	407	Repair & Maint. - Meters	289	2,468	1,807	10,000	10,000	4,000
604	49570	408	Repair & Maint. - Transformers	2,438	871	(5,312)	2,000	2,000	1,000
604	49570	409	Repair & Maint. - Streetlights	13,610	23,754	29,430	20,000	20,000	12,000
604	49570	410	Repair & Maint. - SCADA & Load Mgt.	14,529	23,672	16,425	18,000	18,000	10,000
604	49570	415	Equipment Rental	1,578	2,406	0	2,000	2,000	2,000
604	49570	430	Miscellaneous	0	0	0	0	0	0
			Sub-Total: Power Distribution	520,349	513,537	552,886	602,157	602,157	567,232

			2011	2012	2013	2014	2014	2015	
			Actual	Actual	Actual	Budget	Projected	Proposed	
								Budget	
			Administrative and General						
604	49580	100	Wages	185,691	189,578	191,881	198,956	198,956	200,946
604	49580	102	Overtime	438	732	930	1,058	1,058	1,069
604	49580	112	Car Allowance	2,160	2,160	1,215	0	0	0
604	49580	121	PERA	13,381	13,662	13,687	14,462	14,462	14,607
604	49580	122	FICA	10,881	11,099	11,125	12,401	12,401	12,525
604	49580	126	Medicare	2,545	2,596	2,602	2,900	2,900	2,929
604	49580	131	Health Insurance	48,961	47,854	49,203	56,656	56,656	57,223
604	49580	132	Dental Insurance	2,727	4,393	3,662	3,007	3,007	2,796
604	49580	133	Life Insurance	80	76	82	87	87	83
604	49580	151	Worker's Compensation	1,888	1,920	1,825	2,323	2,323	2,586
604	49580	200	Office Supplies	8,185	7,693	6,226	5,700	5,700	5,700
604	49580	205	Misc. Employee Expenses	14,139	13,351	12,780	26,895	26,895	15,000
604	49580	210	Operating Supplies	804	726	693	5,000	5,000	1,000
604	49580	211	Motor Fuels	14	0	0	0	0	0
604	49580	220	Repair & Maint. Supplies	2,959	7,121	2,603	3,000	3,000	3,000
604	49580	300	Professional Services	18,887	15,756	10,986	28,000	28,000	28,000
604	49580	310	Contract Labor	0	0	0	0	0	0
604	49580	321	Telephone	4,276	4,066	3,852	4,300	4,300	4,300
604	49580	322	Postage	224	134	185	200	200	200
604	49580	331	Travel & Training	18,005	23,734	22,432	12,500	12,500	15,000
604	49580	340	Advertising	0	0	0	0	0	0
604	49580	351	Legal Notices & Publications	6	0	0	100	100	100
604	49580	354	Printing & Binding	0	0	0	0	0	0
604	49580	360	Insurance	14,515	12,806	5,016	22,000	22,000	22,000
604	49580	380	Utilities	8,053	7,082	8,235	9,000	9,000	9,000
604	49580	401	Repair & Maint. - Buildings	3,194	2,857	3,529	5,000	5,000	4,000
604	49580	404	Repair & Maint. - Equipment	7,318	5,854	9,264	3,500	3,500	4,500
604	49580	430	Miscellaneous	72	0	0	0	0	0
604	49580	433	Dues and Subscriptions	26,662	25,986	27,420	26,100	26,100	26,100
			Sub-Total: Administration	396,065	401,236	389,433	443,145	443,145	432,662
			Customer Accounts						
604	49585	100	Wages	67,203	80,687	66,770	66,381	66,381	67,045
604	49585	102	Overtime	590	979	29	1,896	1,896	1,915
604	49585	121	PERA	4,854	4,782	4,740	4,950	4,950	5,000
604	49585	122	FICA	3,934	4,047	3,870	4,233	4,233	4,275
604	49585	126	Medicare	920	946	905	990	990	1,000
604	49585	131	Health Insurance	20,073	18,817	21,072	21,448	21,448	21,662
604	49585	132	Dental Insurance	1,251	966	1,427	996	996	926
604	49585	133	Life Insurance	27	27	30	29	29	27
604	49585	151	Worker's Compensation	387	398	378	430	430	535
604	49585	200	Office Supplies	438	1,433	1,845	1,500	1,500	1,500
604	49585	205	Misc. Employee Expenses	0	0	0	0	0	0
604	49585	211	Motor Fuels	454	407	650	288	288	425
604	49585	300	Professional Services	4,265	2,822	2,851	3,500	3,500	3,500
604	49585	322	Postage	5,174	5,262	5,354	4,750	4,750	5,300
604	49585	331	Travel & Training	0	0	13	50	50	50
604	49585	354	Printing & Binding	3,193	3,737	3,109	3,000	3,000	3,500
604	49585	360	Insurance	652	552	1,376	1,200	1,200	1,200
604	49585	404	Repair & Maint. - Equipment	1,353	1,772	3,291	2,100	2,100	2,100
604	49585	430	Miscellaneous	338	116	235	1,800	1,800	200
604	49585	433	Dues and Subscriptions	0	0	0	0	0	0
604	49585	904	Bad Debt Expense	(1,861)	40,523	11,717	10,000	10,000	10,000
			Sub-Total: Customer Accounts	113,245	168,273	129,662	129,541	129,541	130,160
			Operating Expenses	8,530,893	8,798,577	8,577,275	8,679,830	8,679,830	8,895,015
			Operating Income (loss):	2,255,492	1,308,081	1,631,622	1,591,744	1,591,744	1,507,329
			Depreciation						
604	49970	420	Depreciation	799,871	839,876	850,000	850,000	850,000	840,000
			Interest Payments						
604	49980	611	Bond Interest Payments	499,763	474,241	446,828	419,232	419,232	446,828
			Transfers						
604	49990	720	Operating Transfer - Cash to General	686,259	669,647	676,343	654,587	654,587	667,247
604	49990	722	Contributed Utility Services	251,414	254,818	253,957	254,000	254,000	255,000
			Sub-Total: Transfers & Contributions	937,673	924,465	930,300	908,587	908,587	922,247
			Other Expenditures	2,237,307	2,238,582	2,227,128	2,177,819	2,177,819	2,209,075
			NET INCOME (Loss):	826,217	(249,095)	(56,362)	(47,668)	(47,668)	(59,339)

