

**CITY OF HASTINGS
CITY COUNCIL AGENDA**

Monday, September 18, 2023

7:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. ROLL CALL**
- IV. DETERMINATION OF QUORUM**

Recognition of City's AA+ Bond Rating

- V. APPROVAL OF MINUTES**

Approve Minutes of the City Council workshop and regular meeting on September 5, 2023.

- VI. COMMENTS FROM THE AUDIENCE**

Comments from the audience may include remarks about items listed on the Consent Agenda.

- VII. COUNCIL ITEMS TO BE CONSIDERED**

- VIII. CONSENT AGENDA**

The items on the Consent Agenda are items of routine nature or no perceived controversy to be acted upon by the City Council in a single motion. There will be no discussion on these items unless a Councilmember so requests, in which event the items will be removed from the Consent Agenda to the appropriate Department for discussion.

- 1. Pay Bills as Audited
- 2. Resolution: Accept Donation to the Parks and Recreation Department from Fluegel's Lawn, Garden & Pet Supply
- 3. Authorize Signature: Services Agreement Amendment with ImageTrend, LLC
- 4. Approve Pay Estimate No. 4 for 2023 Neighborhood Infrastructure Improvements – BCM Construction, Inc. (\$727,020.70)
- 5. Resolution: Imposing Sanctions Upon Retail Intoxicating Liquor License Holder Speedway Gas Station
- 6. Authorize Signature: Villas at Pleasant - 3rd Amendment to Development Agreement
- 7. Resolution Supporting and Authorizing Application to the MNDOT for Transportation and Economic Development (TED) Funding for the Trunk Highway 61 Improvements

- IX. AWARDING OF CONTRACTS AND PUBLIC HEARING**

These are formal proceedings that give the public the opportunity to express their concern, ask questions, provide additional information, or support on a particular matter. Once the public hearing is closed, no further testimony is typically allowed and the Council will deliberate amongst itself and with staff and/or applicant on potential action by the Council.

- 1. Award Contract: Hwy 55 Trail Reconstruction – McNamara Contracting
- 2. Public Hearing: Vacation of Easement: South Oaks 4th Addition
- 3. Public Hearing\2nd Reading\Adopt Ordinance: Amend City Code Chapters 156 and 157 – Property Maintenance Code and Structural Maintenance Code

X. REPORTS FROM CITY STAFF

These items are intended primarily for Council discussion and action. It is up to the discretion of the Mayor as to what, if any, public comment will be heard on these agenda items.

A. Public Works

B. Parks and Recreation

C. Community Development

D. Public Safety

E. Administration

1. Utility Rate Study
2. Resolution: Approve Preliminary 2024 City Property Tax Levy, Preliminary Budget, and Setting Truth in Taxation Hearing
3. Resolution: Approve Proposed 2024 HEDRA – HRA Special Tax Levy

XI. UNFINISHED BUSINESS

XII. NEW BUSINESS

XIII. REPORTS FROM CITY COMMITTEES, OFFICERS, COUNCILMEMBERS

XIV. ADJOURNMENT

Next Regular City Council Meeting: Monday, October 2, 2023 7:00 p.m.

**Hastings, Minnesota
City Council Workshop
September 6, 2022**

The City Council of the City of Hastings, Minnesota met in a workshop on Tuesday, September 5, 2023 at 5:30 p.m. in the Volunteer Room at the Hastings City Hall, 101 East 4th Street, Hastings, Minnesota.

Members Present: Mayor Fasbender, Councilmembers Folch, Fox, Lawrence, Leifeld, Pemble

Members Absent: Councilmember Haus

Staff Present: City Administrator Dan Wietecha
Assistant City Administrator Kelly Murtaugh
Finance Manager Chris Eitemiller
Assistant Finance Manger Ashley Bertrand

Mayor Fasbender called the workshop to order at 5:30 pm and welcomed councilmembers and staff. Eitemiller introduced the workshop on the budget and levy discussion. Eitemiller reviewed revenues and tax levy to support the budget. Eitemiller reported that in Dakota County, most levies are at or above the proposed levy for the City. The impact on the median value home is a little lower than was discussed at the workshop in June.

Eitemiller reviewed the ongoing revenues and one-time funds. These include the levy, local government aid, the Rural Fire Association contract, the Public Safety Aid allocation, general fund and special revenue fund balances.

Wietecha reviewed the key expenses that account for the increase to the levy. These include staff additions or other changes that impact personnel expenses, inflationary increases for general services and supplies. Drivers of increases include inflation, phase-in of expenses planned in earlier years (such as compensation/classification study from 2022 and grant expiration), and maintaining assets.

Eitemiller reported on the CIP/CEP status. Proposing increased spending on infrastructure projects. Specifically, mill & overlay and skim patching. Due to long lead times, a down payment for a ladder truck is proposed for 2024. The City will need to shift the current one-time funds for the CIF to ongoing funds. Parks Dept. has trail work, funded by reserves.

Eitemiller provided an historical look at taxes in the City. He then provided a preliminary tax impact of the proposed rate. The market value of the median value home has risen 2.79% and the proposed budget would increase taxes by \$104 per year. Fiscal disparities revenue is again decreasing.

Bonding projects for 2024: Neighborhood Street Project and the Arena Project (refrigerant system, lighting upgrade, west rink roof and solar). There may be possible funding from the State bonding bill for the Arena Project.

The Utility Rate Study was updated spring 2023. The Utility Rates are consistent with last year. Some of the utility capital items include the utilities portion of the neighborhood project, sewer rehabilitations, SCADA upgrade and water quality improvement project.

The Communications Plan for the 2024 budget will be similar to last year and will include a press release following approval of the preliminary levy. There will be key messages to help answer budget-related questions. Communication will also include social media, interviews, Budget-at-a-Glance handout, and an insert in the Dakota County truth-in-taxation mailer.

Council discussion on whether the levy cap should be set at this council meeting or the next. Clarity on the impact of some items of the budget may come in the next two weeks.

ADJOURNMENT

Adjourn the workshop at 6:44 p.m.

Mary D. Fasbender, Mayor

Kelly Murtaugh, City Clerk

Hastings, Minnesota
City Council Meeting Minutes
September 5, 2023

The City Council of the City of Hastings, Minnesota met in a regular meeting on Tuesday, September 5, 2023 at 7:00 p.m. in the Council Chambers at the Hastings City Hall, 101 East 4th Street, Hastings, Minnesota.

Members Present: Mayor Fasbender, Councilmembers Folch, Fox, Lawrence, Leifeld, and Pemble

Members Absent: Councilmember Haus

Staff Present: City Administrator Dan Wietecha
Assistant City Administrator Kelly Murtaugh
Attorney Greta Bjerkness
Facilities Manager Charlie Judge
Assistant Finance Manager Ashley Bertrand
Fire Chief John Townsend
Police Chief David Wilske

New Employees

Angi Barber
Tom Sorenson
Heather Meling
Jeremy Bickner
Ben Ferderer
Mason Johnson
Elisabethann Schmidt
James Domeier

Introductions

Sue Vento, Metropolitan Council
Tammy Champa, ISD 200

Approval of Minutes

Mayor Fasbender asked if there were any additions or corrections to the minutes of the City Council regular meeting on August 21, 2023.

Minutes were approved as presented.

Comments from the Audience

Todd Matzke, 1018 Ramsey Street, requested Council remove item 7 from Consent Agenda for council discussion. He wanted to ensure city councilmember is aware of concerns and did not feel that the Planning Commission properly address citizen concerns. He raised concerns about parking in the area and adding another possible rental property to the area. Concerned that nothing can be done because there is not an ordinance prohibiting the concentration of rental properties in a particular area. Served on Planning Commission and felt the open meeting process did not work that residents that live in the area are not aware of the process of meetings.

Consent Agenda

Councilmember Folch requested Item 7 be removed from the Consent Agenda and placed under the Administration section. Councilmember Leifeld motioned to approve the Consent Agenda pulling Item 7, seconded by Councilmember Pemble.

6 Ayes, 0 Nays

1. Pay Bills as Audited
2. Approve Special Event Designation: Relay for Life
3. Approve Special Event Designation: Mainstreet Market
4. Resolution No. 09-01-23: Accept Donation to the Parks and Recreation Department
5. Authorize Signature: CDBG Subrecipient Agreement
6. Authorize Signature: Waiver of Assessment – Hastings Creamery
7. Resolution No. 09-02-23: Minor Subdivision – Adam Greenslade (1012 Ramsey Street)
8. Approve First Amendment to City of Hastings Legal Services Agreement with LeVander, Gillen & Miller, PA.
9. Declare Surplus Property and Authorize Sale (Pickup Trucks and Trash/Recycling Cans)
10. Cannabis Regulation – Send to Public Safety Committee
11. Resolution No. 09-03-23: Schedule Public Hearing Regarding Duluth EDA Financing Benedictine Health System Projects
12. 1st Reading\Order Public Hearing: Amend City Code Chapters 156 and 157 – Property Maintenance Code and Structural Maintenance Code

Resolution No. 09-04-23: Approve Preliminary 2024 City Property Tax Levy, Preliminary Budget, and Setting Truth in Taxation Hearing

Wietecha requested no action at this meeting based on recently received information, recommending action on September 18, 2023.

Resolution No. 09-05-23: Approve Proposed 2024 HEDRA – HRA Special Tax Levy

Wietecha requested no action at this meeting, recommending action on September 18, 2023.

Strategic Plan 2024 – 2027

Wietecha introduced the 2024 – 2027 Strategic Plan. In April, the City Council and City Staff held a facilitated retreat to develop priorities for the City's strategic plan for the next couple years. City Staff also developed Action Plans for implementation of each of the 16 strategic initiatives. As provided in the past, staff will report tracking information and progress to the City Council and the public on a quarterly basis.

Council discussion on appreciation for having the plan on the agenda. Council discussion that feedback on the initiatives and timing of completion was not offered to Councilmembers before publication.

Councilmember Pemble motioned to approve as presented, seconded by Councilmember Fox.
6 Ayes, 0 Nays.

Resolution No. 09-02-23: Minor Subdivision – Adam Greenslade (1012 Ramsey Street)

Wietecha provided an overview of the location and zoning of the area. Wietecha provided a summary of the request to subdivide the property and construct a duplex on the two lots. He indicated the process requires a public hearing which provides notice to residents in the area and is heard by the Planning Commission. The Planning Commission considered this request at their August 28, 2023 meeting. He indicated that rental properties are regulated by zoning and rental inspections.

Council discussion on the size of the lot and other rental properties in the area. Council discussed challenges with older homes and the rental opportunities. Council specified the proposal does not indicate that the units will be owned or rented. Council discussion on parking availability and offered general support for rental availability due to the variety of reasons why people rent versus purchasing. Wietecha noted item 12 on the Consent agenda addresses some of the topics of discussion related to rentals.

Councilmember Leifeld motioned to approve as presented, seconded by Councilmember Fox.
6 Ayes, 0 Nays.

Announcements

- The Fire Relief Association’s annual Booya is this Saturday, September 9.
- Summer Rec Programs at Levee Park...
 - Tuesday, September 12, Performance in the Park “SAATH Bollywood Dance” Sponsored by SMEAD Manufacturing.
 - Wednesday, September 13, Storytime in the Park with the theme “rest.” A partnership with Pleasant Hill Library.
 - Friday, September 15, Movie in the Park “The Mitchells vs. The Machines.” Sponsored by Ardent Mills. Please bring a non-perishable food donation.
- Bike with a Ranger – Bike the 10-mile loop and learn history and wildlife fun facts on Saturday, September 16. Recommended for teens and adults. A partnership with the National Park Service. Registration is required.
- Councilmember Pemble noted that the next Great River Rail Commission meeting will be held Thursday, September 7 in Red Wing. Some of the topics include: 2024 Workplan and the Second Train.

Meetings

- Public Safety Committee Meeting on Monday, September 11, 2023 at 7:00 p.m.
- Planning Commission Meeting on Monday, September 11, 2023 at 7:00 p.m. - Cancelled
- Arts & Culture Commission Meeting on Wednesday, September 13, 2023 at 6:00 p.m.
- Administration Committee Meeting on Wednesday, September 13, 2023 at 7:00 p.m.
- HEDRA Meeting on Thursday, September 14, 2023 at 6:00 p.m.
- City Council Regular Meeting on Monday, September 18, 2023 at 7:00 p.m.

Councilmember Pemble motioned to adjourn the meeting at 8:03 PM, seconded by Councilmember Lawrence. Ayes 6; Nays 0.

Kelly Murtaugh, City Clerk

Mary D. Fasbender, Mayor

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City Council Memorandum

To: Mayor Fasbender & City Council Members

From: Connie Lang – Accountant

Date: 09/14/2023

Item: Disbursements

Council Action Requested:

Staff requests:

Council review of Aug 2023 CenterPoint, Xcel, Wex, Health Insurance payments.

Council review of weekly routine disbursements issued 09/12/2023.

Council approval of routine disbursements, capital purchases and employee reimbursements to be issued 09/19/2023.

Background Information:

Disbursements for routine items are made weekly. Disbursements for capital purchases and employee reimbursements are made twice a month, subsequent to Council approval.

Financial Impact:

Aug 2023 Centerpoint Payment	\$	4,255.75
Aug 2023 Xcel Payment	\$	92,759.39
Aug 2023 Wex Admin Fee Payment	\$	294.25
Aug 2023 Health Ins Payment	\$	172,014.18
Disbursement Checks, Hedra & EFT issued on 09/12/2023	\$	367,033.03
Disbursement Checks, Hedra & EFT to be issued on 09/19/2023	\$	1,062,123.67

Advisory Commission Discussion: N/A

Council Committee Discussion: N/A

Attachments: • Disbursement Reports

CENTERPOINT ENERGY**Aug Pymt**

Dept	Account	Amount
Police	101-140-1403-6345	83.44
City Hall	101-140-1404-6345	156.16
City Storage	101-140-1407-6345	65.71
Alt Learning Ctr	101-401-4143-6345	33.52
Parks	200-401-4440-6345	63.75
Jt Maint	200-401-4447-6345	88.63
Pool	201-401-4240-6345	3,066.61
Fire	213-210-2100-6345	139.37
Le Duc	220-450-4160-6345	65.71
Water	600-300-3300-6345	126.90
Water	600-300-3302-6345	147.05
Garage	601-300-3400-6345	66.90
Arena	615-401-4103-6345	<u>152.00</u>
	TOTAL	4,255.75

Xcel Bills
Aug 2023 Payments

Xcel Acct #	Amount	Date Paid	Account #
51-6960213-7	4,806.75	1-Aug	101-140-1403-6343
51-6960213-7	4,545.30	1-Aug	101-140-1403-6343
51-6960208-0	1,649.57	11-Aug	101-140-1404-6343
51-8110141-1	109.72	11-Aug	101-140-1407-6343
51-6960219-3	62.90	10-Aug	101-201-2016-6343
51-6960210-4	205.72	11-Aug	101-300-3100-6343
51-6960210-4	1,028.59	11-Aug	101-301-3200-6343
51-0011278454-9	11.57	11-Aug	101-302-3201-6343
51-0263715-0	18.03	11-Aug	101-302-3201-6343
51-6960218-2	14,339.35	18-Aug	101-302-3201-6343
51-6960215-9	3,329.79	8-Aug	200-401-4440-6343
51-0010048093-4	7.21	10-Aug	200-401-4440-6343
51-0011082067-5	110.01	11-Aug	200-401-4440-6343
51-6960220-6	981.67	10-Aug	200-401-4447-6343
51-6960209-1	5,166.01	31-Jul	201-401-4240-6343
51-6960209-1	4,811.15	29-Aug	201-401-4240-6343
51-6960214-8	1,207.53	10-Aug	213-210-2100-6343
51-7216831-9	590.09	11-Aug	220-450-4160-6343
51-6960216-0	18,399.01	1-Aug	600-300-3300-6343
51-6960210-4	822.88	11-Aug	600-300-3300-6343
51-6960216-0	16,155.96	30-Aug	600-300-3300-6343
51-6960216-0	6,716.26	1-Aug	600-300-3302-6343
51-6960216-0	5,468.91	30-Aug	600-300-3302-6343
51-6960217-1	1,527.52	2-Aug	601-300-3400-6343
51-6960217-1	<u>687.89</u>	29-Aug	601-300-3400-6343
TOTAL	92,759.39		

WEX PAYMENTS
August Payment

ACCOUNT DESCRIPTION	ACCOUNT	AMOUNT
Employer Paid HRA/HSA Admin Fee - Administration	101-105-1051-6131	8.25
Employer Paid HRA/HSA Admin Fee - City Clerk	101-107-1071-6131	10.59
Employer Paid HRA/HSA Admin Fee - Finance	101-120-1201-6131	19.25
Employer Paid HRA/HSA Admin Fee - Planning	101-150-1501-6131	2.75
Employer Paid HRA/HSA Admin Fee - IT	101-160-1601-6131	5.50
Employer Paid HRA/HSA Admin Fee - Police	101-201-2010-6131	96.25
Employer Paid HRA/HSA Admin Fee -Building Safety	101-230-2301-6131	11.00
Employer Paid HRA/HSA Admin Fee-Code Enforcement	101-230-2302-6131	2.75
Employer Paid HRA/HSA Admin Fee - Engineering	101-300-3100-6131	6.46
Employer Paid HRA/HSA Admin Fee - Streets	101-301-3200-6131	12.10
Employer Paid HRA/HSA Admin Fee - Parks	200-401-4440-6131	27.50
Employer Paid HRA/HSA Admin Fee - Cable	205-420-4201-6131	0.41
Employer Paid HRA/HSA Admin Fee - Historical	210-170-1702-6131	0.69
Employer Paid HRA/HSA Admin Fee - Fire	213-210-2100-6131	9.76
Employer Paid HRA/HSA Admin Fee - Ambulance	213-220-2200-6131	39.74
Employer Paid HRA/HSA Admin Fee - Econ. Develop.	407-180-6003-6131	4.81
Employer Paid HRA/HSA Admin Fee - Water	600-300-3300-6131	12.65
Employer Paid HRA/HSA Admin Fee - Wastewater	601-300-3400-6131	8.94
Employer Paid HRA/HSA Admin Fee - Storm Water	603-300-3600-6131	7.98
Employer Paid HRA/HSA Admin Fee - Arena	615-401-4103-6131	5.50
Employer Paid HRA/HSA Admin Fee - Hydro	620-300-3500-6131	1.38
	TOTAL	294.25

Medica Health Insurance Premiums
August 2023

VIII-01

ACCOUNT DESCRIPTION	ACCOUNT #	AMOUNT
Medical Insurance Withholding	101-000-0000-2185	17,064.75
COBRA Paid Insurance	101-000-0000-2185	6,703.89
Employer Paid Health Ins. - Administration	101-105-1051-6131	723.81
Employer Paid Health Ins. - Communications	101-107-1061-6131	1,378.53
Employer Paid Health Ins. - City Clerk	101-107-1071-6131	2,329.83
Employer Paid Health Ins. - Finance	101-120-1201-6131	4,849.60
Employer Paid Health Ins. - Maintenance	101-140-1401-6131	1,695.27
Employer Paid Health Ins. - Planning	101-150-1501-6131	992.67
Employer Paid Health Ins. - IT	101-160-1601-6131	3,777.41
Employer Paid Health Ins. - Police	101-201-2010-6131	38,811.46
Employer Paid Health Ins. -Building Safety	101-230-2301-6131	5,174.96
Employer Paid Health Ins.-Code Enforcement	101-230-2302-6131	1,621.80
Employer Paid Health Ins. - Engineering	101-300-3100-6131	2,249.73
Employer Paid Health Ins. - Streets	101-301-3200-6131	3,628.89
Medical Insurance Withholding	200-000-0000-2185	2,085.18
Employer Paid Health Ins. - Parks	200-401-4440-6131	11,067.70
Employer Paid Health Ins. - Swimming Pool	201-401-4240-6131	0.00
Medical Insurance Withholding	205-000-0000-2185	104.26
Employer Paid Health Ins. - Cable	205-420-4201-6131	243.27
Employer Paid Health Ins. --Heritage	210-170-1702-6131	180.95
Medical Insurance Withholding	213-000-0000-2185	4,747.63
Employer Paid Health Ins. - Fire	213-210-2100-6131	3,762.15
Employer Paid Health Ins. - Ambulance	213-220-2200-6131	14,660.21
Medical Insurance Withholding	220-000-0000-2185	128.22
Employer Paid Health Ins. - Leduc	220-450-4160-6131	299.16
Medical Insurance Withholding	407-000-0000-2185	578.33
Employer Paid Health Ins. - Econ. Dev.	407-180-6003-6131	2,797.05
Medical Insurance Withholding	600-000-0000-2185	290.60
Employer Paid Health Ins. - Water	600-300-3300-6131	4,775.03
Medical Insurance Withholding	601-000-0000-2185	282.08
Employer Paid Health Ins. - Wastewater	601-300-3400-6131	3,454.43
Medical Insurance Withholding	603-000-0000-2185	629.62
Employer Paid Health Ins. - Storm Water	603-300-3600-6131	3,433.26
Medical Insurance Withholding	615-000-0000-2185	695.06
Employer Paid Health Ins. - Arena	615-401-4103-6131	2,424.81
Medical Insurance Withholding	620-000-0000-2185	0.00
Employer Paid Health Ins. - Hydro	620-300-3500-6131	402.30
Employer Paid Health Ins. - Retirees	701-600-6002-6131	23,970.27
	TOTAL	172,014.18

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	GENERAL	METROPOLITAN COUNCIL ENVIRONMENTAL SER	JULY SAC	7,455.00
			JUNE 2023 SAC	<u>4,761.00</u>
			TOTAL:	22,215.90
ADMINISTRATION	GENERAL	TOSHIBA AMERICA BUSINESS SOLUT DAKOTA COUNTY TREASURER	COPIER LEASE	391.56
			SORENSEN NOTARY REGISTER F	<u>20.00</u>
			TOTAL:	411.56
FACILITY MANAGEMENT	GENERAL	TOTAL MECHANICAL SERVICES, INC. FERGUSON ENTERPRISES INC TERRYS HARDWARE, INC. TRANE PARTS CENTER	P.D. BOILERS DOWN	210.00
			C.H. COUNCIL AV ROOM COOLI	1,582.75
			F.D. PARTS	138.19
			F.D. PARTS	90.22
			F.C. HOSE&STICKS - J.M. BU	78.96
			C.H. CABLE LOCK	24.95
			C.H. KEYS	9.54
			P.D. A/C CONTRACT	<u>1,650.50</u>
			TOTAL:	3,785.11
			I.T.	GENERAL
TOTAL:	8,785.00			
POLICE	GENERAL	SHRED RIGHT TOSHIBA AMERICA BUSINESS SOLUT HOLIDAY STATIONSTORES LLC DAKOTA 911	AUGUST SERVICE FEES	17.73
			COPIER LEASE	261.90
			AUGUST CAR WASHES FOR PD	68.00
			DCC FEE / 2023 OCT	<u>29,679.33</u>
			TOTAL:	30,026.96
PUBLIC WORKS	GENERAL	FOCUS ENGINEERING, INC. TOSHIBA AMERICA BUSINESS SOLUT	PROFESSIONAL SERVICES	6,810.00
			TH 61 STUDY	1,320.00
			COPIER LEASE	<u>40.29</u>
			TOTAL:	8,170.29
PUBLIC WORKS STREETS	GENERAL	FOCUS ENGINEERING, INC. SIR LINES-A-LOT, LLC TOSHIBA AMERICA BUSINESS SOLUT BOYER FORD TRUCKS/DBA ALLIANCE	STREETS EXPERT & CONSULTAN	600.00
			SOUTH METRO 2023 JPA- MARK	5,255.80
			COPIER LEASE	40.27
			TRAILER BRAKE	424.44
			CREDIT - ROUND U-JOINT	<u>38.20-</u>
			TOTAL:	6,282.31
PARKS & RECREATION	GENERAL	HOMETOWN ACE HARDWARE ECOSAFE ZERO WASTE USA INC. RIVERTOWN TREE SERVICE LLC	PAINT FOR TREES	17.26
			COMPOSTABLE BAGS/LINERS	2,052.20
			TREE REMOVAL AT CANNON	<u>3,000.00</u>
			TOTAL:	5,069.46
NON-DEPARTMENTAL	PARKS	MANSFIELD OIL COMPANY	502 GALLONS OF GAS	<u>2,014.58</u>
TOTAL:	2,014.58			
PARKS & RECREATION	PARKS	RIVARD COMPANIES, INC. PIONEER MANUFACTURING CO., INC. CITY OF ROSEMOUNT BEACON ATHLETICS JJ LAWNSCAPE HOMETOWN ACE HARDWARE	PLAYGROUND MULCH	2,125.00
			PLAYGROUND MULCH	2,125.00
			PLAYGROUND MULCH	2,125.00
			FIELD PAINT	687.00
			3RD QTR SHARED SW & RECYCL	7,873.15
			VETS BASEBALL FIELD	484.00
			VETS BASEBALL FIELD	1,439.10
			VETS REPAIRS	1,192.54
			RUBBER BOOTS FOR POWER WAS	4.13

VIII-01

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			BEE KILLER & SPRAYER FOR L	47.31
		INDEPENDENT BLACK DIRT & SOD COMPANY I	BLACK DIRT	<u>350.00</u>
		TOSHIBA AMERICA BUSINESS SOLUT	COPIER LEASE	128.81
		HASTINGS FIRE & SAFETY	FIRE EXTINGUISHER ANNUAL T	564.75
		R.E. WAHLSTROM CONCRETE & DIVERSIFIED	PLAYER PADS AT PIONEER	4,939.20
		ASPEN EQUIPMENT CO	NEW TOMMY GATE FOR 2008 CH	1,030.16
		FASTENAL COMPANY	DRILL BIT SET	142.33
		GERLACH OUTDOOR POWER EQUIP	NEW WEED WHIP HEADS	107.01
		NIEBUR TRACTOR & EQUIPMENT, INC.	OIL FOR KUBOTA TRACTOR/MOW	149.08
		TERRYS HARDWARE, INC.	F.C. HOSE&STICKS - J.M. BU	89.73
		WERNER IMPLEMENT CO INC	O-RINGS AND SCREEN FOR PAI	<u>24.06</u>
			TOTAL:	25,627.36
PARKS & RECREATION	AQUATIC CENTER	HORIZON COMMERCIAL POOL SUPPLY	CHEMICAL	2,140.25
		HASTINGS FIRE & SAFETY	HASTINGS FIRE & SAFETY	86.75
		SYSCO, MINNESOTA	FOOD FOR CONCESSIONS	<u>313.73</u>
			TOTAL:	2,540.73
FIRE	FIRE & AMBULANCE	NAPA AUTO PARTS	STATION SUPPLIES	36.20
		TARGETSOLUTIONS LEARNING, LLC	VECTOR SCHEDULING	4,959.75
			TARGET SOLUTIONS	5,657.18
		TOSHIBA AMERICA BUSINESS SOLUT	COPIER LEASE	186.45
		DAKOTA 911	DCC FEE / 2023 OCT	<u>14,839.67</u>
			TOTAL:	25,679.25
AMBULANCE	FIRE & AMBULANCE	EXPERT BILLING, LLC	JULY REVENUE	3,325.03
		LINDE GAS & EQUIPMENT INC.	OXYGEN	378.51
			OXYGEN	<u>192.52</u>
			TOTAL:	3,896.06
PARKS & RECREATION	PARKS CAPITAL PROJ ISG		ROADSIDE TENNIS COURTS	<u>802.50</u>
			TOTAL:	802.50
ECONOMIC DEVELOPMENT	HEDRA	RAJ GANDHI	FACADE IMP GRANT-411 VERMI	<u>1,738.88</u>
			TOTAL:	1,738.88
PUBLIC WORKS	2023 IMPROVEMENTS	FOCUS ENGINEERING, INC.	2023-1 NHD INFRASTRUCTURE	<u>2,070.00</u>
			TOTAL:	2,070.00
PUBLIC WORKS	WATER	FOCUS ENGINEERING, INC.	WATER FUND	3,390.00
			WATER FUND	510.00
		TOSHIBA AMERICA BUSINESS SOLUT	COPIER LEASE	<u>40.29</u>
			TOTAL:	3,940.29
PUBLIC WORKS	WASTEWATER	FOCUS ENGINEERING, INC.	WASTEWATER FUND	2,730.00
		SCHLOMKA'S SERVICES, LLC	CREAMERY CLOSE-SEWER LINE	2,447.50
		TOSHIBA AMERICA BUSINESS SOLUT	COPIER LEASE	<u>40.29</u>
			TOTAL:	5,217.79
PUBLIC WORKS	STORM WATER UTILIT	FOCUS ENGINEERING, INC.	STORM WATER	<u>120.00</u>
			TOTAL:	120.00
PARKS & RECREATION	ARENA	ISG	ARENA PLANNING	<u>4,435.00</u>
			TOTAL:	4,435.00
MISCELLANEOUS	INSURANCE FUND	LEAGUE MN CITIES INSURANCE TRUST	PROPERTY/CASUALTY COVERAGE	79,522.00

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DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			WORKERS COMPENSATION PREMI	<u>124,022.00</u>
			TOTAL:	<u>203,544.00</u>
NON-DEPARTMENTAL		ESCROW - DEV/ENG/T FOCUS ENGINEERING, INC.	SOUTH OAKS 4TH ADDITION	420.00
			HERITAGE RIDGE 3RD ADDITIO	120.00
			COUNTY CROSSROADS 4TH APTS	<u>120.00</u>
			TOTAL:	660.00

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===== FUND TOTALS =====

101	GENERAL	84,746.59
200	PARKS	27,641.94
201	AQUATIC CENTER	2,540.73
213	FIRE & AMBULANCE	29,575.31
401	PARKS CAPITAL PROJECTS	802.50
407	HEDRA	1,738.88
483	2023 IMPROVEMENTS	2,070.00
600	WATER	3,940.29
601	WASTEWATER	5,217.79
603	STORM WATER UTILITY	120.00
615	ARENA	4,435.00
705	INSURANCE FUND	203,544.00
807	ESCROW - DEV/ENG/TIF-HRA	660.00

 GRAND TOTAL: 367,033.03

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	GENERAL	VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	216.84
			SEPT 2023 VISION PREMIUM	4,920.30
		METROPOLITAN COUNCIL ENVIRONMENTAL SER	AUGUST SAC	4,920.30
			TOTAL:	5,155.44
ADMINISTRATION	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	22.10
			TOTAL:	22.10
CITY CLERK	GENERAL	MARTIN-MCALLISTER CONSULTING	PERSONNEL EVALUATIONS (4)	7,200.00
		SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	14.19
			OCT 2023 LTD PREMIUM	49.20
		MINNESOTA OCCUPATIONAL HEALTH	DRUG SCREENS (2)	136.00
			TOTAL:	7,399.39
FINANCE	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	66.67
			TOTAL:	66.67
LEGAL	GENERAL	CAMPBELL KNUTSON, P.A.	AUGUST 2023 LEGAL FEES	13,676.75
		LEVANDER, GILLEN & MILLER, P.A.	SERVICES THROUGH 08/25/23	2,250.00
			SERVICES THROUGH 08/25/23	877.75
			SERVICES THROUGH 08/25/23	682.00
			SERVICES THROUGH 08/25/23	62.00
			TOTAL:	17,548.50
FACILITY MANAGEMENT	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	13.31
		HOMETOWN ACE HARDWARE	C.H. BEE KILLER	13.66
		ECOLAB PEST ELIMINATION DIVISION	C.S. PEST CONTROL	91.00
			TOTAL:	117.97
COMMUNITY DEVELOPMENT	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	19.89
			TOTAL:	19.89
I.T.	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	53.91
			TOTAL:	53.91
POLICE	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	634.62
			TOTAL:	634.62
BUILDING & INSPECTIONS	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	73.18
			OCT 2023 LTD PREMIUM	15.22
		KLETSCHKA INSPECTIONS, LLC	ELECTRICAL INSPECTIONS	4,230.40
		TANYA EDMISON	EDMISON CLASS REIMBURSEMEN	50.00
			TOTAL:	4,368.80
PUBLIC WORKS	GENERAL	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	43.91
		MICHAEL SCOTT ANDERSON	BRIDGE INSPECTIONS	500.00
			TOTAL:	543.91
PUBLIC WORKS STREETS	GENERAL	PRECISE MOBILE RESOURCE MGMT. LLC	10MB FLAT DATA PLAN US W/	150.00
		RUBINS LAWCARE, LLC	LAWN MOWING	3,150.00
		SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	72.93
		HOMETOWN ACE HARDWARE	WASP KILLER, KEYTAGS, LOCK, F	25.56
		NAPA AUTO PARTS	CONNECTOR	13.22
		BENJAMIN BANITT	BANITT - JEANS	75.06
		POMP'S TIRE SERVICE, INC.	TIRES	589.70
		ACE TRAILER SALES	1" TANG WASHER - EZ LUBE	7.00

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DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		BOYER FORD TRUCKS/DBA ALLIANCE	PARTS	2,038.89
		CITY OF ST PAUL	ASPHALT MIX - 11	46.61
		TERRYS HARDWARE, INC.	PROPANE	22.99
			CHAIN SAW PARTS	49.90
			PROPANE	74.98
			BLADE	7.89
			BLADE	8.95
			LUBRICANTS	33.66
			PLUG, ROPE	8.64
		NUSS TRUCK & EQUIPMENT	PARTS AND SERVICE	31,222.74
		UNLIMITED SUPPLIES INC.	MISCELLANEOUS SUPPLIES	206.86
		ZIEGLER, INC.	FILTER, ELEMENT, KIT	253.46
			FILTER	56.32
			TOTAL:	45,536.43
PUBLIC WORKS STR. LIGH	GENERAL	DAKOTA ELECTRIC ASSN	STREET LIGHTS	3,024.00
			TOTAL:	3,024.00
PARKS & RECREATION	GENERAL	HASTINGS SCHOOL DISTRICT #200	SEPT 23 TILDEN COST SHARE	2,500.00
		TERRYS HARDWARE, INC.	FORESTRY SUPPLIES	83.84
			TOTAL:	2,583.84
NON-DEPARTMENTAL	PARKS	MANSFIELD OIL COMPANY	812 GALLONS OF DIESEL	3,261.60
		VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	12.20
			TOTAL:	3,273.80
PARKS & RECREATION	PARKS	CINTAS CORPORATION NO 2	MATS & RAGS FOR SHOP	123.58
		INNOVATIVE OFFICE SOLUTIONS, LLC	MISCELLANEOUS OFFICE SUPPL	27.79
		SCHAEFER LETTERING	CONCRETE TABLE LETTERING	375.00
		SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	158.87
		HOMETOWN ACE HARDWARE	MISC SUPPLIES	46.82
			PLUG & BOLTS	19.76
			WALLIN - BULB	22.49
			WALLIN BULBS	37.79
			SHOP SUPPLIES	79.02
			SCREWS	2.60
		TROPHIES PLUS	REPLACEMENT BENCH PLATES	60.00
		MICHAEL A. PATRICK	PATRICK SOFTBALL UMP	252.00
		THIERRY AUGE	AUGE SOFTBALL UMP	180.00
		RIVERVIEW PROMOTIONS	LONG SLEEVE SHIRTS - SEASO	165.50
		COURT SURFACES & REPAIR, INC.	BASKETBALL COURT RESURFACI	20,900.00
		BECKY MAY WILKERSON	WILKERSON SAND VOLLEYBALL	100.00
		ECOLAB PEST ELIMINATION DIVISION	J.M. PEST CONTROL	125.00
		GERLACH OUTDOOR POWER EQUIP	SPINDLE FOR FERRIS ZERO TU	272.99
		MTI DISTRIBUTING COMPANY	BLADES FOR 5910	402.33
		SHERWIN-WILLIAMS	TAPE FOR GARBAGE	86.11
		TERRYS HARDWARE, INC.	DRILL BITS	64.43
			SCREW RETURN	11.49-
			BOLTS	13.86
			BOLTS	3.96
			SAND MIX FOR SIGN AT CP	7.75
			LEVEE - GARBAGE CAN	49.97
			LEVEE - RETURN GARBAGE CAN	15.00-
		THE TREE HOUSE	PLANTS FOR POTS	91.53
			TOTAL:	23,642.66

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DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	CABLE TV	VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	3.12
			TOTAL:	<u>3.12</u>
				VIII-01
CABLE	CABLE TV	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	2.50
			TOTAL:	<u>2.50</u>
HERITAGE PRESERVATION	HERITAGE PRESERVAT	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	4.80
			TOTAL:	<u>4.80</u>
NON-DEPARTMENTAL	FIRE & AMBULANCE	VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	76.60
			TOTAL:	<u>76.60</u>
FIRE	FIRE & AMBULANCE	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	71.24
		HOMETOWN ACE HARDWARE	LP TANK	19.79
		POMP'S TIRE SERVICE, INC.	TIRES FOR ENGINE 4	2,040.17
		INTERSTATE POWER SYSTEMS	REPAIR TO LADDER 1	4,847.95
		MACQUEEN EQUIPMENT, INC.	FF BOOTS	1,174.27
		TERRYS HARDWARE, INC.	LP TANK REFILL	32.98
			TOTAL:	<u>8,186.40</u>
AMBULANCE	FIRE & AMBULANCE	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	289.76
		BOUND TREE MEDICAL LLC	MEDICAL SUPPLIES	1,090.10
			MEDICAL SUPPLIES	172.45
		LINDE GAS & EQUIPMENT INC.	OXYGEN	163.91
			TOTAL:	<u>1,716.22</u>
LEDUC	LEDUC HISTORIC EST	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	2.35
			TOTAL:	<u>2.35</u>
ECONOMIC DEVELOPMENT	HEDRA	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	32.94
		LEVANDER, GILLEN & MILLER, P.A.	SERVICES THROUGH 08/25/23	434.00
			TOTAL:	<u>466.94</u>
INVALID DEPARTMENT	TIF 9 BLOCK 28	LEVANDER, GILLEN & MILLER, P.A.	SERVICES THROUGH 08/25/23	26.00
			SERVICES THROUGH 08/25/23	84.00
			SERVICES THROUGH 08/25/23	12.00
			TOTAL:	<u>122.00</u>
PUBLIC WORKS	2023 IMPROVEMENTS	BCM CONSTRUCTION, INC.	2023 NEIGHBORHOOD IMPROVEM	727,020.70
		BARR ENGINEERING CO.	PROFESSIONAL SERVICES	1,190.00
			TOTAL:	<u>728,210.70</u>
NON-DEPARTMENTAL	WATER	VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	5.70
			TOTAL:	<u>5.70</u>
PUBLIC WORKS	WATER	HAWKINS INC	CHLORINE	1,417.28
		IN CONTROL, INC.	ENGINEERING SERVICES-SCHED	875.00
		BAUER SERVICES	EAGLE BLUFF PRESSURE STATI	1,390.00
			REPAIR SHUTOFF VALVE-CREAM	7,500.00
		SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	74.77
		HOMETOWN ACE HARDWARE	BATTERY	6.29
			EDGER BLADE	10.79
			SPRINKLER, ELBOWS	14.18
			FASTENERS, WIPES, DISINFEC	36.39
		CORE & MAIN LP	METER REPLACEMENT PROJECT	38,121.30
		ELECTRO WATCHMAN, INC	CODE PANEL REMOVAL/ADDITIO	25.00

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		GOPHER STATE ONE-CALL INC	TOTAL BILLABLE TICKETS - 2	380.70
		GRAPHIC DESIGN	UTILITY BILLING STATEMENTS	1,341.58
			UTILITY BILLING STATEMENTS	1,341.58
			#10 WINDOW SECURITY ENVELO	807.00
		TERRYS HARDWARE, INC.	BATTERY	16.99
			SPACKLING, SIGN	13.48
			SIGNS	17.97
			TOTAL:	52,314.39
NON-DEPARTMENTAL	WASTEWATER	VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	5.56
			TOTAL:	5.56
PUBLIC WORKS	WASTEWATER	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	53.35
		HOMETOWN ACE HARDWARE	MISCELLANEOUS FASTENERS	25.79
			NIPPLE, FASTENERS	12.24
		4 CORNERS READY MIX	WESTWOOD LIFT GENERATOR	698.00
		GRAPHIC DESIGN	UTILITY BILLING STATEMENTS	265.77
			#10 WINDOW SECURITY ENVELO	807.00
		MACQUEEN EQUIPMENT, INC.	SWIVEL JNT, TIGER TAIL	730.61
		MCES	WASTE WATER SERVICES DEF R	138,272.63
		CENTERPOINT ENERGY	SERVICE AT 615 19TH ST W	5.80
			TOTAL:	140,871.19
NON-DEPARTMENTAL	STORM WATER UTILIT	VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	5.56
			TOTAL:	5.56
PUBLIC WORKS	STORM WATER UTILIT	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	55.70
		POMP'S TIRE SERVICE, INC.	TIRES	598.70
		GRAPHIC DESIGN	UTILITY BILLING STATEMENTS	265.66
			#10 WINDOW SECURITY ENVELO	807.00
			TOTAL:	1,727.06
NON-DEPARTMENTAL	ARENA	VISION SERVICE PLAN INSURANCE CO.	SEPT 2023 VISION PREMIUM	13.04
			TOTAL:	13.04
PARKS & RECREATION	ARENA	RIEDEL SHOES, INC.	RENTAL SKATES	838.00
		CLAREY'S SAFETY EQUIPMENT, INC	CALIBRATION GAS	409.39
		HUEBSCH LAUNDRY CO.	ENTRY RUG SERVICE	53.78
			ENTRY RUG SERVICE	53.78
		SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	33.00
		TERRYS HARDWARE, INC.	SCREWS	0.64
			TOTAL:	1,388.59
PUBLIC WORKS	HYDRO ELECTRIC	SUN LIFE ASSUANCE COMPANY OF CANADA	OCT 2023 LTD PREMIUM	6.61
		J. F. BRENNAN CO. INC.	HYDROGRAPHIC SURVEY	7,205.00
		TERRYS HARDWARE, INC.	SCOOP	32.98
			TOTAL:	7,244.59
MISCELLANEOUS	VEHICLE AND EQUIP	HASTINGS VEHICLE REGIS.	TITLE/REGIST-23 CHEV SILVE	2,799.04
			TOTAL:	2,799.04
NON-DEPARTMENTAL	ESCROW - DEV/ENG/T	LEVANDER, GILLEN & MILLER, P.A.	SERVICES THROUGH 08/25/23	74.25
			SERVICES THROUGH 08/25/23	90.00
			SERVICES THROUGH 08/25/23	111.50
			SERVICES THROUGH 08/25/23	471.00
			SERVICES THROUGH 08/25/23	247.00

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DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			SERVICES THROUGH 08/25/23	61.50
			SERVICES THROUGH 08/25/23	48.00
			SERVICES THROUGH 08/25/23	28.00
		BARR ENGINEERING CO.	PROFESSIONAL SERVICES	1,520.00

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* REFUND CHECKS *

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	WATER	CARDINAL, CARY	US REFUNDS	11.60
		LANDSBERGER, KELLY	US REFUNDS	13.10
		HOWLEY, MARK	US REFUNDS	114.59
		ERICKSON, GREGORY/STEPHAN	US REFUNDS	36.34
		BEATTY, GEORGE W	US REFUNDS	20.72
		KANE, JACQUELINE A	US REFUNDS	96.62
		POTTER, ADAM	US REFUNDS	0.06
		STOTKO-SPEEDLING CONSTRUCTION	US REFUNDS	21.55
			TOTAL:	2,965.39

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===== FUND TOTALS =====

101	GENERAL	87,075.47
200	PARKS	26,916.46
205	CABLE TV	5.62
210	HERITAGE PRESERVATION	4.80
213	FIRE & AMBULANCE	9,979.22
220	LEDUC HISTORIC ESTATE	2.35
407	HEDRA	466.94
413	TIF 9 BLOCK 28	122.00
483	2023 IMPROVEMENTS	728,210.70
600	WATER	52,633.73
601	WASTEWATER	140,876.75
603	STORM WATER UTILITY	1,732.62
615	ARENA	1,401.63
620	HYDRO ELECTRIC	7,244.59
703	VEHICLE AND EQUIP FUND	2,799.04
807	ESCROW - DEV/ENG/TIF-HRA	2,651.75

	GRAND TOTAL:	1,062,123.67



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: Paige Marschall Bigler, Recreation Program Specialist
Date: September 18, 2023
Item: Accept Donation to the Parks and Recreation Department

Council Action Requested: Council is asked to accept a donation in the amount of \$445.00, made to the Parks and Recreation Department and has designated that this donation be used for Paws in the Park.