Capital - Distribution System									
604	48410	100	Wages	83,336	68,682	43,989	0	0	0
604	48410	300	Professional/Engineering Services	53,295	38,221	36,939	95,000	95,000	15,000
604	48410	510	Land Acquisition	0	0	0	0	0	0
604	48410	520	Building/Structural Improvements	740,435	431,310	(22,684)	37,000	37,000	0
604	48410	532	Utility Infrastructure	1,152,285	246,888	186,527	1,043,550	1,043,550	400,000
604	48410	540	Heavy Machinery	0	0	0	0	0	0
604	48410	550	Motor Vehicles	0	0	0	0	0	0
604	48410	580	Other Equipment	0	0	224,910	6,000	6,000	0
				2,029,351	785,101	469,681	1,181,550	1,181,550	415,000
Capital - General Plant									
604	48420	520	Building/Structural Improvements	0	0	0	0	0	0
604	48420	536	Streetlights	261,547	74,345	8,058	104,750	104,750	0
604	48420	540	Heavy Machinery	0	0	0	0	0	0
604	48420	550	Motor Vehicles	0	0	5,451	0	0	0
604	48420	580	Other Equipment	24,135	14,040	8,463	0	0	0
				285,682	88,385	21,972	104,750	104,750	0
Bond Principal Payments									
			Principal Payments on Bonds	500,000	525,000	725,000	755,000	755,000	720,000
ELECTRIC FUND									
Statement of Sources and Applications of Cash									
				2011	2012	2013	2014	2014	2015
				Actual	Actual	Actual	Budget	Projected	Proposed
									Budget
Sources of Cash:									
			Net Income (loss)	\$826,217	(\$249,095)	(\$56,362)	(\$47,668)	(\$47,668)	(\$59,339)
			Add depreciation	799,871	839,876	850,000	850,000	850,000	840,000
			Total	1,626,088	590,781	793,638	802,332	802,332	780,661
Application of cash:									
			Purchase of fixed assets	(2,315,033)	(873,486)	(491,653)	(1,286,300)	(1,286,300)	(415,000)
			Change in assets and liabilities	(192,829)	257,532	100,000	0	0	0
			Proceeds received	0	0	0	0	0	0
			Principal payments of long-term debt	(500,000)	(525,000)	(725,000)	(755,000)	(755,000)	(720,000)
			Capital contributed by other sources	0	0	0	0	0	0
			Total	(3,007,862)	(1,140,954)	(1,116,653)	(2,041,300)	(2,041,300)	(1,135,000)
			Net increase (decrease) in cash	(1,381,774)	(550,173)	(323,015)	(1,238,968)	(1,238,968)	(354,339)
			Cash - January 1	4,702,996	3,321,222	2,771,049	2,448,034	2,448,034	1,209,066
			Required Bond Reserve	\$1,061,428	\$1,061,428	\$1,061,428	\$1,061,428	\$1,061,428	\$1,061,428
			Unrestricted Cash - December 31	\$2,259,794	\$1,709,621	\$1,386,606	\$147,638	\$147,638	(\$206,700)