Background Information: Fluegel's Lawn, Garden and Pet Supply has made this donation to be used for Paws in the Park.

Financial Impact:

Increase the Parks and Recreation donation account by \$445.00

Advisory Commission Discussion:

N/A

Council Committee Discussion:

N/A

Attachments:

- Resolution

**CITY OF HASTINGS
DAKOTA COUNTY, MINNESOTA**

VIII-02

RESOLUTION 09 - - 23

**A RESOLUTION EXPRESSING ACCEPTANCE OF AND APPRECIATION OF A DONATION
TO THE PARKS AND RECREATION DEPARTMENT**

WHEREAS, Fluegel's Lawn Garden and Pet Supply has presented to the City Parks & Recreation Department a donation of \$445.00 and has designated that this donation be used for Paws in the Park; and

WHEREAS, the City Council is appreciative of the donation and commends Fluegel's Lawn, Garden and Pet Supply for their civic efforts,

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Hastings, Minnesota;

1. That the donation is accepted and acknowledged with gratitude; and
2. That the donation will be appropriated for Paws in the Park.

Adopted this 18th day of September, 2023

Mary D. Fasbender, Mayor

ATTEST:

Kelly Murtaugh, City Clerk



City Council Memorandum

To: Mayor Fasbender & City Council Members
From: John Townsend, Fire Chief
Date: September 7, 2023
Item: Approve Services Agreement Amendment with ImageTrend, LLC

Council Action Requested: Approve services agreement amendment with ImageTrend, LLC

Background Information: The 2023 budget includes upgrading our records management system. This agreement includes fire investigations, direct messaging modules, as well as training, for improvement of both the users and system.

Financial Impact: 2023 budgeted item, records management upgrade, no impact to budget

Advisory Commission Discussion: N/A

Council Committee Discussion: N/A

Attachments: Software or services agreement amendment

SOFTWARE OR SERVICES AGREEMENT AMENDMENT

Contract Details			
Original Contract Number ("Original Contract")	256809	Amendment Contract Number	00007546.0

This Agreement (hereinafter referred to as this "Agreement") is made as of the date executed by the last of the parties named below:

BETWEEN: **ImageTrend, LLC**, Minnesota corporation (hereinafter "ImageTrend")

AND: **City of Hastings Fire** (hereinafter "Client").

The Client and ImageTrend mutually agree to the following changes to the Original Contract between City of Hastings Fire and ImageTrend, LLC.

1. The purpose of this Amendment is for Client to modify the Original Contract and Client's existing product orders and/or add new product items as outlined below in the Price Sheet attachment.
2. This Amendment is coterminous with the Original Contract. The Original Contract's term remains the same. All other terms and conditions remain the same.
3. Out of Scope customization is \$225.00/hour and performed only under mutually agreed upon Statement of Work.

IN WITNESS WHEREOF: the undersigned parties, each having authority to bind their respective organizations, hereby agree.

City of Hastings	ImageTrend
_____	_____
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

PRICE SHEET AND WORK ORDER ATTACHMENT

The prices below are based on the following SaaS transaction volumes, as provided by Client:

One Time Fees

Description	SKU	Unit Price	Qty	Extended Amount
Webinar Training 2hr Session	ELT.006.003.009	\$450.00	2	\$900.00
Onsite Training Session - Lakeville - 4 Hours	ELT.006.003.021	\$700.00	1	\$700.00
Direct Messaging Connection Fee - Per Agency Connection	ELT.002.010.029	\$200.00	20	\$4,000.00

Total One-Time Fees: \$5,600.00

Recurring Fees

Description	SKU	Unit Price	Qty	Extended Amount
Connect Conference Registration (per Attendee)	ELT.007.004.001	\$645.00	2	\$1,290.00
Investigations	ELT.001.002.018	\$1,250.00	1	\$1,250.00
Standard Direct Messaging - EMS Agency	ELT.002.010.023	\$720.00	1	\$720.00

Total Recurring Fees: \$3,260.00

TOTAL YEAR 1: \$8,860.00

Send Invoices To:

John Townsend
 jtownsend@hastingsmn.gov
 115 W. 5th Street
 Hastings, MN 55033

Payment Terms:

1. "One Time Fees" are due once upon contract signature.
2. "Recurring Fees" are annual fees which are due once upon contract signature and recur each year.
3. The Recurring Fees will escalate in price annually by 7% beginning one year from the last signature hereto and each year thereafter.
4. ImageTrend may temporarily suspend performance (e.g. cease to provide access, hosting, support) due to Client's breach of contract provided Client shall have 30 days to cure such breach before ImageTrend may suspend performance.
5. ImageTrend may charge to Client a late fee of 1.5% per month, or the highest rate allowed under the law, whichever is lower, on any overdue amounts. Client also agrees ImageTrend may charge to Client all reasonable costs and expenses of collection, including attorneys' fees where, in ImageTrend's discretion, payments are consistently deficient or late.

6. All Annual SaaS Fees are based upon anticipated transaction volumes (as provided by Client) and are subject to an annual usage audit. ImageTrend reserves the right to increase fees in accordance with increased transaction volume per the Unit Price listed in the tables above.
7. ImageTrend will not be responsible for third-party fees related to this Agreement unless specifically outlined by this Agreement.

Request For Payment

Date: 8/31/2023
 Project: 2023 Neighborhood Infrastructure Improvements
 Contractor: BCM Construction Inc.
 Request Number: 4
 Payment Period: 8/1/2023 - 8/31/2023

Vendor: 001254
 Amount: \$ 727,020.70
 Dept: ENG
 Ord. By: CMATHISEN
 Acct. # 483-300-3630-6590 #9
 Date: 9/8/2023

APPROVED
 rstempski , 9/11/2023, 11:05:54 AM

III-04

ITEM NO.	DESCRIPTION	UNIT	ORIGINAL BID			COMPLETED					
			Quantity	Unit Price	Amount	Total To Date		Previous Payments		This Pay Period	
						Quantity	Amount	Quantity	Amount	Pay Estimate #4 Quantity	Amount
1	CLEARING	TREE	14	\$ 650.00	\$ 9,100.00	17	\$ 11,050.00	17	\$ 11,050.00		\$ -
2	GRUBBING	TREE	15	\$ 315.00	\$ 4,725.00	19	\$ 5,985.00	19	\$ 5,985.00		\$ -
3	REMOVE EXISTING GATE VALVE	EA	25	\$ 200.00	\$ 5,000.00	25	\$ 5,000.00	22	\$ 4,400.00	3	\$ 600.00
4	REMOVE EXISTING HYDRANT & GATE VALVE	EA	4	\$ 515.00	\$ 2,060.00	4	\$ 2,060.00	2	\$ 1,030.00	2	\$ 1,030.00
5	REMOVE EXISTING STORM SEWER STRUCTURE (ALL DEPTHS & SIZES)	EA	60	\$ 415.00	\$ 24,900.00	61	\$ 25,315.00	54	\$ 22,410.00	7	\$ 2,905.00
6	REMOVE EXISTING SANITARY MANHOLE	EA	4	\$ 350.00	\$ 1,400.00	4	\$ 1,400.00	4	\$ 1,400.00		\$ -
7	REMOVE EXISTING CONCRETE PEDESTRIAN RAMP	EA	39	\$ 170.00	\$ 6,630.00	39	\$ 6,630.00	37	\$ 6,290.00	2	\$ 340.00
8	SALVAGE AND REINSTALL MAIL BOX	EA	7	\$ 185.00	\$ 1,295.00		\$ -		\$ -		\$ -
9	INSTALL MAIL BOX	EA	3	\$ 185.00	\$ 555.00		\$ -		\$ -		\$ -
10	SAWCUT EXISTING BITUMINOUS PAVEMENT	LF	750	\$ 4.00	\$ 3,000.00		\$ -		\$ -		\$ -
11	SAWCUT EXISTING CONCRETE PAVEMENT	LF	50	\$ 8.00	\$ 400.00		\$ -		\$ -		\$ -
12	REMOVE CONCRETE CURB & GUTTER	LF	10670	\$ 3.60	\$ 38,412.00	10670	\$ 38,412.00	10670	\$ 38,412.00		\$ -
13	REMOVE EXISTING STORM SEWER PIPE (ALL DEPTHS & SIZES)	LF	1358	\$ 8.50	\$ 11,543.00	1358	\$ 11,543.00	1358	\$ 11,543.00		\$ -
14	REMOVE EXISTING SANITARY SEWER PIPE (ALL DEPTHS & SIZES)	LF	80	\$ 8.50	\$ 680.00	80	\$ 680.00	80	\$ 680.00		\$ -
15	SAND FILL AND ABANDON WATER MAIN	LF	800	\$ 7.00	\$ 5,600.00	396	\$ 2,772.00	396	\$ 2,772.00		\$ -
16	REMOVE EXISTING WATER MAIN (ALL DEPTHS & SIZES)	LF	243	\$ 14.00	\$ 3,402.00	243	\$ 3,402.00	243	\$ 3,402.00		\$ -
17	REMOVE CONCRETE SIDEWALK	SY	2100	\$ 9.00	\$ 18,900.00	2122	\$ 19,098.00	1038	\$ 9,342.00	1084	\$ 9,756.00
18	REMOVE CONCRETE DRIVEWAY	SY	469	\$ 9.00	\$ 4,221.00	380	\$ 3,420.00	135	\$ 1,215.00	245	\$ 2,205.00
19	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	SY	60	\$ 11.00	\$ 660.00		\$ -		\$ -		\$ -
20	REMOVE BITUMINOUS PAVEMENT	SY	25450	\$ 0.80	\$ 20,360.00	25450	\$ 20,360.00	25450	\$ 20,360.00		\$ -
21	REMOVE MAIL BOX SPECIAL	EA	2	\$ 350.00	\$ 700.00		\$ -		\$ -		\$ -
22	SUBGRADE PREPARATION OF RECLAIMED SURFACE	SY	11140	\$ 1.10	\$ 12,254.00	6850	\$ 7,535.00		\$ -	6850	\$ 7,535.00
23	COMMON EXCAVATION (EV)	CY	6330	\$ 19.75	\$ 125,017.50	6330	\$ 125,017.50	5850	\$ 115,537.50	480	\$ 9,480.00
24	COMMON EXCAVATION TRAIL (EV)	CY	1040	\$ 17.00	\$ 17,680.00	890	\$ 15,130.00	225	\$ 3,825.00	665	\$ 11,305.00
25	HAUL EXCESS RECLAIM MATERIAL (LV)	CY	1014	\$ 9.50	\$ 9,633.00	656	\$ 6,232.00		\$ -	656	\$ 6,232.00
26	SUBGRADE CORRECTION (EV)	CY	1650	\$ 6.50	\$ 10,725.00	886	\$ 5,759.00	118	\$ 767.00	768	\$ 4,992.00
27	CRUSHED ROCK BORROW MATERIAL (LV)	CY	1650	\$ 15.60	\$ 25,740.00	317	\$ 4,945.20		\$ -	317	\$ 4,945.20
28	GRANULAR PIPE BEDDING (LV)	CY	50	\$ 30.00	\$ 1,500.00		\$ -		\$ -		\$ -
29	SALVAGE AGGREGATE FROM STOCKPILE (MILLINGS)	CY	50	\$ 25.00	\$ 1,250.00		\$ -		\$ -		\$ -
30	AGGREGATE BASE CLASS 5 (STREET)	TON	10511	\$ 12.75	\$ 134,015.25	11233	\$ 143,220.75	8434	\$ 107,533.50	2799	\$ 35,687.25
31	AGGREGATE BASE CLASS 5 (TRAIL OR WALK)	TON	1281	\$ 21.00	\$ 26,901.00	1100	\$ 23,100.00	405	\$ 8,505.00	695	\$ 14,595.00
32	BIT JOINT SAWING AND SEALING	LF	6780	\$ 4.20	\$ 28,476.00		\$ -		\$ -		\$ -
33	JOINT ADHESIVE	LF	17065	\$ 0.80	\$ 13,652.00		\$ -		\$ -		\$ -
34	FULL DEPTH PAVEMENT RECLAMATION - 8-10 INCHES	SY	11140	\$ 3.25	\$ 36,205.00	11140	\$ 36,205.00		\$ -	11140	\$ 36,205.00
35	BITUMINOUS MATERIAL FOR TACK COAT	GAL	5264	\$ 5.25	\$ 27,636.00		\$ -		\$ -		\$ -
36	BITUMINOUS DRIVEWAY SPWEB240B/SPNW230B	SY	60	\$ 63.00	\$ 3,780.00		\$ -		\$ -		\$ -
37	BITUMINOUS WEAR COURSE MIX SPWEB340C (STREET)	TON	3847	\$ 78.50	\$ 301,989.50		\$ -		\$ -		\$ -
38	BITUMINOUS NON WEAR COURSE MIX SPNWB330C (STREET)	TON	6370	\$ 78.50	\$ 500,045.00	5143	\$ 403,725.50	1814	\$ 142,399.00	3329	\$ 261,326.50
39	BITUMINOUS WEAR COURSE MIX: SPWEB340B (TRAIL)	TON	755	\$ 84.00	\$ 63,420.00		\$ -		\$ -		\$ -
40	12" RCP DES 3006 CL III	LF	58	\$ 127.00	\$ 7,366.00	58	\$ 7,366.00	23	\$ 2,921.00	35	\$ 4,445.00
41	15" RCP DES 3006 CL III	LF	1911	\$ 84.50	\$ 161,479.50	1933	\$ 163,338.50	1763	\$ 148,973.50	170	\$ 14,365.00
42	18" RCP DES 3006 CL III	LF	111	\$ 101.00	\$ 11,211.00	111	\$ 11,211.00	94	\$ 9,494.00	17	\$ 1,717.00
43	21" RCP DES 3006 CL III	LF	15	\$ 108.00	\$ 1,620.00	15	\$ 1,620.00	15	\$ 1,620.00		\$ -
44	CONNECT TO EXISTING STORM SEWER STRUCTURE	EA	1	\$ 1,500.00	\$ 1,500.00	1	\$ 1,500.00	1	\$ 1,500.00		\$ -
45	CONNECT TO EXISTING STORM SEWER	EA	29	\$ 400.00	\$ 11,600.00	31	\$ 12,400.00	25	\$ 10,000.00	6	\$ 2,400.00
46	CONST DRAINAGE STRUCTURE 24" X 36"	EA	40	\$ 3,350.00	\$ 134,000.00	42	\$ 140,700.00	36	\$ 120,600.00	6	\$ 20,100.00

ITEM NO.	DESCRIPTION	UNIT	ORIGINAL BID			COMPLETED					
			Quantity	Unit Price	Amount	Total To Date		Previous Payments		This Pay Period	
						Quantity	Amount	Quantity	Amount	Pay Estimate #1 Quantity	Amount
47	CONST DRAINAGE STRUCTURE 4020 48" DIA	EA	20	\$ 4,150.00	\$ 83,000.00	22	\$ 91,300.00	17	\$ 70,550.00	5	\$ 20,750.00
48	REPLACE EXISTING STORM SEWER CASTING SPECIAL	EA	8	\$ 1,350.00	\$ 10,800.00		\$ -		\$ -		\$ -
49	ADJUST FRAME RING AND CASTING (SPECIAL)	EA	21	\$ 700.00	\$ 14,700.00		\$ -		\$ -		\$ -
50	HYDRODYNAMIC SEPARATOR	EA	3	\$ 18,200.00	\$ 54,600.00	3	\$ 54,600.00	1	\$ 18,200.00	2	\$ 36,400.00
51	GEOTEXTILE FILTER MATERIAL TYPE IV	SY	50	\$ 5.00	\$ 250.00		\$ -		\$ -		\$ -
52	4" CONCRETE SIDEWALK	SF	2750	\$ 7.30	\$ 20,075.00	1413	\$ 10,314.90	1413	\$ 10,314.90		\$ -
53	6" CONCRETE SIDEWALK	SF	390	\$ 9.40	\$ 3,666.00	335	\$ 3,149.00	335	\$ 3,149.00		\$ -
54	B618 CONCRETE CURB & GUTTER	LF	10920	\$ 19.60	\$ 214,032.00	7699	\$ 150,900.40	7699	\$ 150,900.40		\$ -
55	CONCRETE VALLEY GUTTER	LF	400	\$ 37.00	\$ 14,800.00		\$ -		\$ -		\$ -
56	REMOVE & REPLACE EXISTING CURB & GUTTER (ALL TYPES & SIZES)	LF	1485	\$ 31.25	\$ 46,406.25	909	\$ 28,406.25	398	\$ 12,437.50	511	\$ 15,968.75
57	6" CONCRETE DRIVEWAY PAVEMENT	SY	530	\$ 67.00	\$ 35,510.00	155	\$ 10,385.00	135	\$ 9,045.00	20	\$ 1,340.00
58	CONCRETE PEDESTRIAN RAMP	EA	44	\$ 2,150.00	\$ 94,600.00	13	\$ 27,950.00	13	\$ 27,950.00		\$ -
59	TRAFFIC CONTROL	LS	1	\$ 12,600.00	\$ 12,600.00	0.5	\$ 6,300.00	0.5	\$ 6,300.00		\$ -
60	ROCK CONSTRUCTION EXIT	EA	7	\$ 700.00	\$ 4,900.00		\$ -		\$ -		\$ -
61	STORM DRAIN INLET PROTECTION	EA	65	\$ 125.00	\$ 8,125.00	65	\$ 8,125.00	65	\$ 8,125.00		\$ -
62	SILT FENCE, TYPE MS	LF	250	\$ 5.00	\$ 1,250.00		\$ -		\$ -		\$ -
63	FLOTATION SILT CURTAIN, TYPE MOVING WATER	LF	50	\$ 25.00	\$ 1,250.00	50	\$ 1,250.00		\$ -	50	\$ 1,250.00
64	EROSION & SEDIMENT CONTROL	LS	1	\$ 4,500.00	\$ 4,500.00	1	\$ 4,500.00	1	\$ 4,500.00		\$ -
65	LOAM TOPSOIL BORROW (LV)	CY	1550	\$ 25.00	\$ 38,750.00		\$ -		\$ -		\$ -
66	EROSION CONTROL BLANKETS CATEGORY 4	SY	50	\$ 4.20	\$ 210.00		\$ -		\$ -		\$ -
67	SEEDING, BLOWN COMPOST	SY	12025	\$ 5.50	\$ 66,137.50		\$ -		\$ -		\$ -
68	PAVEMENT MESSAGE PAINT (RIGHT OR LEFT ARROW)	EA	4	\$ 84.00	\$ 336.00		\$ -		\$ -		\$ -
69	4" SOLID LINE PAINT	LF	10850	\$ 0.20	\$ 2,170.00		\$ -		\$ -		\$ -
70	12" SOLID LINE PAINT	LF	80	\$ 12.00	\$ 960.00		\$ -		\$ -		\$ -
71	4" BROKEN LINE PAINT	LF	1040	\$ 0.20	\$ 208.00		\$ -		\$ -		\$ -
72	CROSSWALK PAINT	SF	108	\$ 9.50	\$ 1,026.00		\$ -		\$ -		\$ -
73	TEMPORARY BYPASS PUMPING	LS	1	\$ 2,500.00	\$ 2,500.00	1	\$ 2,500.00	1	\$ 2,500.00		\$ -
74	CONNECT TO EXISTING SANITARY SEWER STRUCTURE	EA	1	\$ 1,300.00	\$ 1,300.00	1	\$ 1,300.00		\$ -	1	\$ 1,300.00
75	CONNECT TO EXISTING SANITARY SEWER	EA	1	\$ 980.00	\$ 980.00	1	\$ 980.00	1	\$ 980.00		\$ -
76	CONNECT TO EXISTING SANITARY SEWER SERVICE	EA	10	\$ 500.00	\$ 5,000.00	10	\$ 5,000.00		\$ -	10	\$ 5,000.00
77	4" ON 8" PVC WYE	EA	10	\$ 340.00	\$ 3,400.00	10	\$ 3,400.00	10	\$ 3,400.00		\$ -
78	4" PVC SDR 26 (FOR SERVICES)	LF	330	\$ 48.00	\$ 15,840.00	275	\$ 13,200.00	15	\$ 720.00	260	\$ 12,480.00
79	8" PVC SDR 35	LF	658	\$ 59.00	\$ 38,822.00	658	\$ 38,822.00	638	\$ 37,642.00	20	\$ 1,180.00
80	10" PVC SDR 35	LF	306	\$ 72.00	\$ 22,032.00	306	\$ 22,032.00	306	\$ 22,032.00		\$ -
81	8" DIP SANITARY SEWER (ALL DEPTHS)	LF	20	\$ 180.00	\$ 3,600.00	20	\$ 3,600.00	20	\$ 3,600.00		\$ -
82	CONSTRUCT 8" OUTSIDE DROP	LF	4	\$ 1,200.00	\$ 4,800.00	4	\$ 4,800.00	4	\$ 4,800.00		\$ -
83	TELEWISE SANITARY SEWER	LF	964	\$ 4.00	\$ 3,856.00		\$ -		\$ -		\$ -
84	REPLACE EXISTING SANITARY SEWER CASTING	EA	4	\$ 1,100.00	\$ 4,400.00		\$ -		\$ -		\$ -
85	48" DIA. SSMH	EA	5	\$ 6,000.00	\$ 30,000.00	5	\$ 30,000.00	5	\$ 30,000.00		\$ -
86	EXTRA DEPTH MH 10'+	LF	3	\$ 420.00	\$ 1,260.00	3	\$ 1,260.00	3	\$ 1,260.00		\$ -
87	CONNECT TO EXISTING WATERMAIN	EA	18	\$ 900.00	\$ 16,200.00	19	\$ 17,100.00	18	\$ 16,200.00	1	\$ 900.00
88	CONNECT TO EXISTING WATER SERVICE	EA	11	\$ 300.00	\$ 3,300.00	11	\$ 3,300.00		\$ -	11	\$ 3,300.00
89	1" CORP STOP	EA	10	\$ 550.00	\$ 5,500.00	10	\$ 5,500.00		\$ -	10	\$ 5,500.00
90	2" CORP STOP	EA	1	\$ 880.00	\$ 880.00	1	\$ 880.00		\$ -	1	\$ 880.00
91	1" CURB STOP AND BOX	EA	10	\$ 600.00	\$ 6,000.00	10	\$ 6,000.00		\$ -	10	\$ 6,000.00
92	2" CURB STOP AND BOX	EA	1	\$ 1,060.00	\$ 1,060.00	1	\$ 1,060.00		\$ -	1	\$ 1,060.00
93	HYDRANT 7.5' BURY W/GATE VALVE	EA	5	\$ 8,400.00	\$ 42,000.00	5	\$ 42,000.00	3	\$ 25,200.00	2	\$ 16,800.00
94	REPLACE EXISTING GATE VALVE BOX	EA	7	\$ 750.00	\$ 5,250.00	6	\$ 4,500.00	6	\$ 4,500.00		\$ -
95	CURB STOP COVER CASTING	EA	3	\$ 360.00	\$ 1,080.00		\$ -		\$ -		\$ -
96	ADJUST GATE VALVE SPECIAL - BOLT REPLACEMENT	EA	7	\$ 1,650.00	\$ 11,550.00	6	\$ 9,900.00	6	\$ 9,900.00		\$ -
97	ADJUST EXISTING GATE VALVE BOX	EA	24	\$ 160.00	\$ 3,840.00		\$ -		\$ -		\$ -
98	6" GATE VALVE & BOX	EA	15	\$ 2,225.00	\$ 33,375.00	15	\$ 33,375.00	14	\$ 31,150.00	1	\$ 2,225.00
99	8" GATE VALVE & BOX	EA	7	\$ 3,050.00	\$ 21,350.00	8	\$ 24,400.00	8	\$ 24,400.00		\$ -
100	12" GATE VALVE & BOX	EA	2	\$ 5,350.00	\$ 10,700.00	2	\$ 10,700.00	2	\$ 10,700.00		\$ -
101	CURB STOP BOX REPAIR/EXTENSION	EA	1	\$ 650.00	\$ 650.00		\$ -		\$ -		\$ -
102	CONSTRUCT TEMPORARY WATERMAIN & SERVICES	LF	1850	\$ 6.75	\$ 12,487.50	3141	\$ 21,201.75	3141	\$ 21,201.75		\$ -

ITEM NO.	DESCRIPTION	UNIT	ORIGINAL BID			COMPLETED					
			Quantity	Unit Price	Amount	Total To Date		Previous Payments		This Pay Period	
						Quantity	Amount	Quantity	Amount	Pay Estimate #4 Quantity	Amount
103	CURB STOP EXTRA DEPTH	LF	1	\$ 415.00	\$ 415.00		\$ -		\$ -		\$ -
104	1" TYPE K COPPER W/FITTINGS	LF	300	\$ 54.00	\$ 16,200.00	281	\$ 15,174.00		\$ -	281	\$ 15,174.00
105	2" HDPE (CTS) WATER SERVICE	LF	38	\$ 75.00	\$ 2,850.00	61	\$ 4,575.00		\$ -	61	\$ 4,575.00
106	6" C-900 PVC W/FITTINGS	LF	1460	\$ 56.00	\$ 81,760.00	1436	\$ 80,416.00	841	\$ 47,096.00	595	\$ 33,320.00
107	6" DIP W/FITTINGS	LF	70	\$ 120.00	\$ 8,400.00	150	\$ 18,000.00	130	\$ 15,600.00	20	\$ 2,400.00
108	8" C-900 PVC W/FITTINGS	LF	2940	\$ 65.00	\$ 191,100.00	2940	\$ 191,100.00	2940	\$ 191,100.00		\$ -
109	12" C-900 PVC W/FITTINGS	LF	92	\$ 180.00	\$ 16,560.00	83	\$ 14,940.00	83	\$ 14,940.00		\$ -
110	2" INSULATION 4'X8' SHEET	SY	15	\$ 38.00	\$ 570.00		\$ -		\$ -		\$ -
111	REMOVE ORNAMENTAL METAL RAILING	LF	116	\$ 37.00	\$ 4,292.00		\$ -		\$ -		\$ -
112	REMOVE CONCRETE APPROACH PANELS	SF	180	\$ 48.00	\$ 8,640.00	180	\$ 8,640.00		\$ -	180	\$ 8,640.00
113	REMOVE CONCRETE SIDEWALK	SF	220	\$ 8.00	\$ 1,760.00	220	\$ 1,760.00		\$ -	220	\$ 1,760.00
114	SIDEWALK CONCRETE (3S52)	SF	878	\$ 59.00	\$ 51,802.00	878	\$ 51,802.00		\$ -	878	\$ 51,802.00
115	REINFORCEMENT BARS (EPOXY COATED)	LB	3315	\$ 3.15	\$ 10,442.25	3315	\$ 10,442.25		\$ -	3315	\$ 10,442.25
116	BRIDGE APPROACH PANELS	SY	45	\$ 800.00	\$ 36,000.00	45	\$ 36,000.00		\$ -	45	\$ 36,000.00
117	REMOVE CONCRETE BRIDGE DECK	SF	6	\$ 210.00	\$ 1,260.00	6	\$ 1,260.00		\$ -	6	\$ 1,260.00
118	REMOVE CONCRETE BRIDGE SIDEWALK	LF	115	\$ 28.00	\$ 3,220.00	115	\$ 3,220.00		\$ -	115	\$ 3,220.00
119	ANCHORAGES TYPE REINF BARS	EA	254	\$ 48.00	\$ 12,192.00	254	\$ 12,192.00		\$ -	254	\$ 12,192.00
120	RECONSTRUCT EXPANSION JOINT TYPE B	LF	7	\$ 1,575.00	\$ 11,025.00		\$ -		\$ -		\$ -
121	CONCRETE SURFACE REPAIR, TYPE 2	SF	6	\$ 210.00	\$ 1,260.00		\$ -		\$ -		\$ -
122	WIRE FENCE, DESIGN S-1 (VINYL COATED)	LF	111	\$ 260.00	\$ 28,860.00		\$ -		\$ -		\$ -

SUBTOTALS:	\$ 3,368,721.25	\$2,419,645.00	\$1,654,360.05	\$765,284.95
	ORIGINAL BID	TOTAL TO DATE	PREVIOUS PAYMENTS	CURRENT PERIOD

PROJECTS:

2023-1 Neighborhood Infrastructure Improvements	This Period	Total to Date
	\$765,284.95	\$2,419,645.00

**CITY OF HASTINGS
2023 Neighborhood Infrastructure Improvements
Payment Summary**

VIII-04

Pay Estimate Number	Period	Retainage*	Payment	Pay Period Total
1	5/1/2023 - 5/31/2023		\$412,385.00	\$412,385.00
2	6/1/2023 - 6/30/2023		\$663,034.95	\$663,034.95
3	7/1/2023 - 7/31/2023		\$578,940.10	\$578,940.10
4 (Current)	8/1/2023 - 8/31/2023	\$38,264.25	\$727,020.70	\$765,284.95
TOTALS TO DATE:		\$38,264.25	\$2,381,380.75	\$2,419,645.00

*A 5% retainage is withheld on all payments after total amount completed to date exceeds 50% of original bid

Total Completed to Date:	\$2,419,645.00
Less Retainage:	\$38,264.25
Less Previous Payment:	\$1,654,360.05
Total Amount Due:	\$727,020.70

Application for Payment Number: 4

Contractor: BCM Construction Inc.

Aaron Miller

Digitally signed by Aaron Miller
DN: c=US, e=amiller@bcmgrading.com, cn=Aaron Miller
Reason: I am approving this document
Date: 2023.09.07 16:26:14-0500

9/7/23

Contractor

Date

Engineer



9/8/23

Date

Approved by Owner

Date



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: City Administrator Dan Wietecha
Date: September 18, 2023
Item: Speedway Gas Station License Suspension

Council Action Requested:

Approve resolution imposing civil penalties of \$1,000 and a 3-day license suspension of Speedway Gas Station at 1390 S. Frontage Road.

Background Information:

On April 28, 2023, the City of Hastings conducted a liquor license compliance check of Speedway Gas Station, 1390 S. Frontage Road, Hastings, MN 55033. Speedway failed the compliance check and was not enrolled in the Best Practices Program.

Pursuant to Section 111.10 of the City Code Pertaining to Alcoholic Beverages, the presumptive civil penalties for a first offense, Non-Best Practices Business of a \$1,000 and a 3-day license suspension would be levied against Speedway Gas Station. Licensee has been advised of the penalties and that it has an opportunity to demand a hearing before the City Council.

Financial Impact:

Not applicable

Committee Discussion:

Not applicable

Attachments:

- Hastings City Code Section 111.0 Suspension or Revocation of License
- Police Report #23-900068
- Resolution Imposing Sanctions Upon Retail Intoxicating Liquor License Holder Speedway Gas Station

111.10 Suspension Or Revocation Of License

VIII-05

- A. *Suspending License.* The City Council may suspend any retail license for up to 60 days or revoke any retail license for the sale of alcoholic beverages upon the violation of any provision or condition of this chapter or of any state or federal law regulating the sale of alcoholic beverages. The City Council shall revoke the license for any willful violation, which under the laws of this state, is grounds for mandatory revocation.
- B. *Notice To Suspend.* Before the Council shall suspend or revoke any license issued under this chapter, the licensee shall be given at least 10-days' notice stating the time and place of the hearing and the charges against the licensee. The notice shall also state that the licensee may have a hearing conducted under M.S. §§ 14.57 through 14.69 of the Minnesota Administrative Procedures Act, as they may be amended from time to time.
- C. *Presumptive Civil Penalties.* The following process and presumptive penalties shall apply only to liquor license violations involving failure of routine alcohol sales, compliance checks or sales of alcohol to underage persons. There shall be no presumptive penalties for liquor license violations of other types and the City Council may impose any penalties allowed by law for those violations after the notice and opportunity for hearing provided in division (B) above.
 - 1. Purpose. The purpose of this section is to establish a standard by which the City Council determines the length of license suspensions and the propriety of revocations, and shall apply to all on-sale and off-sale licensed premises. These penalties are presumed to be appropriate for every case; however, the Council may deviate in an individual case where the Council finds that there exist substantial reasons making it more appropriate to deviate. When deviating from these standards, the Council shall provide written findings that support the penalty imposed.
 - 2. Best Practices Program. The Best Practices Program (BPP) is a program offered by the City with the intent to eliminate sales of alcohol to youth. Participation in the BPP is voluntary, it is offered to both off-sale and on-sale liquor establishments and offers incentives to participating licensees to undertake certain practices with the objective of avoiding sales to minors. The City will assist participating businesses with training and a different set of presumptive penalties will apply to those who choose to participate, should an illegal sale to a minor occur. Licensees may enroll at any time during their license period, and will be offered an opportunity at the time of annual license renewal. Interested licensees will provide written intent to participate, and will be categorized as a Best Practices Business once they have successfully completed the requirements of the program. It is the licensee's responsibility to ensure continued compliance with the program; the City may conduct random verification checks, and recertification will be required during annual renewal of a liquor license. If a Best Practices Business has two (2) or more violations within a three (3) year period, the City Council may choose to disregard a business' participation in the program and apply penalties different than the BPP presumptive penalties.

	<i>Required Items</i>
	A minimum of 75% of alcohol selling employees (at any one time) have attended alcohol training conducted by Hastings Police Department (or other training pre-approved by the City)
	Business has an internal program in place for providing ongoing training of both new and current alcohol selling employees (copy of program and tracking must be provided)

	Business has an internal policy requiring identification checks for anyone appearing to be 40 years old or under (copy of program and tracking must be provided)	VIII-05
<i>Electives (Must Have 40 Points)</i>		
10	Business has an internal employee reward/recognition program for employees who catch any underage customer attempting to purchase alcohol	
10	Businesses uses an automated ID Card Scammer system or	
20	Business uses an automated ID card scanner system that is integrated into register system*	
10	Business has an internal policy setting a minimum age of 21 for employees to sell alcohol products	
10	Business agrees to meet immediately with city staff following a violation (instead of waiting for criminal court proceedings)	
	Total electives selected	
	* Cannot elect both automated ID systems	

3. Underage sales and compliance check failures. The following presumptive penalties apply to liquor license violations involving failure of routine alcohol sales compliance checks or sale of alcoholic beverages to an underage person(s).

<i>Violation</i>	<i>Best Practices Business</i>	<i>Non-Best Practices Business</i>
1st	\$500 civil penalty	\$1,000 civil penalty and 3 day license suspension
2nd (within 24 months of first violation)	\$750 civil penalty and 3 day license suspension	\$1,500 civil penalty and 6 day license suspension
3rd (within 24 months of first violation)	\$1,000 civil penalty and 6 day license suspension	\$2,000 civil penalty and 9 day license suspension
4th (within 24 months of first violation)	Revocation	Revocation
"Best Practices" designation applies to those license holders who at the time of the violation are registered with the city to participate and are in compliance with its alcohol "Best Practices Program".		

- a. Multiple violations. At a licensee's first appearance before the City Council, the Council shall act upon all of the violations that have been alleged in the notice sent to the licensee. The Council in that case shall consider the presumptive penalty for each violation under the 1st Violation column in division (3) above. The occurrence of multiple violations shall be a basis for deviation from the presumptive penalties in the Council's discretion.
- b. Subsequent violation. Violations occurring after the notice of hearing has been sent to the licensee, but prior to the hearing, shall be treated as a separate violation and treated as a subsequent violation before the City Council, unless the City Administrator and licensee agree in writing to add the violation to the appearance and hearing on the initial violation for which notice was sent. The

same procedure shall apply to a second, third or fourth violation considered before the Council.

VIII-05

- c. Subsequent appearances. Upon a second, third or fourth appearance before the City Council by the same licensee, the Council shall impose the presumptive penalty for the violation or violations giving rise to the subsequent appearance without regard to the particular violation or violations that were the subject of the first or prior appearance. However, the Council may consider the amount of time elapsed between appearances as a basis for deviation from the presumptive penalties imposed by this section.
- d. Computation of violations. Multiple violations are computed by reviewing the time period of the two (2) years immediately prior to the date of the most current violation.
- e. Stipulations in lieu of hearing. When a liquor license violation involves a licensee's failure of a routine alcohol sales compliance check or sale of alcohol to an underage person or persons to which these presumptive penalties apply, documentation of the illegal sale shall be sent to the City Council by either the Chief of Police or the City Administrator, together with notice of the applicable presumptive penalty. If no Council member objects to application of the presumptive penalty or otherwise requests that the matter be brought before the Council within 7 days, the City Administrator or City Attorney may enter into a written stipulation with the licensee which shall include a waiver of further notice and hearing by the licensee, a recitation of stipulated facts describing the alleged violation, and setting forth the applicable presumptive penalty to be imposed, provided that all such stipulations shall be subject to the approval of the City Council and if the approval is not granted, the licensee shall have the right to withdraw its waiver of hearing and to demand a hearing before the Council.
- f. Other penalties. Nothing in this section shall restrict or limit the authority of the City Council to suspend a liquor license up to 60 days, to revoke the license, to impose a civil fee not to exceed \$2,000 to impose conditions, or to take any other action in accordance with law; provided that the license holder has been afforded an opportunity for a hearing in the manner provided by this chapter.

D. *Costs.* Once a notice of intent to revoke or suspend a license has been mailed to the licensee, the licensee becomes responsible for all reasonable costs of investigation, administration and hearings associated with the action as a condition of reinstatement, termination of suspension or dismissal of the allegations prior to a hearing.

(Prior Code, § 3.10)

HISTORY

Amended by Ord. 483, 2nd Series on 5/20/2002

Amended by Ord. 509, 2nd Series on 4/5/2004

Amended by Ord. 2009-07, 3rd Series on 7/6/2009



Hastings Police Department	Incident Report
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Incident: GM-Liquor-Purchase/Sell/Bar	VIII-05
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Incident Report Number: 23-900068	Between: Date - Time	And/At: Date-Time 4/28/23 19:50
--------------------------------------	----------------------	------------------------------------

Incident Location: 1390 South Frontage Rd, Hastings, MN, 55033

Offense - 1: 340A.503.2(1)	Offense - 2:	Offense - 3:	Offense - 4:
Offense - 5:	Offense - 6:	Offense - 7:	Offense - 8:

Name (Last, First, Middle)	DOB:	Race/Sex
----------------------------	------	----------

Address: (Address, City, State, Zip)	Phone 1
--------------------------------------	---------

Employer	Phone 2
----------	---------

Employer Address	Work Phone #
------------------	--------------

Name (Last, First, Middle)	DOB:	Race/Sex
----------------------------	------	----------

Address: (Address, City, State, Zip)	Phone 1
--------------------------------------	---------

Employer	Phone 2
----------	---------

Employer Address	Work Phone #
------------------	--------------

SUMMARY

On 04/28/2023 at 2013 hours, Officers responded to the 1300 block of South Frontage Road regarding a violation of the Alcohol Compliance Checks.

Vehicle Information: (Year, Make, Model, Style, Color)	
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License Number:	State:	Expiration Year:	Vin:	Insurance Company:
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Other Vehicle Information:	NCIC#
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Reporting Officer(s): Willers, Jacob R.	Payroll Number : HAJW01	Report Date: 05/24/2023
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Time Received: 19:50:00	Time Cleared: 20:30:00	Unit(s) Assigned: 1422	Pages: 1 of 5
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Reviewed by: Belisle, Kathleen C.	Payroll Number : hakb03	Copy To
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Date: 05/24/2023
Offense - 1: 340A.503.2(1)
Incident Report Number: 23-900068

Hastings Police Department

Continuation

Incident Report Number

23-900068

Incident Location:

1390 South Frontage Rd, Hastings, MN, 55033

Incident Date:

04/28/2023

VII-05

NAMES

Suspect

Poole, Janya Lashay B/F-18 of 1601 South Frontage Rd,
Hastings, MN, 55033-2496
DOB: 02/13/2005
HT: 508 WT: 164 Hair: Black
Eyes: Brown Complexion: Medium

Location of Event

Speedway #4486 of 1390 South Frontage Rd, Hastings, MN, 55033
Phone 1: (651) 480-8700

Other-1

Klann, Gabrielle Marie U/F-18 of 9763 Dunes Ln, Cottage Grove, MN, 55016-4649
DOB: 12/03/2004
HT: 504 WT: 130 Hair: Brown
Eyes: Brown Complexion: Medium

Other-2

Robbins, Adriauna Suzanne U/F-26 of 1000 Peters Pl, 303,
Columbia Heights, MN, 55421
DOB: 02/12/1997
HT: 505 WT: 190 Hair: Black
Eyes: Hazel

Phone 1: (651) 200-1243

=====

Reporting Officer(s):

Willers, Jacob R.

Payroll Number :

HAWJ01

Pages:

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Hastings Police Department**Continuation**

Incident Report Number

23-900068

Incident Location:

1390 South Frontage Rd, Hastings, MN, 55033

Incident Date:

04/28/2023

VBI-05

NARRATIVE

On 04/28/2023 at approximately 1950 hours, I, School Resource Officer Jake Willers, conducted an alcohol and tobacco compliance check at Speedway (1390 South Frontage Road). The person attempting to purchase tobacco and alcohol for me was Gabrielle Marie Klann DOB/2004-12-03.

I parked directly east of Speedway behind pine trees in another businesses' parking lot. I could not see who was inside the business. Before Gabrielle went inside, we discussed what I wanted her to attempt to purchase, which was Camel Blue cigarettes and Coors Light. If there wasn't Coors Light (some gas stations did not carry Coors Light), then Gabrielle should buy any other alcoholic beverage.