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 04/18/14

FROM: Todd Prafke Lewis Giesking
City Administrator Director of Public Works

RE: 2014 Street Maintenance Program

ACTION/RECOMMENDATION

None needed. For your discussion only.

BACKGROUND

Staff is proposing the following work plan for the street maintenance program for 2014. It is the basic maintenance program which has been adjusted based on the conditions of the streets with one slight modification. That addition is a ditch trail placement on Traverse Road west of Sunrise Drive.

The street maintenance program normally consists of crack sealing, full depth asphalt patching, seal coating, curb and gutter and sidewalk repairs, and replacement of some handicapped ramps with truncated domes in the downtown area. Smaller amounts of funding are allocated for salt for winter use, paint for the markings on the pavement, gravel for patching, and asphalt mix for winter patching of potholes. The budget remains flexible year-to-year to allow staff to address the immediate maintenance needs identified in the spring of the year. As Councilmembers may note, this very challenging winter has been hard on your street system.

The cost for asphalt has increased about 5% from last year and has doubled in cost since the year 2005. The streets maintenance budget has increased by 40% since 2005. Allocations for funding sources as set in the 2014 budget are as follows:

Streets Budget	\$412,000
Parks Budget	<u>\$ 5,000</u>
Overall Total	\$417,000

The 2014 Plan:

- Staff has replaced all regulatory, warning and information signs within the community with the new DG3 reflective signs and we are in year two of a ten year program for replacement of the street name plates with the new standard nine inch high DG3 reflective signs. (The signs that are currently used are six inch). \$3,500 has been allocated in the 2014 budget to continue this process.

- Full-depth asphalt patching will be done primarily on the proposed seal coat route but also city-wide.
- It is also proposed to complete the waterway in the parking lot at Jefferson Fields by adding asphalt. The parking lot surfacing was breaking up due to standing water and a concrete spillway and some asphalt were installed last fall.
- The extended severe cold temperatures of this past winter have increased the number of cracks that have appeared in our asphalt streets. Crack sealing is the first line of defense to keep water from getting under the asphalt. The crack sealing program proposed for 2014 is illustrated on the attached map. An example of what happens when asphalt is not sealed in a timely manner can be seen on the road surface in Nichols Court as it starts "alligator" cracking. All three of these processes, seal coating, full depth patching and crack sealing, are important in meeting the goal of keeping the road surface water tight. Please refer to the attached 2014 Crack Seal map for details.
- It is proposed to seal the surface of all of the asphalt trails in the community as this was last done five years ago and severe winter temperatures have also impacted the trails. Crack sealing would be done first and \$5,000 was budgeted in the parks budget for this work. In addition, an asphalt emulsion will be applied to the surface of all the trails at an estimated cost of \$20,000 to be funded from the street maintenance budget. This emulsion helps keep the surface water tight and creates a smooth finish which is better for skating and walking.
- The proposed route for seal coating is shown on the attached map and includes approximately 90 blocks. In 2013, 114 blocks were completed. Please refer to the 2014 Seal Coat map for route details.
- Staff continues to monitor and evaluate new products that may preserve asphalt streets while extending the time period for re-doing the asphalt preservation. Our maintenance program has been based on resealing asphalt streets every five years, which our experience shows is the optimal period for maintaining a watertight surface. As newer products are developed, staff hopes to stretch the current five year plan to eight years before a street has to be resealed. Currently, the program is resealing streets on a 6-7 year cycle which is effective due to the full depth patching and crack filling that is done each year.
- The sidewalk program will be concentrated in the west side of the 100-300 blocks of South Third Street with new sidewalks, handicap ramps, driveway removals and truncated domes as well as the addition of replacement curb that has been identified by City staff. It is proposed to provide funding to install two blocks of sidewalk to complete the connecting link at an estimated cost of \$20,246. It is also proposed to provide an in-ditch trail on Traverse Road from Sunrise to the sidewalk at Edgerton Street.