Gabrielle went inside Speedway and returned with a single box of Camel Blue cigarettes, a six pack of Michelob Ultra Lime, 8 dollars in change, and the receipt for the transaction. Gabrielle said she grabbed the six pack of Michelob Ultra Lime and approached the Cashier. The Cashier was described as an African American with "dreads." Gabrielle asked for Camel Blue cigarettes, and the Cashier asked Gabrielle why she wanted Camel Blues. The Cashier still handed Gabrielle the cigarettes and did not ask Gabrielle for her age or identification. The Cashier told Gabrielle the price (\$21.14), and Gabrielle handed the Cashier \$30 in cash. The Cashier provided \$8 in change (all \$1 bills), but the Cashier never provided the change (86 cents). Gabrielle exited the store with the items.

I reviewed the receipt, which showed the transaction occurred at 1957 hours. The name of the Cashier according to the receipt was "Jamya P." I also looked at the Michelob Ultra Lime, which showed an alcohol percentage of four percent in each bottle. I photographed the alcohol, cigarettes, and the receipt, and I uploaded them to the casefile. I brought the cigarettes, alcohol, and the change into the store. At the cash register, I observed a female I knew from Hastings High School. The female was Jamya Lashay Poole DOB/2005-02-13. I briefly spoke with the most senior employee at the time, identified as Adriauna Suzanne Robbins DOB/1997-02-12. I explained the situation to her, and I provided my name and phone number for the manager to call me. I explained to her there would be potential consequences for Speedway. Adriauna said would let the manager know.

I then spoke with Jamya, and I explained to Jamya that she failed the compliance check by selling alcohol and cigarettes to someone under the age of 21. I explained the incident as told by Gabrielle, and Jamya recalled the incident. Jamya remembered Gabrielle not taking the coins for change. I told Jamya that she could face possible criminal charges for serving Gabrielle. Jamya said this was her third shift at Speedway, and nobody trained her. Jamya did not specify what she was not trained to do. Jamya abruptly left and did not speak to me again.

I advised Adriauna to have the manager call me. I was given the \$30 Gabrielle used back, and I gave Audrianna the alcohol and cigarettes back as well. I completed the documentation on the Alcohol

Reporting Officer(s):

Willers, Jacob R.

Payroll Number :

HAJW01

Pages:

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Hastings Police Department**Continuation**

Incident Report Number

23-900068

Incident Location:

1390 South Frontage Rd, Hastings, MN, 55033

Incident Date:

04/28/2023

VBI-05

Compliance Form, and I uploaded it to the casefile. As of 05/04/2023, I have attempted to speak with Management at Speedway three separate times about Jamya's training. The employees took my information and said they would let management know to call me. One of the employees advised me Jamya was terminated from Speedway. The same employee also said Jamya only worked three shifts before being terminated. Management never called me. A voicemail was also left with information regarding the case.

On 05/16/2023 at approximately 1400 hours, I attempted to call Speedway again. The first time I called there were phone issues, and the second time I called, I left a voicemail. I then contacted Speedway Corporate Office, and I spoke with a customer service representative. I advised the representative of the situation, and she sent an email with information to her supervisor. The representative also created a report on her end and provided me with a reference number of CUSTSUP0247956. The representative also provided me with the Law Enforcement Division for Speedway's email, which was LawEnforcement@7-11.com. I sent an email to the Law Enforcement Division as well regarding this situation.

On 05/18/2023, I spoke with Rebecca Vijjeswarapu, who is the Regulatory Compliance Analyst for Speedway. Rebecca provided a phone number of 972-828-6879, and an email address of rebecca.vijjeswarapu@7-11.com. I explained the situation to Rebecca, and she would get back to me. Per company policy, every employee must watch a DVD on compliance checks before running the cash register at any store. Rebecca would try to find out if Jamya received any training.

On 05/24/2023, I spoke with Rebecca again, and she spoke with the Area Manager for the Speedway on South Frontage Road. It was determined Jamya was not trained to use the cash register.

Since Jamya was not trained properly, I decided not to charge Jamya with selling alcohol to a person under the age of 21. I am unable to charge Jamya with selling tobacco to a person under the age of 21 because Jamya was also under the age of 21. Jaymya was advised of the warning on 05/24/2023.

This case should be forwarded to the City Attorney's Office for further review.

See BWC for further information.

Case Status: Refer to City Attorney's Office.

Squad Video: No

Photos: Yes

Reporting Officer(s):

Willers, Jacob R.

Payroll Number:

HAJW01

Pages:

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Hastings Police Department

Continuation

Incident Report Number

Incident Location:

Incident Date:

23-900068

1390 South Frontage Rd, Hastings, MN, 55033

04/26/2023

VII-05

Refer Adult Services: No

Refer Juvenile Service: No

Physical Evidence: No

Body Cam: No

Statements: Yes

Reporting Officer(s):

Willers, Jacob R.

Payroll Number:

HAWJ01

Pages:

5 Of 5

**CITY OF HASTINGS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION IMPOSING SANCTIONS UPON
RETAIL INTOXICATING LIQUOR LICENSE HOLDER
SPEEDWAY GAS STATION**

WHEREAS, state law authorizes a city council to impose sanctions upon the holder of a retail intoxicating liquor license who has failed to comply with an applicable statute, upon a hearing duly noticed, and the opportunity for the license holder to be heard;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hastings, Minnesota, as follows:

FINDINGS

- A. On April 28, 2023, the Hastings Police Department conducted an alcohol compliance check at the Speedway Gas Station located at 1390 S Frontage Road, Hastings, Minnesota 55033. On that date, an employee of Speedway sold intoxicating alcohol to an underage purchaser cooperating with the Hastings Police Department.
- B. The Police reports attached are stipulated into evidence to support the sanctions imposed herein.
- C. Notice of an intoxicating liquor violation was duly given to the license holder for the premises at 1390 S Frontage Road, Hastings, Minnesota 55033 on September 7, 2023, pursuant to Minnesota Statutes, sections 14.57 to 14.69 and City Code Section 111.10.
- D. In lieu of a hearing, the liquor license holder has agreed to comply with the civil sanctions below and consents to the terms contained herein.
- E. The civil sanctions below are conditioned upon the Hastings City Council’s approval. If the City Council chooses to impose more severe sanctions, the liquor license holder has the right to withdraw its consent.

CONCLUSION

- A. Based upon the police report attached hereto, the City Council concludes that the liquor license holder for the premises at 1390 S Frontage Road, Hastings, Minnesota 55033 (Speedway Gas Station) failed to comply with an applicable statute in that an alcoholic beverage was sold to an underage person on April 28, 2023, in the licensed establishment.
- B. This incident constitutes the liquor license holder’s first violation pursuant to Hastings City Code Section 111.10 within a 24-month period.

C. The liquor license holder is not a member of the Best Practices Program, therefore the presumptive sanction is: \$1,000 fine and 3 day suspension.

D. The following sanctions are imposed for the violation:

1. A \$1,000 civil penalty is imposed against the license holder which must be paid by 4:30 p.m. on September 25, 2023. If not paid, the license will be suspended without notice to the licensee until the civil penalty is paid.
2. The city-issued license will be revoked/suspended for a period of three days, which will occur on these dates: September 28, September 29, and September 30, 2023. The licensee is required to cooperate and work with the Police Chief, who will monitor and ensure compliance with this sanction.
3. While holding a City-issued alcohol license, the licensee or a representative from this establishment will attend any future City-sponsored alcohol compliance training when notified;
4. The license holder will establish an age verification policy for the establishment’s employees and provide the police department with a copy of this policy within 30 days of this resolution;
5. While holding a City-issued alcohol license, the license holder must document and maintain the signatures and dates of any alcohol training their employees receive, including being advised of the policy cited above. This list must be up kept to date and made available to the police department upon request.
6. The license holder shall not have any alcohol-related violations for a period of one year of this resolution.
7. If the licensee fails to comply by the conditions and sanctions set forth in this resolution, the following will occur:
 - a. Any stayed civil penalty will be administratively imposed;
 - b. Any stayed suspended period penalty will be administratively imposed, with the dates of suspension determined by the Police Chief;
 - c. The licensee may be required to attend a Council meeting for additional sanctions.

Adopted by the City Council of the City of Hastings this ___ day of _____, 2023.

Ayes: Nays:

Attest:

Mary Fasbender, Mayor

Kelly Murtaugh, City Clerk

Signed

Printed

Title

DATE



City Council Memorandum

To: Mayor Fasbender and City Council
From: John Hinzman, Community Development Director
Date: September 18, 2023
Item: Authorize Signature: 3rd Amendment to Development Agreement - Villas at Pleasant - 32 Villas Homes - Simek Property Group - Northridge and Pleasant

Council Action Requested:

Authorize Signature of the attached 3rd Amendment to the Development Agreement for Villas at Pleasant, a 32 lot villa home subdivision developed by Simek Property Group northeast of Northridge and Pleasant Drives.

The amendment modifies the date for completion of wear course bituminous paving from September 15, 2023 to September 15, 2024. No other significant changes are included in the amendment. Action requires a simple majority of City Council.

Background Information:

The City Council granted Final Plat and Development Agreement approval on April 5, 2021. The agreement established a June 30, 2022 deadline for installation of pavement wear course and completion of public and private improvements. The 1st Amendment extended the deadline of wear course paving until October 15, 2022. The 2nd Amendment extended the deadline of wear course paving until September 15, 2023.

Wear course paving is recommended when the majority of homes in a development have been completed. Staff recommends extending the date.

Financial Impact:

The addition of 32 home sites will add to the tax base and create needed housing opportunities.

Advisory Commission Discussion:

N/A

Attachments:

- 3rd Amendment to Development Agreement

THIRD AMENDMENT TO DEVELOPMENT AGREEMENT

THIS THIRDA MENDMENT TO DEVELOPMENT AGREEMENT (this “Third Amendment”) is entered into as of this _____ day of _____, 2023 (the “Effective Date”), by and between the City of Hastings, a Minnesota municipal corporation (“City”), and Villas at Pleasant, LLC, a Minnesota limited liability company (“Developer”).

RECITALS

Recital No. 1. The City and Developer entered into that certain Development Agreement of Villas at Pleasant, Dakota County, Minnesota dated April 12, 2021 and recorded as Document No. 3528860 on March 10, 2022 in the Office of the County Recorder, Dakota County, Minnesota, as amended by that certain First Amendment to Development Agreement dated July 14, 2022 and recorded as Document No. 3563459 and the Second Amendment to Development Agreement dated September 6, 2022 and recorded as Document No. 3563460 in the Office of the County Recorder, Dakota County, Minnesota (collectively the “Development Agreement”), for the Subject Property identified in the Development Agreement.

Recital No. 2. Developer has requested the Development Agreement be amended to extend the dates of the installation of wear course.

Recital No. 3. The City does not object to the extension.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each to the other contained in this Third Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The entire Development Agreement is hereby incorporated into this Third Amendment, except as modified below.
2. Section 6(B) of the Development Agreement shall be removed and replaced in its entirety as follows:

- B. Surfacing. Following Public Works Department approval of street grading and utility installation, streets shall be surfaced and provided with concrete curbs and gutters in accordance with the latest recommended plans and specifications prepared by the Public Works Department and on file at the City. The Developer shall install the bituminous wear course of streets after the first course (base course) has weathered a winter season, consistent with warranty requirements, but no later than September 15, 2024. Final acceptance of the required improvements by the City will not be granted until all work, including final wear course, is completed. A bituminous ramping wedge to protect the concrete lip from snowplow damage shall be installed with the bituminous base course. Prior to paving the bituminous wear course, the ramping wedge must be milled off. The City will thoroughly inspect all curb and gutter for damage prior to the installation of the bituminous wear course and may require repairs and/or replacement by Developer depending on the severity of damage.
3. Except as provided for above, the terms and provisions of the Development Agreement shall remain in full force and effect.
 4. This Third Amendment and all disputes or controversies arising out of or relating to this Third Amendment, or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.
 5. Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Developer or its successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statutes, Chapter 466.
 6. This Third Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
 7. This Third Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

[remainder of page intentionally blank]

**DEVELOPER:
VILLAS AT PLEASANT, LLC**

By: _____
Stuart R. Simek, President

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2023, by Stuart R. Simek, the President of Villas at Pleasant, LLC, a Minnesota limited liability company, on behalf of said limited liability company.

Notary Public

**THIS INSTRUMENT WAS DRAFTED BY
AND AFTER RECORDING RETURN TO:**

Korine L. Land (#262432)
LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
651-451-1831



City Council Memorandum

To: Mayor Fasbender & City Council Members
From: Ryan Stempski – Public Works Director/City Engineer
Date: September 18, 2023
Item: Resolution Supporting and Authorizing Application to MnDOT for Transportation and Economic Development (TED) Funding for TH 61 Improvements

COUNCIL ACTION REQUESTED

Council is requested to approve a resolution of support and authorize application to the MnDOT TED program. The improvements identified in the TED application include local streets/trails adjacent to TH 61. Specifically, they are improvements to 18th Street, the backage road system from 21st Street to 25th Street, and the connecting trail and pedestrian bridge.

BACKGROUND INFORMATION

TH 61 needs repair and through a public engagement process, additional improvements were identified to address safety, mobility, vehicle speeds, traffic flow, community enhancements and bicycle/pedestrian safety. The specific areas for this request of TED funding include 18th Street for a new street alignment, signal and trail network that removes driveway access for trucking of heavy industry at this intersection that produces the highest trip generation of trucks along the corridor. Also included in this request is the backage road system from 21st Street to 25th Street to remove/reduce access of local roads and driveways by providing a local road system to accommodate industry and commercial access, consolidated access and trail system to safely connect bike and pedestrian traffic to the area.

This grant can only be used on trunk highway eligible projects. For constructability purposes, the schedule would be to complete the improvements to the local road system that are off the direct trunk highway one year in advance (2026) of the major TH 61 Improvements (2027).

FINANCIAL IMPACTS

The estimated total project costs for the 18th Street, trail and ped bridge across Vermillion River, and 21st Street to 25th Street backage road system is \$3,900,000. There is a maximum award of 70% of the total project cost. Therefore, the remaining \$1,170,000 would be the responsibility of the City to fund. Our plan to fund the cost share is to submit for Local Road Improvement Funds (LRIP), also administered by MnDOT.

CITY OF HASTINGS

VIII-07

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION SUPPORTING THE TRANSPORTATION AND ECONOMIC DEVELOPMENT PROGRAM (TED) APPLICATION

WHEREAS, the City of Hastings acts as the legal sponsor for the Trunk Highway 61 and 18th Street, 21st Street to 25th Street backage road system, and connecting trail and pedestrian bridge improvements and requests funding from the Transportation Economic Development (TED) Program of the Minnesota Department of Transportation, and

WHEREAS, the City of Hastings has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds and adequate construction of the proposed projects, and

WHEREAS, the City of Hastings has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice, and

WHEREAS, that upon approval of its application by the State, the City of Hastings may enter into an agreement with the State of Minnesota for the above-referenced project, and that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HASTINGS AS FOLLOWS:

1. The City of Hastings has committed \$1,170,000 towards the local match requirement.
2. The City of Hastings confirms if the project cost increases above the amount listed in the Application, the City of Hastings will provide or secure all additional funds necessary to complete the project.
3. The City of Hastings certifies that it will comply with all applicable laws, regulations, and rules of the Application.
4. That the sources and uses, private investors, equity, and other financing commitment represented in the attached document are accurate.

ADOPTED BY THE CITY COUNCIL OF HASTINGS, MINNESOTA, THIS 18th DAY OF SEPTEMBER, 2023.

Ayes:

Nays:

ATTEST:

Kelly Murtaugh, City Clerk

Mary D. Fasbender, Mayor

SEAL



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: Chris Jenkins, Parks & Recreation Director
Date: September 18, 2023
Item: Hwy 55 Trail Reconstruction

Council Action Requested:

Approve contracts for Hwy 55 trail reconstruction and budget adjustment for a fully fund the project.

Background Information:

The Hwy 55 trail, running east and west from Spring Street to the Hastings Middle School is in very poor shape and was identified in the 2023 budget for a reconstruction project.

We engaged WSB for the design and engineering services for this trail, and recently received four (4) competitive bids ranging between \$278,247.50 and \$445,100.00 to complete this project.

After review of the bids, a meeting with WSB, and coordinating some project changes with the contractor, the total construction cost, with 5% contingency, survey & staking, materials testing and construction administration and inspection for this trail work is \$302,323.00, with McNamara Construction being the low bidder.

The cost overrun is due to traffic control requirements for Hwy 55, patching and concrete work related to the pedestrian ramps, which are not currently compliant with our ADA pedestrian ramp plan, and survey, staking, testing and construction administration and inspection. Our staff estimated cost did not include enough funding for these portions of the project.

Staff recommendation is to:

1. Approve the project and contract **as bid**, with McNamara Contracting with a cost of \$278,247.50. This contract price will be modified via change order to a contract price of \$234,677.50 after the original contract is awarded.
2. Approve the contract with WSB as attached to provide survey, staking, materials testing, inspections, construction administration in the not to exceed amount of \$31, 240.00.

Financial Impact:

The 2023 budgeted project was projected at \$259,050.00, which is not sufficient to complete the project as well as pay for the design and engineering costs already incurred. The total project cost, with a 5% construction contingency is \$302,323.00, a budget adjustment of \$43,273.00 is necessary to complete this project, and Park Dedication Funds is an appropriate source of funding for this trail work.

Advisory Commission Discussion:

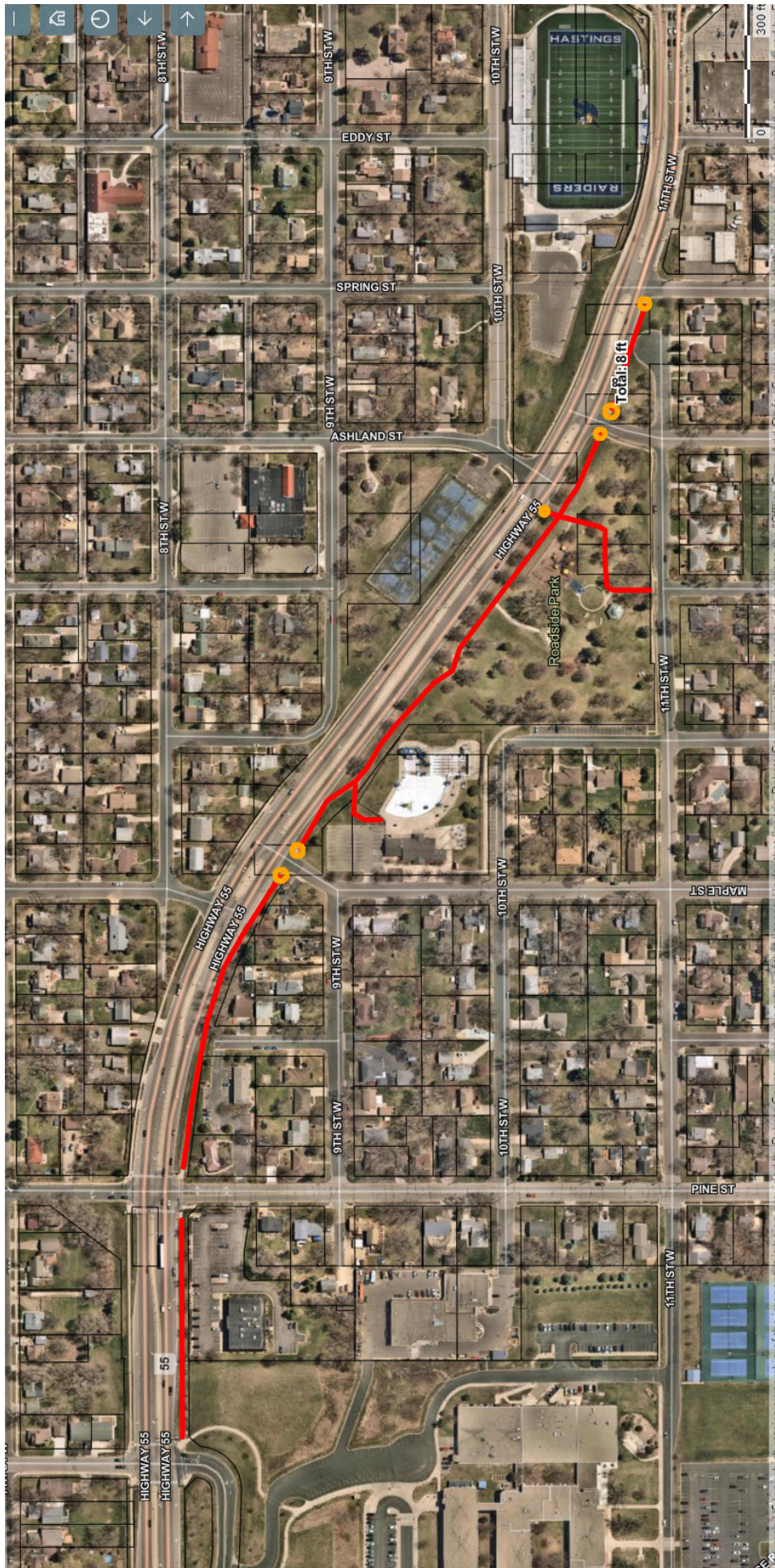
None

Council Committee Discussion:

None

Attachments:

- Project map
- Bid Tabulation
- Recommendation of award
- WSB Contract



BID TABULATION SUMMARY

PROJECT:
HWY 55 Bituminous Walk Reconstruction Project

OWNER:
City of Hastings, MN

WSB PROJECT NO.:
022687-000

Bids Opened: Wednesday, August 30, 2023 @ 11:00 am

Contractor	Bid Security (5%)	Total Bid
1 McNamara Contracting	X	\$278,247.50
2 New Look Contracting, Inc.	X	\$282,801.00
3 Max Steininger, Inc.	X	\$323,790.90
4 Urban Companies	X	\$445,100.40
Engineer's Opinion of Cost		\$280,557.50

I hereby certify that this is a true and correct tabulation of the bids as received on August 30, 2023.


 Justin Messner, Director of Municipal Operations

Denotes corrected figure

August 30, 2023

Honorable Mayor and City Council
City of Hastings
101 4th Street East
Hastings, MN 55033

Re: HWY 55 Bituminous Walk Reconstruction Project
City of Hastings, MN
WSB Project No. 022687-000

Dear Mayor and Council Members:

Bids were received for the above-referenced project on Wednesday, August 30, 2023, and were opened and read aloud. Four bids were received. The bids were checked for mathematical accuracy. Please find enclosed the bid summary indicating the low bid as submitted by McNamara Contracting, Rosemount, Minnesota in the amount of \$278,247.50. The Engineer's Estimate was \$280,557.50.

We recommend that the City Council consider these bids and award a contract in the amount of \$278,247.50 to McNamara Contracting based on the results of the bids received.

Sincerely,

WSB



Justin Messner, PE
Director of Municipal Operations

Attachments

kkp



A PROPOSAL FOR

Hastings HWY 55 Trail Reconstruction Project

FOR THE CITY OF HASTINGS

September 7, 2023

Mr. Chris Jenkins
Parks and Recreation Director
City of Hastings
920 West 10th Street
Hastings, MN 55033

Re: Proposal to Provide Professional Services for
Hastings HWY 55 Trail Reconstruction Project

Dear Mr. Jenkins:

On behalf of WSB & Associates, Inc., we are excited to submit this proposal to provide Professional Services for the City of Hastings HWY 55 Trail Reconstruction Project. Our firm has the experience and the expertise necessary to meet the City's trail reconstruction needs. WSB is a full-service design and consulting firm that can provide the City of Hastings with all the necessary professional services – construction survey and staking, material testing, and contract administration and inspection to deliver a successful project.

Enclosed you will find a proposal to complete the tasks associated with the Hastings HWY 55 Trail Reconstruction Project. The proposal includes an hourly breakdown to complete each of the tasks associated with the project. The terms of this proposal shall remain valid for the duration of the project.

Thank you for the opportunity to submit a proposal on this project. If you have questions about the content of this proposal, please feel to reach out at jmessner@wsbeng.com or 612.388.9652.

Sincerely,

WSB



Justin Messner, PE
Director of Municipal Operations

Attachment – Project Budget Worksheet

PROJECT UNDERSTANDING

WSB LLC. (WSB) has prepared plans and specifications for the HWY 55 Trail Reconstruction Project. The City of Hastings has requested a proposal for construction survey and staking, material testing, and contract administration and inspection.

Based on our extensive expertise with similar projects and our project understanding, we are confident about successfully and professionally undertaking this project.

PROJECT APPROACH/SCOPE OF SERVICES

WSB's project scope and proposed work plan are based on our understanding of the mission as previously described. To complete the project, we propose the following scope of services:

Task 1: Construction Survey and Staking

WSB will provide a National Society of Professional Surveyors, Certified Survey Technician and Survey Crew Chief with experience performing construction staking on projects of similar size. Our survey crew will perform construction staking for the duration of the contract, in response to the contractor's needs. They will provide construction staking services to assure accurate and quality workflow in a timely manner to maintain the project's schedule. All our survey personnel are experienced in utilizing Trimble GPS equipment and Trimble Robotic Total Stations to ensure accurate and efficient staking procedures. They will utilize the full capabilities of their equipment for the use of detailed proposed surfaces for construction staking, allowing them to effectively respond to all project needs. All of our staff have performed numerous contractors staking projects on behalf of local, state, and government agencies, as well as Contractors.

Task 2: Construction Material Testing

WSB's Construction Materials Testing (CMT) Group has more than four decades of experience providing construction materials testing on roadway improvement projects throughout the state on behalf of local, county, and state agencies, including state-aid and federally funded projects. With our new state-of-the-art, accredited materials testing lab, located in Burnsville, we perform both quality control and quality assurance testing for timely and accurate testing results. WSB has a strong commitment to technical excellence, by maintaining our certifications and upholding safe work practices. All of our training, testing, and reporting are completed in accordance with industry standards and follow national published standards such as ASTM, IBC, ICC, AASHTO, MnDOT, ACI, and OSHA. With more than 70 MnDOT certified inspectors and material testers, we can not only meet the demands of every project but have the expertise to ensure quality results. As an example of our expertise, WSB serves as instructors for several MnDOT Certification classes which teach the standards and processes for material testing.

We understand that infrastructure is only as sound as the materials used to build it. Our WSB Laboratory is accredited by AASHTO resource, formerly known as AASHTO Materials Reference Laboratory (AMRL), and USACE Validated. WSB offers hundreds of various test capabilities on soils, aggregates, bituminous, concrete, masonry and a variety of other construction related materials. By achieving this accolade from AASHTO resource, we have met the high standards for quality, experience, performance, and documentation set forth by this nationally recognized organization, and with this, we provide the tools necessary to maximize the value and life expectancy of your investment.

Task 3: Construction Administration and Inspection

This will include correspondence with the contractor regarding project contract items, preparation of partial and final pay estimates, weekly project updates to the Owner's representative, lead weekly construction meetings and general coordination with Owner's representative regarding project items and progress. This task also includes preparation of an agenda and conducting the preconstruction meeting. WSB will send out weekly emails for construction updates to keep stakeholders informed.

WSB will provide the City of Hastings with part-time construction observation with (20 hours per week) one sole observer for the project. We propose that the contract requires completion of the project within 3 weeks required for observation services. It is assumed that the project areas will be completed concurrently with each contractor/subcontractor sequencing their work from one area to the other. It is assumed that only one observer will be needed to observe the critical components of the project such as trail paving and pedestrian ramp construction.

WSB will also perform the necessary erosion and sediment control compliance inspections for the project required by the MPCA NPDES requirements.

SCHEDULE

WSB will begin work immediately upon receiving your Notice to Proceed. WSB proposes to schedule a preconstruction meeting with the Contractor the week of September 18th with construction to begin following final approval of the MnDOT permitting. Final construction completion is identified for October 2023.

PROPOSED FEE

WSB will provide the services as outlined in Project Approach / Scope of Services. Our budget was developed based on our understanding of the scope and experience with similar types of projects. The following is a summary of the costs for each phase of the project:

Task	Description	Fee
1	Construction Survey Staking	\$8,138
2	Construction Materials Testing	\$8,738
3	Construction Administration and Inspection	<u>\$14,364</u>
	Total	\$31,240

We propose to conduct the work listed above on an hourly basis for an estimated total fee of **\$31,240**.

We will review our progress weekly and will not exceed this amount without your prior approval should the scope of the project change.

If this proposal is acceptable, please execute the signature block below and return as our authorization to proceed. If you agree with the terms of this proposal, WSB will draft a Professional Services Agreement for this project for execution by both parties.

ACCEPTED BY: CITY OF HASTINGS, MN

Signature: _____

Name/Title: _____

Date: _____



Estimate of Cost
City of Hastings, Minnesota
Professional Engineering Services
Hastings HWY 55 Trail Reconstruction Project

Task Description	Senior Project Manager	Project Engineer	Construction Inspection	Environmental Compliance Inspection	Administrative	Two-Person Survey Crew	Survey Coordination	Total Hours	Cost
	<i>Justin Messner</i>	<i>Katie Koscielak</i>							
1 Construction Survey and Staking									
1.1 Field Staking						32		32	\$7,520.00
1.2 Office Survey							3	3	\$618.00
Task 1 Total Estimated Hours and Fee						32	3	35	\$8,138.00
2 Construction Materials Testing									
2.1 Material Testing				\$8,737.50				8738	\$8,737.50
Task 2 Total Estimated Hours and Fee									\$8,737.50
3 Construction Administration and Inspection									
3.1 Project Management	4	12						16	\$2,812.00
3.2 Contract Administration	4	12	10		4			30	\$4,312.00
3.3 Construction Inspection		4	60					64	\$6,760.00
3.5 Environmental Compliance				4				4	\$480.00
Task 2 Total Estimated Hours and Fee	8	28	70	4	4			114	\$14,364.00
Total Estimated Hours	8	28	70	4	4	32	3	149	\$31,239.50
Average Hourly Billing Rate	223.00	160.00	102.00	120.00	120.00	235.00	206.00		
TOTAL PROJECT COST									\$31,239.50

**AGREEMENT BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION CONTRACT**

IX-01

THIS AGREEMENT is by and between _____ The City of Hastings _____ (“Owner”) and
_____ (“Contractor”).

Terms used in this Agreement have the meanings stated in the General Conditions and the Supplementary Conditions.

Owner and Contractor hereby agree as follows:

ARTICLE - 1 WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

The HWY 55 Bituminous Walk Reconstruction Project shall include the furnishing of all labor, materials, tools, and equipment necessary to complete the bituminous walk construction and appurtenant work as shown on the Plans and specified herein.

ARTICLE - 2 THE PROJECT

2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: HWY 55 Bituminous Walk Reconstruction Project for the City of Hastings, MN, WSB Project No. 022687-000.

ARTICLE - 3 ENGINEER

3.01 The Owner has retained WSB & Associates, Inc. d/b/a WSB (“Engineer”) to act as Owner’s representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract.

3.02 The part of the Project that pertains to the Work has been designed by WSB & Associates, Inc. d/b/a WSB.

ARTICLE - 4 CONTRACT TIMES

4.01 *Time is of the Essence*

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Contract Times: Dates*

A. The Work will be substantially completed on or before October 31, 2023, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before June 30, 2024.

4.03 *Liquidated Damages*

A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the Contract Times, as duly modified. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time.

Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

IX-01

1. *Substantial Completion:* Contractor shall pay Owner liquidated damages in accordance with MnDOT Table 1807-1 for each Calendar Day that expires after the time (as duly adjusted pursuant to the Contract) specified above for Substantial Completion, until the Work is substantially complete.
2. *Completion of Remaining Work:* After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner liquidated damages in accordance with MnDOT Table 1807-1 for each Calendar Day that expires after such time until the Work is completed and ready for final payment.
3. Liquidated damages for failing to timely attain Milestones, Substantial Completion and final completion are not additive and will not be imposed concurrently.

ARTICLE - 5 CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. *Contract Price:* _____ and XX/100 Dollars (\$ _____)
Base Bid and Alternate(s) No. ___ subject to adjustment based on the provisions of the Contract.
- B. For all Unit Price Work, an amount equal to the sum of the extended prices (established for each separately identified item of Unit Price Work by multiplying the unit price times the actual quantity of that item). The extended prices for Unit Price Work set forth as of the Effective Date of the Contract are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer.
- C. The Contractor's Bid, attached hereto as an exhibit, provides the basis for the extended prices for the Unit Price Work.

ARTICLE - 6 PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on the basis of Contractor's Applications for Payment on or about the last day of each month during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract.

- a. 95 percent of Work completed (with the balance being retainage).
 - 1) If 50 percent or more of the Work has been completed, as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and
 - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
- B. Upon Substantial Completion, Contractor shall submit to the Engineer an Application for Payment for the retainage amount less the following amounts:
- 1. 250 percent of the anticipated cost to complete the punch list items; and
 - 2. the greater of \$500 or 1 percent of the Contract price to ensure delivery of final paperwork which includes, but is not limited to operation manuals, payroll documents for projects subject to prevailing wage requirements, and the IC134 form.

The Owner, upon certification from the Engineer, shall make payment of any undisputed amounts within 30 days of receipt of the Application for Payment.

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work, Owner shall pay the remainder of the Contract Price in accordance with Paragraph 15.06 of the General Conditions.

6.04 *Consent of Surety*

- A. Owner will not make final payment, or return or release retainage at Substantial Completion or at any other time, unless Contractor submits written consent of the surety to such payment, return, or release.

6.05 *Interest*

- A. All amounts not paid when due shall bear interest at the rate of 1.5 percent per month.

ARTICLE - 7 CONTRACT DOCUMENTS

7.01 *Contents*

- A. The Contract Documents consist of all of the following:
 - 1. This Agreement.
 - 2. Bonds:
 - a. Performance bond (together with power of attorney).
 - b. Payment bond (together with power of attorney).
 - 3. General Conditions.
 - 4. Supplementary Conditions.
 - 5. Specifications as listed in the table of contents of the Project Manual.
 - 6. Drawings (not attached but incorporated by reference) consisting of ___ sheets with each sheet bearing the following general title: ___, dated ___.

7. Addenda (numbers ____ to ____, inclusive).
 8. Exhibits to this Agreement (enumerated as follows):
 - a. Completed Bid Form.
 - b. Non-Collusion Affidavit.
 - c. Responsible Contractor Verification and Certification of Compliance Form.
 9. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.
 - d. Field Orders.
 - e. Maintenance Bond.
- B. The Contract Documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the Contract.

ARTICLE - 8 REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 Contractor's Representations

- A. In order to induce the Owner to enter into this Contract, Contractor makes the following representations:
1. Contractor has examined and carefully studied the Contract Documents, including Addenda.
 2. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 3. Contractor is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
 4. Contractor has carefully studied all: (a) reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings; and (b) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.
 5. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (c) Contractor's safety precautions and programs.

6. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, IX-01 within the Contract Times, and in accordance with the other terms and conditions the Contract.
7. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
8. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
9. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
10. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

8.02 *Contractor's Certifications*

- A. The provisions of MINN. STAT. 16C.285 Responsible Contractor are imposed as a requirement of this Contract. This Contract may be terminated by the Owner at any time upon discovery by the Owner that the prime contractor or subcontractor has submitted a false statement under oath verifying compliance with any of the minimum criteria set forth in the Statute.
- B. The provisions of MINN. STAT. 471.425, subdivision 4a. are imposed as a requirement of this Contract.
 1. Each contract of a municipality must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the municipality for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1.5 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor shall pay the actual penalty due to the subcontractor. A Subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

8.03 *Standard General Conditions*

- A. Owner stipulates that if the General Conditions that are made a part of this Contract are EJCDC® C-700, Standard General Conditions for the Construction Contract (2018), published by the Engineer's Joint Contract Documents Committee, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on _____ (which is the Effective Date of the Contract) **IX-01**

Owner:

Contractor:

By: _____

By: _____

Date: _____

Date: _____

Name: _____

Name: _____

Title: _____

Title: _____

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: _____

Attest: _____

Title: _____

Title: _____

Address for giving notices:

Address for giving notices:

Designated Representative:

Designated Representative:

Name: _____

Name: _____

Title: _____

Title: _____

Address: _____

Address: _____



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: John Hinzman, Community Development Director
Date: September 18, 2023
Item: Public Hearing: Vacation of Easement – South Oaks of Hastings 2nd Addition

Council Action Requested:

Hold a public hearing to consider vacation of certain public drainage and utility easements within Outlot A of South Oaks of Hastings 2nd Addition. The property is presently vacant and planned to be platted as South Oaks of Hastings 4th Addition, containing 35 single family homes.

Background:

The easements must be vacated in order to replat the property as South Oaks of Hastings 4th Addition. Easements for drainage and utility purposes would be established at that time.

The Council is asked to hold the public hearing, but to delay action on the request until the Preliminary and Final Plat consideration of South Oaks of Hastings 4th Addition. **The vacation does not affect drainage and utility easements that exist upon currently developed lots within South Oaks 2nd Addition.**

Financial Impact:

N/A

Advisory Commission Discussion:

N/A

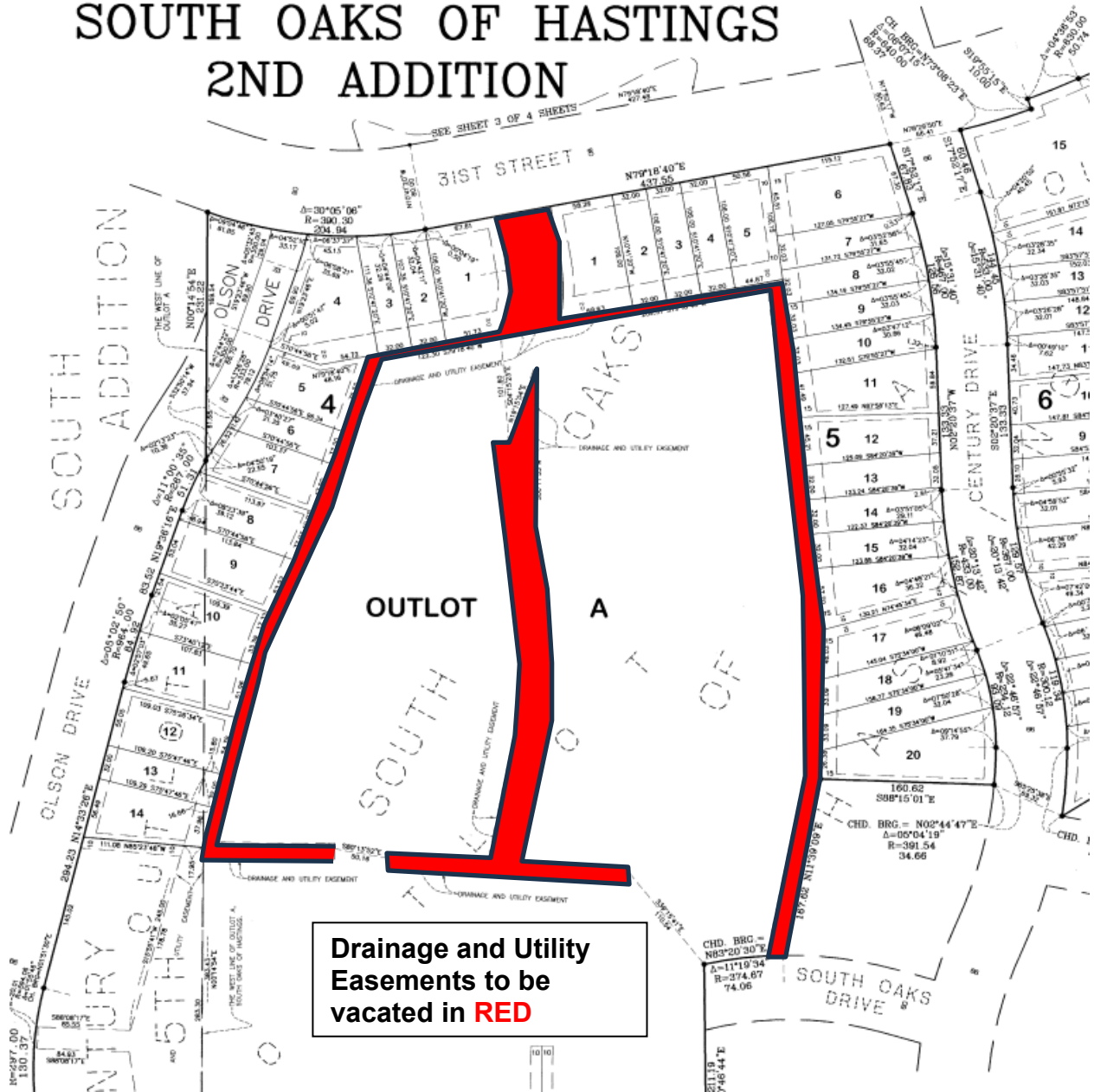
Council Committee Discussion:

N/A

Attachments:

- Location Map

SOUTH OAKS OF HASTINGS 2ND ADDITION



Sketch and Description

IX-02

For: GREG J. HOMES OF HASTINGS, INC.

EASEMENT VACATION

All those drainage and utility easements, originally dedicated on the recorded plat of SOUTH OAKS OF HASTINGS 2ND ADDITION, Dakota County, Minnesota, and now to be vacated, which lie within Outlot A, said South Oaks of Hastings 2nd Addition, except that part thereof platted as SOUTH OAKS OF HASTINGS 3RD ADDITION, according to the recorded plat thereof, Dakota County, Minnesota.

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Land Surveyor under the laws of the State of Minnesota.

Signed this 14th day of March, 2017

For: James R. Hill, Inc.

By:

Marcus F. Hampton, Land Surveyor, MN License No. 47481

PAGE 1 OF 2
PROJECT NO. 23319
CAD FILE 23319vac.dwg
REVISIONS
DATE 3/14/17
PLM
DRAWN BY



James R. Hill, Inc.

PLANNERS / ENGINEERS / SURVEYORS

2500 W. Cty. Rd. 42, Suite 120, Burnsville, MN 55337

PHONE: (952)890-6044 FAX: (952)890-6244

Sketch and Description

IX-02

For: GREG J. HOMES OF HASTINGS, INC.



Scale: 1"=100'

 EASEMENT
VACATION

8 31ST STREET 8

SOUTH OAKS

OF OUTLOT A
HASTINGS

2ND ADDITION

SOUTH OAKS OF

BETTE LANE

EXCEPTION
HASTINGS 3RD ADDITION

SOUTH OAKS
OF HASTINGS

60 SOUTH OAKS DRIVE 60



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: John Hinzman, Community Development Director
 Jamie Stevens, Fire Inspector
Date: September 18, 2023
Item: Public Hearing\2nd Reading\Ordinance Adoption: Chapters 156 and 157 –
 Property Maintenance Code and Structure Maintenance Code

Council Action Requested:

Hold a public hearing and consider 2nd reading and final adoption of the following actions amending the Hastings City Code:

- 1) City Code Chapter 156 – International Property Maintenance Code
- 2) City Code Chapter 157 – Structure Maintenance Code for Rental Residential Properties

The City Council considered 1st Reading of both ordinance amendments at the September 5th City Council Meeting. A simple majority is necessary for action.