Details on the budget for the 2014 plan are as follows:

Item	Optimal Funding*		Budgeted Funding		Proposed Program	
	Quantity	Cost	Quantity	Cost	Quantity	Cost
Winter Salt	250 tons	\$24,000	250 tons	\$24,000	325 tons	\$26,000
Cold Mix	10 tons	\$1,000	10 tons	\$1,000		\$1,500
Gravel	70 tons	\$1,500	22 tons	\$1,000		\$1,500
Stone Only	3,000 tons	\$54,000	2,000 tons	\$44,000	1,500 tons	\$0
Stone Delivery	3,000 tons	\$9,600	0	\$0	1,500 tons	\$0
Seal Coat	178 blks	\$222,000	102 blks	\$137,000	90 blks	\$121,000
Crosswalk Paint		\$6,000		\$6,000		\$3,000
Asphalt Full Depth Patch	2,500 tons	\$125,000	1,900 tons	\$130,000	2,200 tons	\$130,000
Crack Sealing	28,000 lbs	\$56,000	20,000 lbs	\$40,000	32,500 lbs	\$65,000
Alley Entrance Replacement		\$20,000		\$0		\$0
S.3 rd St. Sidewalk, Curb & Handicap		\$25,000		\$20,000		\$20,000
Stormwater Permits		\$6,000		\$4,000		\$4,000
Weed Spray		\$2,500		\$1,500		\$1,500
Sign Replacement Program		\$10,000		\$3,500		\$3,500
Traverse Rd. Trail				\$0		\$20,000
Trail System CRS-2PD emulsion						\$20,000
Total		\$562,600		\$412,000		\$417,000

*Optimal funding is the amount needed to keep up with our best maintenance needs practices.

Councilmembers should note that this is a plan and when it is brought to you we ask for approval of the overall plan. You should also know that application rates, conditional changes, pricing changes, and/or even physical changes in the road surface can all change as the work is being done. This can result in small changes to quantities, the number of blocks covered, the number of cracks sealed and the like. Approval of the plan means generalized approval and budget approval and while we endeavor to follow the approved plan, slight changes in the actual work completed do sometimes take place. Major changes or elimination of entire work categories would come back to the Council prior to modification.

Looking ahead to 15, 16 and beyond:

We still continue to review opportunities and timing for activities that have been discussed by the Council previously. Two of those discussion points have been:

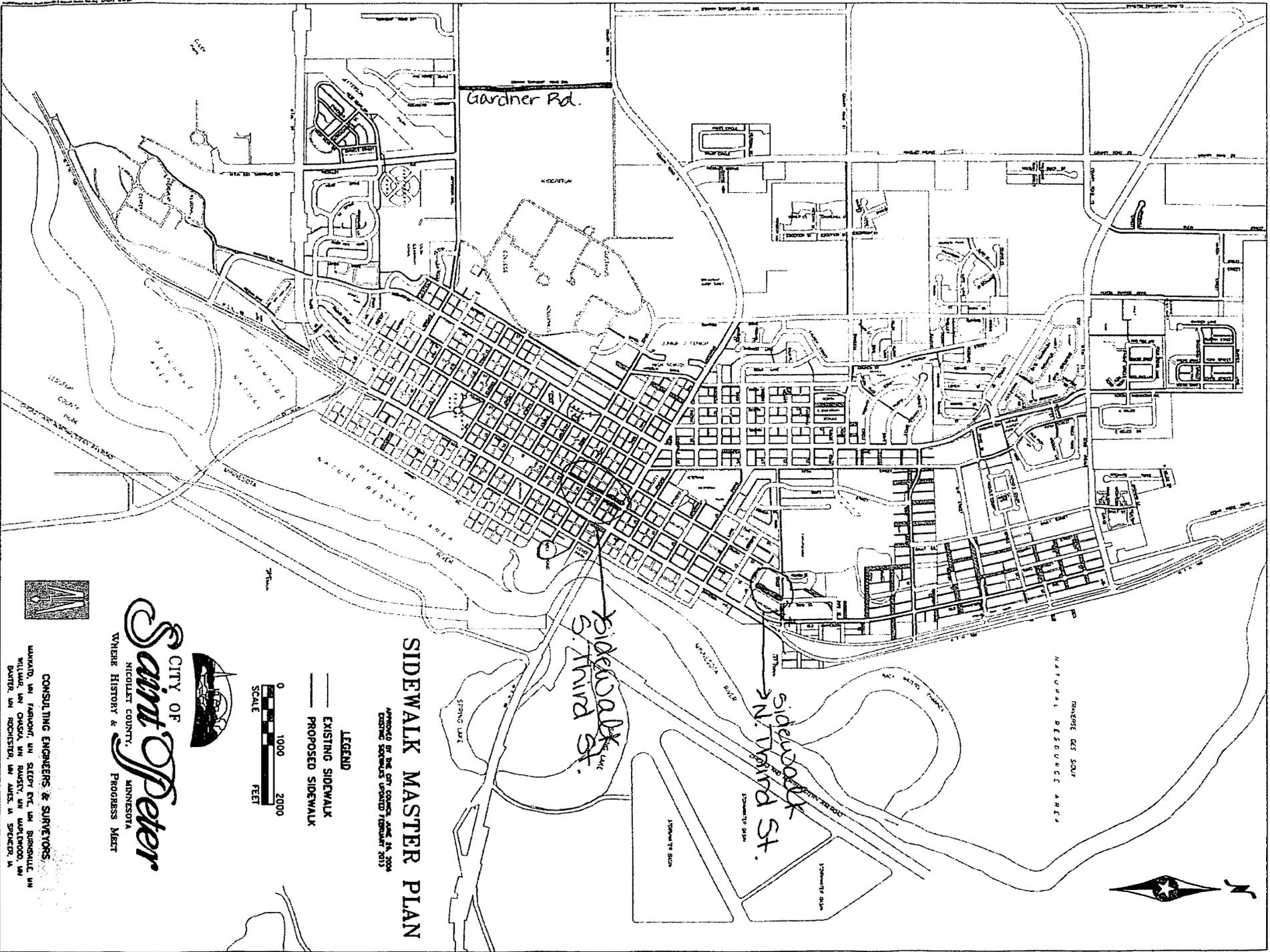
- Sidewalk on North Third Street to complete a sidewalk connection from the north end development to the downtown along the west side of North Third Street. Sidewalk was installed on the west side of North Third Street north of Union Street and sidewalk currently is in place from Ramsey Street to the downtown on the west side of North Third Street.
- Long term plan for Gardner Road. Gardner Road is currently the responsibility of the Township although a substantial amount of the traffic is citizens of Saint Peter. The road right-of-way would need to be annexed and we are positioned to do that. Our Streets Crew could complete installation of an asphalt surface, without curb and gutter, at a cost of about \$100,000. In the long term, Gardner Road could be included in the City's Municipal State Aid (MSA) mileage, but there is currently not enough mileage allocation to cover the entire length. As discussed, we may also consider an Area Transportation Plan (ATP) grant application for this in the near future.

Although the Council increased the street maintenance budget this year by about \$42,000, we are still not at our optimal funding level and frankly, we don't think many other communities in Minnesota are fully funded either. That optimal funding level may be continued to be a non-attainable goal for a number of years to come.

As part of the April 28th regular Council meeting, action will be proposed for approval of the 2014 maintenance program. Maintenance Superintendent Tim Mayo assisted with this memo.