Background:

The proposed amendments establish property and structural maintenance requirements for residential rental units. Proposed changes include:

- Adopt the most current version of the International Property Code by reference.
- Update definitions to be consistent with other sections of the City Code.
- Owners of Hastings residential rental properties residing in St. Croix and Pierce County Wisconsin no longer need to have a property management agent residing within the 7 County Metro.
- Ultimate responsibility for compliance is the responsibility of the property owner.
- Licenses issued for two years instead of one year (this would match what we are currently doing).
- Rental dwelling units of immediate housing members no longer exempt from permit requirements.
- License fees would be invoiced 30 days from expiration.
- All licenses must be posted on site.
- Simplifies the ability of the Housing Official to revoke license if requirements are not met.

Financial Impact:

N/A

Advisory Commission Discussion:

N/A

Council Committee Discussion:

N/A

Attachments:

- Ordinance Amendment – Chapter 156
- Ordinance Amendment – Chapter 157
- Redlined version of code

ORDINANCE NO. 2023-**AN ORDINANCE FOR THE CITY OF HASTINGS, MINNESOTA AMENDING
HASTINGS CITY CODE CHAPTER 156 – INTERNATIONAL PROPERTY
MAINTENANCE CODE**

The City Council of the City of Hastings, Minnesota does hereby ordain as follows:

SECTION 1. AMENDMENT. The Code of the City of Hastings, State of Minnesota, Chapter 156 – International Property Maintenance Code shall be stricken in its entirety and replaced with the following language:

156.01 Adoption of International Property Maintenance Code

Except as modified or amended by the Minnesota State Building Code (or as it may be amended) or by City ordinance, or by this Chapter, the most current edition of the International Property Maintenance Code (IPMC) is adopted by reference and is made apart of this City Code as is fully set out at length. One (1) copy of the IPMC, together with a copy of this Chapter, each marked “Official Copy”, must be kept on file at City Hall and be available for public inspection.

SECTION 2. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance.

The text amendment adopted by the Hastings City Council on _____ modifies the City Ordinance to adopt the most current version of the International Property Maintenance Code.

SECTION 5. EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed this _____ day of _____, 2023

Mary Fasbender, Mayor

Attest:

Kelly Murtaugh, City Clerk

Published in the Hastings Journal on _____

ORDINANCE NO. 2023-

**AN ORDINANCE FOR THE CITY OF HASTINGS, MINNESOTA AMENDING
HASTINGS CITY CODE CHAPTER 157 – STRUCTURE MAINTENANCE CODE FOR
RENTAL RESIDENTIAL PROPERTIES**

The City Council of the City of Hastings, Minnesota does hereby ordain as follows:

SECTION 1. AMENDMENT. The Code of the City of Hastings, State of Minnesota, Chapter 157 – Structure Maintenance Code for Rental Residential Properties shall be stricken in its entirety and replaced with the following language:

CHAPTER 157 STRUCTURE MAINTENANCE CODE FOR RENTAL RESIDENTIAL PROPERTIES

157.01 Short Title

This chapter may be cited as the City of Hastings Structure Maintenance Code, or the Structure Code.

157.02 Policy, Purpose, Intent

1. ***Policy.*** It is the policy of the city to enhance the supply of safe, sanitary, and adequate structures for its citizens and to prevent the deterioration of the existing structures of the city.
2. ***Purpose.*** The purpose of this chapter is to carry out the policy stated in Section 157.02(1) by establishing minimum standards, and procedures for their enforcement consistent with the right to personal privacy, for the protection of life, limb, health, property, safety and welfare of the general public and the owners and occupants of residential buildings.
3. ***Objectives.*** The objectives of this chapter include, but are not limited to, the following:
 1. Protection and preservation of the stability and character of residential areas in the city.
 2. The prevention and correction of structure conditions that adversely affect the life, safety, health, and general well-being of persons occupying dwellings in the city.
 3. The establishment of minimum standards for light, ventilation, cooling, heating, and sanitary equipment necessary to insure the health and safety of occupants of rental dwellings.
 4. The establishment of minimum standards for the maintenance of rental residential dwellings.

5. The prevention of the emergence of blighted and deteriorating structures in the city.
 6. The prevention of overcrowding of rental dwellings.
 7. The preservation of the value of land and structures in the city.
4. ***Intent, Relation To The Provisions Of City Code.*** The City Council intends that the Structure Code be an integral part of the city's program of health, safety, building and land use regulation. This chapter is to be construed liberally in conjunction with other provisions of the City Code to give effect to the policy, purpose, and objectives of this section, but is not to be construed to modify, amend, or otherwise alter the provisions of the city code relating to health, safety, structure, or land use regulation.

(Prior code, § 17.02)

157.03 Adoption of International Property Maintenance Code

1. *The International Property Maintenance Code (IPMC) is adopted per City Code Chapter 156.01.*

(Prior code, § 17.03)

157.04 Definitions

General. For purposes of this chapter the terms defined in this section have the following meanings given them.

ADEQUATE HEAT means heat sufficient to maintain a temperature of 68 degrees Fahrenheit at a height of 3 feet above the floor in all habitable rooms, bathrooms, and water closet compartments.

BUILDING CODE means Chapter 50 and 150 of the city code.

CITY CODE means the Hastings City Code.

CODE or **THIS CODE** means the Structure Maintenance Code.

COMMON AREAS means halls, corridors, passageways, utility rooms, recreational rooms and landscaped areas, not under the exclusive control of a single person, housing unit in or adjacent to a multiple family dwelling.

DWELLING means a building or a portion of a building designed for residential occupancy

DWELLING, TWO-FAMILY. A detached residential dwelling building containing two dwelling units.

DWELLING, MULTIPLE-FAMILY. A residential building designed for two or more families, with the number of families in residence not exceeding the number of dwelling units provided.

DWELLING, SINGLE-FAMILY. A detached residential dwelling unit other than a manufactured home, designed for and occupied by one family only.

DWELLING UNIT means A building or portion thereof, constituting an independent housekeeping establishment for owner occupancy, rental, or lease and separate from any other dwelling units that may be in the same structure and containing independent cooking and sleeping facilities.

HOUSING OFFICIAL means Building Official or designee.

IMMEDIATE FAMILY means close relatives by birth or marriage including siblings, parents, children, in-laws and any financial dependents.

OPERATOR means Building Manager or owner representative charged with the maintenance or operation of the building.

OWNER, OWNER-OPERATOR or OPERATOR means any person, firm or corporation who alone, jointly, or separately with others is in actual possession of or has charge, care or control of a dwelling or dwelling unit or structure in the city as owner, employee or agent of the owner or as trustee or guardian of the estate or the person is the title holder, and such person is bound by the provision of this code to the same extent as the owner.

RENTAL RESIDENTIAL PROPERTY means an occupied single- or multiple family rental dwelling or dwelling unit that is let to a party other than the registered owner of the property.

REPAIR means to restore to a sound acceptable state of operation, serviceability or appearance.

REPLACE means to remove an existing item or portion of a system and to construct or install a new item of similar or new quality as an existing item when new when repair of the item is impractical.

RESIDENT AGENT AREA is limited to the following counties within the State of Minnesota: Anoka, Carver, Dakota, Goodhue, Hennepin, Ramsey, Scott, and Washington. Resident Agent Area also includes the following counties in the State of Wisconsin: St. Croix and Pierce.

STRUCTURE means that which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

ZONING ORDINANCE means the Chapter 155 of the city code.

1. **Relation To Other Code Definitions.** Except as expressly provided in this code, the words, terms, and phrases as used in this code have the meanings given them by the City Code. In cases where conflicting definitions of a word, term or phrase make its precise meaning unclear in its application to particular facts, the City Administrator shall resolve the conflict.

157.05 Application

1. **General.** This code applies to rental residential properties including structures, their premises, accessory structures thereto, and dwelling units therein, used or designed to be used for human habitation or storage.
2. **Existing Structures.**
 1. A building lawfully existing under the Minnesota State Building Code must conform to this code. A building need not be altered or changed to exceed the requirements of the Minnesota State Building Code in effect at the time of its construction, except in the following cases:
 - a) If the structure is altered or enlarged pursuant to Minnesota State Building Code;
 - b) If the structure is moved or relocated; or
 - c) If the structure is determined to be unsafe or hazardous by the Building Official pursuant to the Minnesota State Building Code, International Property Maintenance Code, or state law.
 2. Occupancy in structures lawfully existing under the Building Code may be continued under this code.

(Prior code, § 17.05)

157.06 Duties Of Owners And Occupants

1. **Sanitation.** The occupant of a dwelling or dwelling unit must maintain in a clean and sanitary condition that part of the dwelling, dwelling unit, and yard that the occupant occupies and controls; and is responsible for the occupant's own misuse of areas and facilities available in common. The owner or operator of a two-family dwelling or multiple family dwelling must maintain in a clean and sanitary condition the shared or public areas of the dwelling and yard. The occupant of a dwelling unit must keep all mechanical equipment and appliances, including furnace, water heater, plumbing fixtures, air conditioner, stove, refrigerator, dishwasher, and the like in a clean and sanitary condition and is responsible for the exercise of reasonable care in their proper use and operation.
2. **Removal Of Waste Matter.** The occupant of a dwelling unit must dispose of rubbish, ashes, garbage, and other organic waste in a clean and sanitary manner as required in the city code. The owner or operator of a multiple-family dwelling is responsible for the clean and sanitary maintenance of common storage or disposal

facilities and must dispose of rubbish in a clean and sanitary manner as required in the city code.

3. **Pest Extermination.** The occupant or owner of a single-family dwelling unit is responsible for the extermination of vermin infestations or rodents on the premises. The occupant or owner of a dwelling unit in a building containing more than one dwelling unit is responsible for such extermination when the dwelling unit is infested. When infestation is caused by the failure of the owner or operator to maintain a building containing dwelling units in a reasonable rodent-resistant or reasonably vermin-resistant condition, pest extermination is the responsibility of the owner or operator. After extermination it is the responsibility of the owner or operator, to provide evidence that the infestation has been eliminated and steps have been taken to prevent a reoccurrence as designated by appropriate city officials. If infestation exists in two or more dwelling units in any dwelling, or in the shared or public parts of any dwelling containing two or more dwelling units, pest extermination is the responsibility of the owner or operator.
4. **Heat.** The owner or operator of a building containing two or more dwelling units must supply facilities capable of providing Adequate Heat to every habitable room therein. For the purposes of subdivision
5. **Utilities.** Except as otherwise provided by law, an owner, operator, or occupant may not cause service equipment or utility service that is required by this code to be removed, shut off or discontinued for any occupied dwelling let or occupied by that person, except for such temporary interruption as may be necessary while actual repairs or alterations are in process or during temporary emergencies.
6. **Transfer Of Responsibility.** A contract between owner and operator, operator and occupant, or owner and occupant, with regard to compliance with this code, does not relieve the owner or operator of a duty imposed by this chapter.
7. **Notice Of Maximum Occupancy.** An owner or operator must advise the occupant, in writing, by insertion in the lease between the parties or otherwise, the maximum number of occupants permitted in occupied premises subject to this code.
8. **Owner Ultimately Responsible.** The owner of a dwelling or dwelling unit is ultimately responsible for compliance of all duties listed within this section if the occupant fails to meet compliance.

(Prior code, § 17.06)

157.07 Administration; Enforcement; Inspection

1. **Administration And Enforcement.** The Housing Official is responsible for the administration and enforcement of this chapter.
2. **Compliance.** When the Housing Official determines that there exists in a building or a portion thereof conditions that constitute a violation of this code, the Housing Official may begin enforcement procedures.

(Prior code, § 17.07)

157.08 Licensing Of Rental Units

1. **General Rule.** Owners of rental dwelling units shall be required to obtain a license. The license is issued for a period of two years and expires two years from the date of issuance. License renewal notices will be sent via U.S. Mail 60 days prior to the expiration date. Penalties for late payment will be added as outlined in Section 110.19 of the Hastings City Code. Site inspections are performed upon initial permit, then every two years from then on.
2. **Application.** This section is intended to provide standards for licensed rental housing and to allow resolution of complaints regarding licensed rental housing. All rental dwellings shall conform to the requirements of this section, without regard to when it was constructed, altered, or repaired. This section establishes minimum standards for maintaining rental dwellings and their accessory structures and related premises.
3. **License Fees.** Owners of rental dwellings shall pay a license fee prior to issuance of a rental license. License fees will be invoiced to the owner within 30 days of the license expiration. License fees are due upon occupancy of newly rented dwelling units. License fees are established in Section 34.03 of the Hastings City Code – Fee Schedule.
4. **Conditions.** A license is non-transferable. The license fee is not refundable upon revocation or suspension.
5. **Licensing phase-in policy.** Commencing on April 1, 1998, initial licensing inspection will begin according to inspection areas established by the Housing Official.
6. **Application Information.** Applications for a license or renewal of a license must be made by the owner of a rental dwelling. Application forms are filed with the Housing Official. The application form must supply:
 - a) Name, address, email, and telephone number of dwelling owner, partners if partnership, corporate officers if corporation;
 - b) Name, address, email, and telephone number of designated operator or agent, if any;
 - c) Name, address, email, and telephone number of vendee, if the dwelling is being sold through a contract for deed;
 - d) Legal address and parcel identification number;
 - e) Number of dwelling or rental units;
 - f) Description of procedure by which tenant inquiries and complaints are to be processed.
7. **Notice Of Change.** The licensee must give notice in writing to the Housing Official within five business days after any change of information in the application. Notice of transfer of ownership is governed by Section 157.08, subd. 12.
8. **Resident Agent Area Requirements.** Owners residing outside of the Resident Agent Area must designate in writing the name of a resident agent or operator with offices within the Resident Agent Area who is:
 - a) Responsible for maintenance and upkeep;
 - b) Legally constituted and empowered to receive service of notice of violation of the provisions of city ordinances, to receive orders and to institute remedial action to affect such orders; and

- c) To accept service or process pursuant to law. The Housing Official must be notified in writing by the owner of a change of resident agent.
9. **Conformance To Laws.** An operating license will not be issued or renewed unless the rental unit and its premises conform to this section, the ordinances of the city and laws of the State of Minnesota.
 10. **Inspection Condition.** An operating license will not be issued or renewed unless the owner of the rental unit agrees in the application to permit inspection pursuant to § 157.09.
 11. **Posting Of License.** The licensee must conspicuously post the current license in the main entry way or other conspicuous location in a frame with a glass or plastic cover.
 12. **Non-Transferable.** Licenses may not be transferred. A new license must be approved prior to transfer of the property.
 13. **License, Suspension And Revocation.** An operating license is subject to suspension or revocation by the Housing Official or designee if the licensed owner fails to operate or maintain licensed rental dwellings and units therein consistent with this chapter. Suspension or revocation of an operating license may be appealed to the City Council. If an operating license is suspended or revoked by the staff, it is unlawful for the owner to permit new occupancy of vacant rental units until a valid operating license is issued by the city.

157.09 Enforcement Authority

1. **Inspection Authority.** The Housing Official may inspect on complaint, change in ownership, or otherwise when reason exists to believe that a violation of this chapter has been or is being committed. Except in the case of emergency, inspections must be conducted during reasonable daylight hours. The Housing Official must present evidence of official authority to the occupant in charge of a rental dwelling unit.
2. **Inspection Access.** If an owner, occupant, or other person in charge of a dwelling unit licensed under this section fails or refuses to permit free access and entry for inspection purposes, the Housing Official may revoke the license until such inspection can be secured.

157.10 Minimum Requirements; Implementation Standards; Policies

1. **Minimum Requirements.** The minimum requirements imposed by this chapter include those standards or requirements in effect on the date of the construction of a building subject to this chapter. It is not the intention of this code to require all buildings to be upgraded to meet all requirements of the present Building Code.
2. **Implementation Standards.** In administering this code, the Housing Official will treat the following as conditions constituting an immediate hazard to health and safety:
 - a. Heating systems, woodburning stove, fireplaces, oil burners and alike, that are unsafe due to: burned out or rusted heat exchanger (fire box); burned

- out or plugged flues; not being vented; being connected with unsafe gas supplies; or being incapable of adequately heating the living space;
- b. Water heaters that are unsafe due to: burned out or rusted out heat exchanger (fire box); burned out, rusted out, or plugged flues; not being vented; being connected with unsafe gas supplies; or lack of temperature and pressure relief valves;
 - c. Electrical systems that are unsafe due to: dangerous overloading; damaged or deteriorated equipment; improperly tapped or spliced wiring; exposed uninsulated wires; distribution systems of extension cords or other temporary methods; ungrounded systems; ungrounded appliances in contact with earth;
 - d. Plumbing systems that are unsanitary due to: leaking waste systems fixtures and traps; lack of water closet; lack of washing and bathing facilities; or cross connection of pure water supply with fixtures or sewage lines;
 - e. Structural systems, walls, chimneys, ceilings, roofs, foundations, and floor systems, that will not safely carry imposed loads;
 - f. Refuse, garbage, human waste, decaying vermin or other dead animals, animal waste, other materials rendering it unsanitary for human occupancy, including lack of light and air;
 - g. Infestation of rats, insects, and other vermin.
3. **Foundations, Exterior Walls And Roof.** The foundation, exterior walls, and exterior roof shall be substantially watertight and protected against vermin and rodents and shall be kept in sound condition and repair. The foundation element shall adequately support the building at all points. Every exterior wall shall be free of deterioration, holes, breaks, loose or rotting boards or timbers, and any other condition which might admit rain or dampness to the interior portion of the walls or to the exterior spaces of the structure. The roof shall be tight and have no defects which admit rain, and roof drainage shall be adequate to prevent rainwater from causing dampness in the walls. All exterior wood surfaces, other than decay resistant woods, shall be protected from the elements and decay by paint or other protective covering or treatment.
 4. **Exterior Doors And Windows.** Every window, exterior door, and other exterior openings shall be substantially tight and shall be kept in sound condition and repair. Every window, other than a fixed window or storm window, shall be capable of being easily opened. Every window, door and frame shall be constructed and maintained in such relation to the adjacent wall construction as to completely exclude rain, wind, vermin, and rodents from entering the building. Garages attached or detached shall have a fully operational overhead door or barn-type doors.

157.11 Reporting Forms, Records

The Housing Official must prepare forms and certificates necessary to carry out the provisions of this code. The Housing Official must design appropriate systems of accumulating or organizing and cataloging data relating to the condition, adequacy, and availability of rental residential housing in the city and must report on these matters from time to time to the City Council at its request. The Housing Official's report must also

contain recommendations for modifications in the provisions of this chapter and its administration.

157.12 Hazardous Conditions, Built-In Deficiencies, Procedure

1. **Procedure.** If the Housing Official determines that there exists in a building a condition that constitutes an immediate hazard to the health and safety of its occupants, the Housing Official may:
 - a) Issue a compliance order requiring immediate compliance if the condition can reasonably be corrected;
 - b) Proceed against the building pursuant to applicable city code provisions and state laws relating to hazardous or unsafe structures; or
 - c) Recommend that the City Council proceed to correct the condition by abating it as a nuisance under City Code Chapter 95.96, and through issuance of an Administrative Citation per City Code Chapter 10.25.
2. **Built In Deficiencies.** It is determined that certain conditions within existing buildings, lawful at the time of the construction of the building, may not comply with the minimum requirements of this chapter. Such conditions are herein referred to as built-in deficiencies, and the Housing Official, in administering this chapter, must consider the following built-in deficiencies as being beyond reasonable correction:
 - a) Ceiling heights. An existing habitable room with less than a 7-foot ceiling height.
 - b) Superficial floor area. An existing habitable room with less than 70 square feet.
 - c) Natural light and ventilation. An existing habitable room with window area less than 8% of the floor area provided, however, that in no case may the required area of light and ventilation be less than 5% of the floor area.

157.13 Inspections

1. **Records.** Except in the case of emergency, inspections must be conducted during reasonable hours. The Housing Official must present evidence of authority to the owner or occupant in charge of a dwelling unit. Subject to the provisions of law, the Housing Official must keep evidence, exclusive of the inspection records, discovered or obtained in the course of an inspection confidential.
2. **Unfit For Human Habitation.** A dwelling, dwelling unit or rooming unit or portion thereof that is damaged, decayed, dilapidated, unsanitary, unsafe, vermin- or rodent-infested or which lacks provision for basic illumination, ventilation, or sanitary facilities to the extent that the defects create a hazard to the health, safety, and welfare of the occupants or of the public may be declared unfit for human habitation. If a dwelling, dwelling unit, or rooming unit has been declared unfit for human habitation, the Housing Official must order the same vacated within a reasonable time and post a placard on same indicating that it is unfit for human habitation.
3. **Correction.** It is unlawful for a dwelling, dwelling unit or rooming unit or portion thereof to be used for human habitation until defective conditions have been corrected and written approval has been issued by the Housing Official. It is

unlawful to deface or remove the declaration placard from a dwelling, dwelling unit, or rooming unit.

4. **Secure Unfit And Vacated Dwellings.** The owner of a dwelling, dwelling unit, or rooming unit that has been declared unfit for human habitation or that is otherwise vacant for a period of 60 days or more must make the same safe and secure so that it is not hazardous to the health, safety, and welfare of the public and does not constitute a public nuisance. A vacant dwelling open at doors, windows, or wall opening, if unguarded, is deemed to be a hazard to the health, safety, and welfare of the public and a public nuisance within the meaning of this section.
5. **Hazardous Building Declaration.** If a dwelling has been declared unfit for human habitation and the owner has not remedied the defects within a prescribed reasonable time, the dwelling may be declared a hazardous building and may be removed, razed, or corrected pursuant to the city code and provisions of M.S. Chapter 463, as it may be amended from time to time.
6. **Compliance Procedure Order.** If the Housing Official determines that a rental dwelling, rental dwelling unit or rooming unit or portion thereof is in violation of an order of this chapter, the Housing Official may issue a compliance order setting forth the violations of such and ordering the owner/occupant, operator, or agent to correct such violation. The compliance order must:
 - a) Be in writing;
 - b) Describe the location and nature of the violations of this section;
 - c) Establish a reasonable time for the correction of the violation and notify the owner of appeal procedures;
 - d) Be served upon the owner, owner's agent, or the occupant, as the case may be the notice is deemed to be properly served upon owner or agent, or upon any such occupant, if a copy thereof is:
 1. Served upon the owner or agent; or
 2. Sent by registered mail to the owner or agent's last known address; or
 3. Served pursuant to M.S. § 463.17, Subdivision 2, as it may be amended from time to time.
 4. Pursuant to M.S. § 145A.04, as it may be amended from time to time.