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

TP/LGG/amg

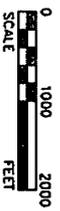


15

SIDEWALK MASTER PLAN

APPROVED BY THE CITY COUNCIL, AUGUST 24, 2004
 DESIGN SOLUTIONS UPONED FEBRUARY 2011

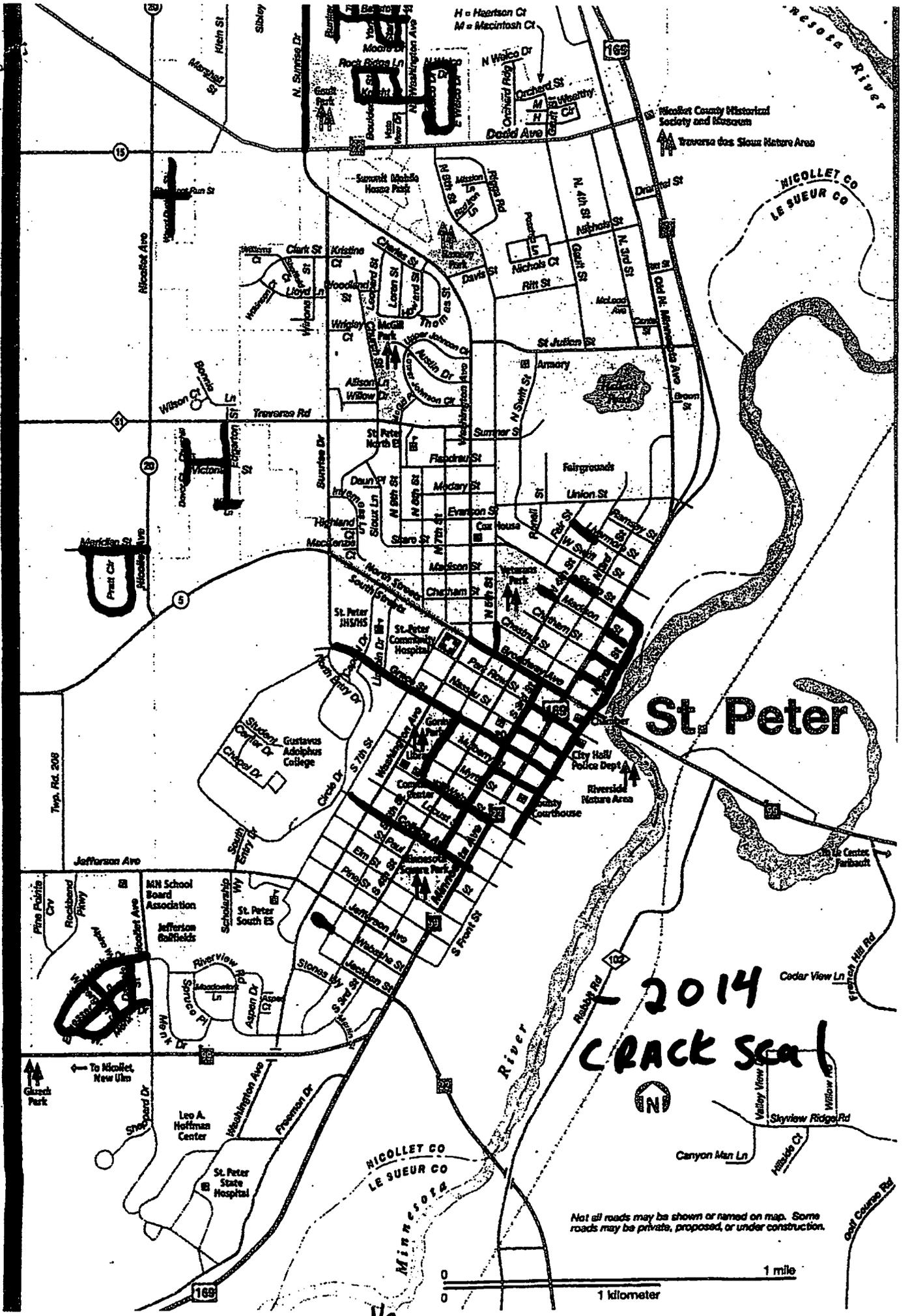
- LEGEND**
- EXISTING SIDEWALK
 - PROPOSED SIDEWALK



CITY OF
Saint Peter
 WHERE HISTORY & PROGRESS MEET
 NICOLLET COUNTY, MINNESOTA



CONSULTING ENGINEERS & SURVEYORS
 MARSHALL, MN; FARFORTH, MN; STEPHY, INC., MN; BARNHART, MN;
 WILKING, MN; CHASEY, MN; PASTER, MN; WATSONWOOD, MN;
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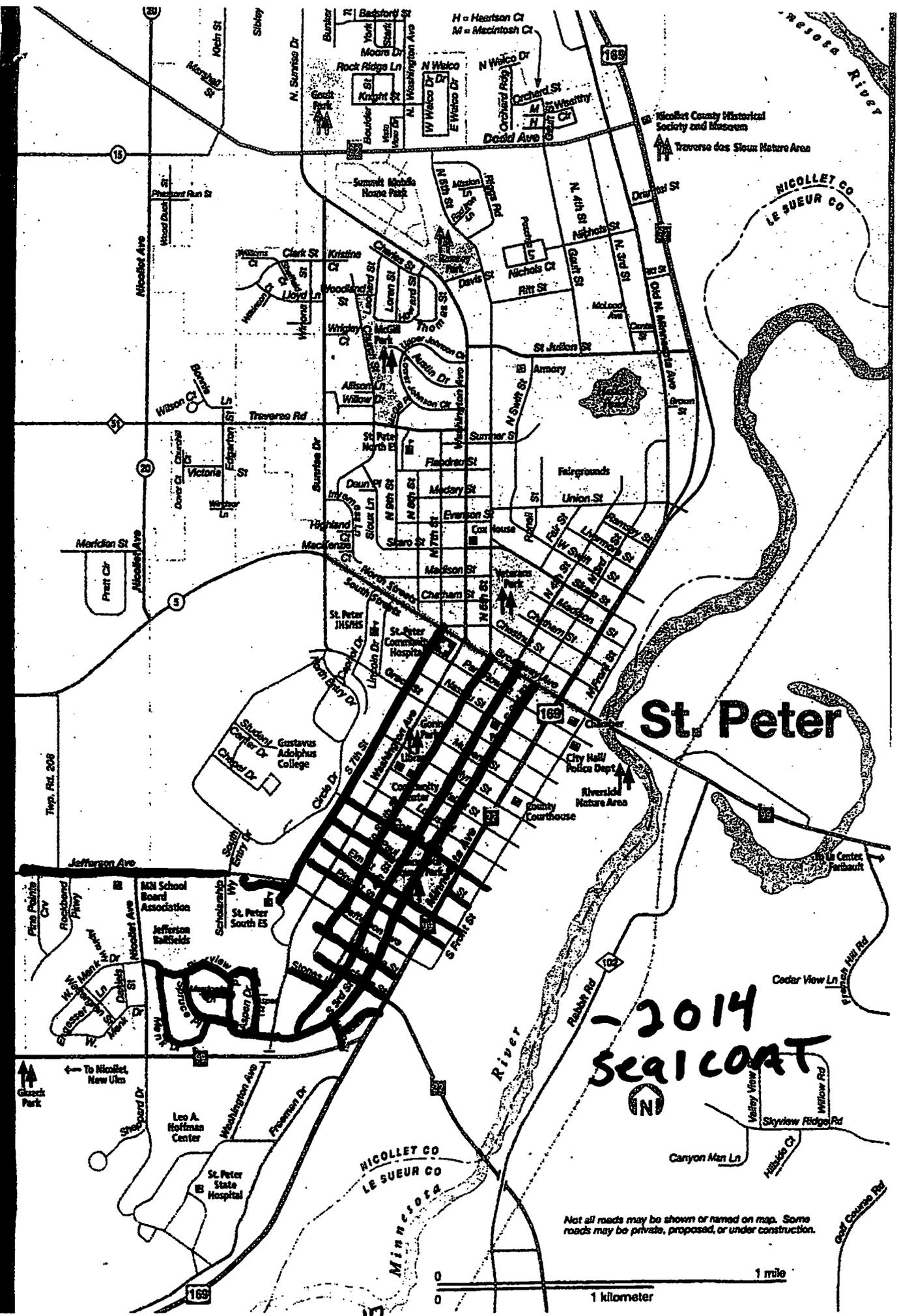
St. Peter

2014
CRACK SEAL

Not all roads may be shown or named on map. Some roads may be private, proposed, or under construction.



← To Nicollet
New Ulm



St. Peter

**- 2014
SEALCOAT**



Not all roads may be shown or named on map. Some roads may be private, proposed, or under construction.



← To Nicollet, New Ulm