157.14 REMOVED

157.15 Restrictions On Transfer Of Ownership

It is unlawful for the owner of a dwelling, dwelling unit or rooming unit upon whom a Compliance Order has been served to sell, transfer, mortgage or lease or otherwise dispose the dwelling, dwelling unit, or rooming unit to another person until the compliance order has been complied with, unless the owner furnishes to the grantee, lessee or mortgagee a true copy of any notice of violation or compliance order and obtains and possesses a receipt of acknowledgment. A person obtaining an interest in the dwelling, dwelling unit or rooming unit who has received notice of the existence of a compliance order is bound by the order without further notice and is subject to the penalties and procedures provided by this chapter.

157.99 Penalty

1. *General.* It is unlawful to erect, construct, enlarge, alter, repair, move, improve, equip, use, occupy or maintain any building or structure within the City contrary to the provisions of this chapter.
2. *Non-compliance.* Failure to comply with a lawfully issued compliance order is a violation of this chapter.

SECTION 2. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance.

The text amendment adopted by the Hastings City Council on _____ modifies the City Ordinance modify procedures and responsibilities for maintenance and licensing of residential rental properties.

SECTION 5. EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed this _____ day of _____, 2023

Mary Fasbender, Mayor

Attest:

Kelly Murtaugh, City Clerk

Published in the Hastings Journal on _____

CHAPTER 156 INTERNATIONAL PROPERTY MAINTENANCE CODE

156.01	Adoption	By	Reference
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156.01 Adoption ~~By Reference~~ of International Property Maintenance Code

~~The 2006 International Property Maintenance Code is hereby adopted by reference and incorporated herein as if set out in full. If any provision of the IPMC is inconsistent with a specific provision of this city code, the more restrictive provisions of the city code shall control. Except as modified or amended by the Minnesota State Building Code (or as it may be amended) or by City ordinance, or by this Chapter, the most current edition of the International Property Maintenance Code (IPMC) is adopted by reference and is made apart of this City Code as is fully set out at length. One (1) copy of the IPMC, together with a copy of this Chapter, each marked "Official Copy", must be kept on file at City Hall and be available for public inspection. The following provisions of the IPMC are modified or clarified as follows:~~

Cross-reference: Structure Maintenance Code for Rental Residential Properties, see Ch. 157

HISTORY

Amended by Ord. [2014-10, 3rd Series](#) on 5/19/2014

CHAPTER 157 STRUCTURE MAINTENANCE CODE FOR RENTAL RESIDENTIAL PROPERTIES

157.01		Short	Title
157.02	Policy,	Purpose,	Intent
157.03	Adoption	Of	2006 International Property Maintenance Code
157.04			By Reference
157.05			Definitions
157.06	Duties	Of	Owners
157.07			And Occupants
157.08	Administration;		Enforcement;
157.09	Licensing	Of	Rental Units
157.10			Authority
157.11	Minimum Requirements;	Implementation	Standards;
157.12			Policies
157.13	Hazardous	Reporting	Forms,
	Conditions,	Built-In	Deficiencies,
			Procedure
			Inspections
157.15	Restrictions On Transfer		
			Ownership
157.99			Penalty

Cross-reference: International Property Maintenance Code, see Ch. 156

HISTORY

Adopted by Ord. [418, 2nd Series](#) on 11/3/1997

Amended by Ord. [423, 2nd Series](#) on 12/15/1997

Repealed by Ord. [2022-13](#) on 4/18/2022

157.01 Short Title

This chapter may be cited as the City of Hastings Structure Maintenance Code, or the Structure Code.

(Prior code, § 17.01)

157.02 Policy, Purpose, Intent

1. *Policy.* It is the policy of the city to enhance the supply of safe, sanitary and adequate structures for its citizens and to prevent the deterioration of the existing structures of the city.
2. *Purpose.* The purpose of this chapter is to carry out the policy stated in Section ~~2-1157.02(1)~~ by establishing minimum standards, and procedures for their enforcement consistent with the right to personal privacy, for the protection of life, limb, health, property, safety and welfare of the general public and the owners and occupants of residential buildings.
3. *Objectives.* The objectives of this chapter include, but are not limited to, the following:
 1. Protection and preservation of the stability and character of residential areas in the city.
 2. The prevention and correction of structure conditions that adversely affect the life, safety, health and general well-being of persons occupying dwellings in the city.
 3. The establishment of minimum standards for light, ventilation, cooling, heating and sanitary equipment necessary to insure the health and safety of occupants of rental dwellings.
 4. The establishment of minimum standards for the maintenance of rental residential dwellings.
 5. The prevention of the emergence of blighted and deteriorating structures in the city.
 6. The prevention of overcrowding of rental dwellings.
 7. The preservation of the value of land and structures in the city.
4. *Intent, Relation To The Provisions Of City Code.* The City Council intends that the Structure Code be an integral part of the city's program of health, safety, building and land use regulation. This chapter is to be construed liberally in conjunction with other provisions of the City Code to give effect to the policy, purpose and objectives of this section, but is not to be construed to modify, amend or otherwise alter the provisions of the city code relating to health, safety, structure, or land use regulation.

(Prior code, § 17.02)

~~157.03 Adoption Of 2006 International Property Maintenance Code By Reference of International Property Maintenance Code~~

1. ~~*Code Adopted.* The 2006 International Property Maintenance Code, published by International Code Council, Inc., except as modified or amended herein, is adopted by reference and is made a part of this code as if fully set out at length. The International Property Maintenance Code (IPMC) is adopted per City Code Chapter 156.01.~~
2. ~~*Copy On File.* One copy of the 2006 International Property Maintenance Code will be kept on file in the office of the City Clerk and available for public inspection at reasonable times.~~

(Prior code, § 17.03)

157.04 Definitions

General. For purposes of this chapter the terms defined in this section have the following meanings given them.

ADEQUATE HEAT means heat sufficient to maintain a temperature of 68 degrees Fahrenheit at a height of 3 feet above the floor in all habitable rooms, bathrooms and water closet compartments.

BUILDING CODE means Chapter 50 and 150 of the city code.

CITY CODE means the Hastings City Code.

CODE or **THIS CODE** means the Structure Maintenance Code.

~~**COMMON AREAS** means halls, corridors, passageways, utility rooms, recreational rooms and landscaped areas, not under the exclusive control of a single person, housing unit in or adjacent to a multiple family dwelling.~~

Commented [JHA1]: Placed in alphabetical order

~~**HOUSING OFFICIAL** means the Supervisor of Inspections and Code Enforcement, the Building Official, or their designees. (Ord. 2014 11 3rd Series, Adopted 5 19 14)~~

~~**COMMON AREAS** means halls, corridors, passageways, utility rooms, recreational rooms and extensive landscaped areas, not under the exclusive control of one person or family, in or adjacent to a multiple dwelling.~~

~~**DWELLING** means a building or a portion of a building designed for residential occupancy: The term includes single family, 2 family and multiple family apartments, condominiums, hotels, motels and Bed and Breakfasts.~~

~~**DWELLING, TWO-FAMILY.** A detached residential dwelling building containing two dwelling units.~~

~~**DWELLING, MULTIPLE-FAMILY.** A residential building designed for two or more families, with the number of families in residence not exceeding the number of dwelling units provided.~~

~~**DWELLING, SINGLE-FAMILY.** A detached residential dwelling unit other than a manufactured home, designed for and occupied by one family only.~~

~~**DWELLING UNIT** means A building or portion thereof, constituting an independent housekeeping establishment for owner occupancy, rental, or lease and separate from any other dwelling units that may be in the same structure and containing independent cooking and sleeping facilities.‡~~

~~A single family dwelling; and~~

~~A discrete portion of a dwelling designed for occupancy by 1 family.~~

~~**HOUSING OFFICIAL** means Supervisor of Inspections and Code Enforcement Building Official or designee.~~

~~**IMMEDIATE FAMILY** means close relatives by birth or marriage including siblings, parents, children, in-laws and any financial dependents.~~

~~**OPERATOR** means Building Manager or owner representative charged with the maintenance or operation of the building.~~

~~**OWNER, OWNER-OPERATOR** or **OPERATOR** means any person, firm or corporation who~~

alone, jointly, or separately with others is in actual possession of or has charge, care or control of a dwelling or dwelling unit or structure in the city as owner, employee or agent of the owner or as trustee or guardian of the estate or the person is the title holder, and such person is bound by the provision of this code to the same extent as the owner.

RENTAL RESIDENTIAL PROPERTY means an occupied single- or ~~multi-family~~ multiple family rental dwelling or dwelling unit that is let to a party other than the registered owner of the property.

REPAIR means to restore to a sound acceptable state of operation, serviceability or appearance.

REPLACE means to remove an existing item or portion of a system and to construct or install a new item of similar or new quality as an existing item when new when repair of the item is impractical.

RESIDENT AGENT AREA is limited to the following counties within the State of Minnesota: Anoka, Carver, Dakota, Goodhue, Hennepin, Ramsey, Scott, and Washington. Resident Agent Area also includes the following counties in the State of Wisconsin: St. Croix and Pierce.

STRUCTURE means that which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

ZONING ORDINANCE means the Chapter 155 of the city code.

1. *Relation To Other Code Definitions.* Except as expressly provided in this code, the words, terms and phrases as used in this code have the meanings given them by the City Code. In cases where conflicting definitions of a word, term or phrase make its precise meaning unclear in its application to particular facts, the City Administrator shall resolve the conflict.

(Prior code, § 17.04)

HISTORY

Amended by Ord. 2009-09, 3rd Series on 9/8/2009
Amended by Ord. 2014-11, 3rd Series on 5/19/2014

157.05 Application

1. *General.* This code applies to rental residential properties including: structures, their premises, accessory structures thereto, and dwelling units therein, used or designed to be used for human habitation or storage.
2. *Existing Structures.*
 1. A building lawfully existing under the Minnesota State Building Code must conform to this code. A building need not be altered or changed to exceed the requirements of the Minnesota State Building Code in effect at the time of its construction, except in the following cases:
 1. If the structure is altered or enlarged pursuant to Minnesota State Building Code;
 2. If the structure is moved or relocated; or
 3. If the structure is determined to be unsafe or hazardous by the Building Official pursuant to the Minnesota State Building Code, ~~2006~~-International Property Maintenance Code or state law.
 2. Occupancy in structures lawfully existing under the Building Code may be continued under this code.

(Prior code, § 17.05)

157.06 Duties Of Owners And Occupants

1. *Sanitation.* The occupant of a dwelling or dwelling unit must maintain in a clean and sanitary condition that part of the dwelling, dwelling unit and yard that the occupant occupies and controls; and is responsible for the occupant's own misuse of areas and facilities available in common. The owner or operator of a ~~two~~-family dwelling or multiple ~~family~~ dwelling must maintain in a clean and sanitary condition the shared or public areas of the dwelling and yard. The occupant of a dwelling unit must keep all mechanical equipment and appliances, including furnace, water heater, plumbing fixtures, air conditioner, stove, refrigerator, dishwasher and the like in a clean and sanitary condition and is responsible for the exercise of reasonable care in their proper use and operation.
2. *Removal Of Waste Matter.* The occupant of a dwelling unit must dispose of rubbish, ashes, garbage and other organic waste in a clean and sanitary manner as required in the city code. The owner or operator of a multiple-~~family~~ dwelling is responsible for the clean and sanitary maintenance of common storage or disposal facilities and must dispose of rubbish in a clean and sanitary manner as required in the city code.
3. *Pest Extermination.* The occupant or owner of a single-~~family~~ dwelling unit is responsible for the extermination of vermin infestations or rodents on the premises. The occupant or owner of a dwelling unit in a building containing more than ~~one~~ dwelling unit is responsible for such extermination when the dwelling unit is infested. When infestation is caused by the failure of the owner or operator to maintain a building containing dwelling units in a reasonable rodent-resistant or reasonably vermin-resistant condition, pest extermination is the responsibility of the owner or operator. After extermination it is the responsibility of the owner or operator, to provide evidence that the infestation has been eliminated and steps have been taken to prevent a reoccurrence as designated by appropriate city officials. If infestation exists in ~~two~~ or more dwelling units in any dwelling, or in the shared or public parts of any dwelling containing ~~two~~ or more dwelling units, pest extermination is the responsibility of the owner or operator.
4. *Heat.* The owner or operator of a building containing ~~two~~ or more dwelling units must supply facilities capable of providing ~~adequate~~ Adequate Heat to every habitable room therein. For the purposes of subdivision ~~ADEQUATE HEAT means heat sufficient to maintain a temperature of 68 degrees Fahrenheit at a height of 3 feet above the floor in all habitable rooms, bathrooms and water closet compartments.~~
5. *Utilities.* Except as otherwise provided by law, an owner, operator or occupant may not cause service equipment or utility service that is required by this code to be removed, shut off or discontinued for any occupied dwelling let or occupied by that person, except for such temporary interruption as may be necessary while actual repairs or alterations are in process or during temporary emergencies.
6. *Transfer Of Responsibility.* A contract between owner and operator, operator and occupant, or owner and occupant, with regard to compliance with this code, does not relieve the owner or operator of a duty imposed by this chapter.
7. *Notice Of Maximum Occupancy.* An owner or operator must advise the occupant, in writing, by insertion in the lease between the parties or otherwise, the maximum number of occupants permitted in occupied premises subject to this code.
- 7.8. *Owner Ultimately Responsible.* The owner of a dwelling or dwelling unit is ultimately responsible for compliance of all duties listed within this section if the occupant fails to meet compliance.

(Prior code, § 17.06)

157.07 Administration; Enforcement; Inspection

1. *Administration And Enforcement.* The ~~Building–Housing~~ Official is responsible for the administration and enforcement of this chapter.
2. *Compliance.* When the Housing Official determines that there exists in a building or a portion thereof conditions that constitute a violation of this code, the Housing Official may begin enforcement procedures.

(Prior code, § 17.07)

157.08 Licensing Of Rental Units

1. *General Rule.* Owners of rental dwelling units shall be required to obtain a license. ~~The license is issued every year and expires on July 31 each year.~~ The license is issued for a period of two years and expires two years from the date of issuance. License renewal notices will be sent via U.S. Mail 60 days prior to the expiration date. Penalties for late payment will be added as outlined in Section 110.19 of the Hastings City Code. Site inspections are performed initially upon initial permit, then every two years from then on. ~~Exempt: Rental dwelling units housing immediate family members.~~
2. *Application.* This section is intended to provide standards for licensed rental housing and to allow resolution of complaints regarding licensed rental housing. All rental dwellings shall conform to the requirements of this section, without regard to when it was constructed, altered or repaired. This section establishes minimum standards for maintaining rental dwellings and their accessory structures and related premises.
3. *License Fees.* Owners of rental dwellings shall pay a license fee prior to issuance of a rental license. License fees will be invoiced to the owner within 30 days of the license expiration. ~~Owners of rental dwellings shall pay an annual license fee. License fees are due by July 31 of each year.~~ License fees are due upon occupancy of newly rented dwelling units. License fees are ~~set by ordinance established in Section 34.03 of the Hastings City Code – Fee Schedule adopted from time to time by the Hastings City Council.~~
4. *Conditions.* A license is non-transferable. The license fee is not refundable upon revocation or suspension. ~~The license fee is refundable prorated monthly, upon proof of transfer of legal control or ownership.~~
5. *Licensing phase-in policy.* Commencing on April 1, 1998, initial licensing inspection will begin according to inspection areas established by the Housing Official.
6. *Application Information.* Applications for a license or renewal of a license must be made by the owner of a rental dwelling. Application forms are filed with the Housing Official. The application form must supply:
 1. Name, address, email, and telephone number of dwelling owner, partners if partnership, corporate officers if corporation;
 2. Name, address, email, and telephone number of designated operator or agent, if any;
 3. Name, address, email, and telephone number of vendee, if the dwelling is being sold through a contract for deed;
 4. Legal address and parcel identification number;
 5. Number of dwelling or rental units;
 6. Description of procedure by which tenant inquiries and complaints are to be processed.
7. *Notice Of Change.* The licensee must give notice in writing to the Housing Official within five business days after any change of information in the application. Notice of transfer of ownership is governed by ~~division (L) Section 157.08, subd. 12~~
8. *Resident Agent Area Required Requirements.* Owners residing outside of the Resident Agent Area ~~An operating license will not be issued or renewed for a non-resident owner of rental dwelling units (an owner who does not reside in any of the following Minnesota Counties: Hennepin, Ramsey, Anoka, Carver, Dakota, Goodhue, Scott or Washington) unless the owner designates~~ must designate

in writing the name of a resident agent or operator with offices within the Resident Agent Area (an agent who does reside in 1 of the aforementioned counties) who is:

1. Responsible for maintenance and upkeep;
 2. Legally constituted and empowered to receive service of notice of violation of the provisions of city ordinances, to receive orders and to institute remedial action to affect such orders; and
 3. To accept service or process pursuant to law. The Housing Official must be notified in writing by the owner of a change of resident agent.
9. *Conformance To Laws.* An operating license will not be issued or renewed unless the rental unit and its premises conform to this section, the ordinances of the city and laws of the State of Minnesota.
10. *Inspection Condition.* An operating license will not be issued or renewed unless the owner of the rental unit agrees in the application to permit inspection pursuant to § 157.09.
11. *Posting Of License.* The licensee ~~of a building containing three or more dwelling units~~ must conspicuously post the current license in the main entry way or other conspicuous location in a frame with a glass or plastic cover.
12. ~~*Transfer*~~*Non Transferable.* ~~The licensee must give notice in writing to the Housing Official within 5 business days after having legally transferred or otherwise disposed of the effective control of licensed rental property. The notice must include the name and address of the person succeeding to the ownership or control of the rental dwelling or dwellings. Licenses may not be transferred. A new license must be approved prior to transfer of the property.~~
13. *License, Suspension And Revocation.* An operating license is subject to suspension or revocation by the Housing Official or designee if the licensed owner fails to operate or maintain licensed rental dwellings and units therein consistent with this chapter. Suspension or revocation of an operating license may be appealed ~~pursuant to provisions of § 157.14 to the City Council.~~ If an operating license is suspended or revoked by the staff, it is unlawful for the owner to permit new occupancy of vacant rental units until a valid operating license is issued by the city.

(Prior code, § 17.08) (Ord. 423, passed 12-15-1997)

HISTORY

Amended by Ord. 2009-09, 3rd Series on 9/8/2009

157.09 Enforcement Authority

1. *Inspection Authority.* The Housing Official may inspect on complaint, change in ownership, or otherwise when reason exists to believe that a violation of this chapter has been or is being committed. Except in the case of emergency, inspections must be conducted during reasonable daylight hours. The Housing Official must present evidence of official authority to the occupant in charge of a rental dwelling unit.
2. *Inspection Access.* If an owner, occupant, or other person in charge of a dwelling unit licensed under this section fails or refuses to permit free access and entry for inspection purposes, the Housing Official may, ~~upon a showing of probable cause, obtain orders from a court of competent jurisdiction for the inspection~~ revoke the license until such inspection can be secured.

(Prior Code, § 17.09)

157.10 Minimum Requirements; Implementation Standards; Policies

1. *Minimum Requirements.* The minimum requirements imposed by this chapter include those standards or requirements in effect on the date of the construction of a building subject to this

chapter. It is not the intention of this code to require all buildings to be upgraded to meet all requirements of the present Building Code.

2. *Implementation Standards.* In administering this code, the Housing Official will treat the following as conditions constituting an immediate hazard to health and safety:
 - a. Heating systems, woodburning stove, fireplaces, oil burners and alike, that are unsafe due to: burned out or rusted heat exchanger (fire box); burned out or plugged flues; not being vented; being connected with unsafe gas supplies; or being incapable of adequately heating the living space;
 - b. Water heaters that are unsafe due to: burned out or rusted out heat exchanger (fire box); burned out, rusted out, or plugged flues; not being vented; being connected with unsafe gas supplies; or lack of temperature and pressure relief valves;
 - c. Electrical systems that are unsafe due to: dangerous overloading; damaged or deteriorated equipment; improperly tapped or spliced wiring; exposed uninsulated wires; distribution systems of extension cords or other temporary methods; ungrounded systems; ungrounded appliances in contact with earth;
 - d. Plumbing systems that are unsanitary due to: leaking waste systems fixtures and traps; lack of water closet; lack of washing and bathing facilities; or cross connection of pure water supply with fixtures or sewage lines;
 - e. Structural systems, walls, chimneys, ceilings, roofs, foundations and floor systems, that will not safely carry imposed loads;
 - f. Refuse, garbage, human waste, decaying vermin or other dead animals, animal waste, other materials rendering it unsanitary for human occupancy, including lack of light and air;
 - g. Infestation of rats, insects and other vermin.
3. *Foundations, Exterior Walls And Roof.* The foundation, exterior walls, and exterior roof shall be substantially water tight and protected against vermin and rodents and shall be kept in sound condition and repair. The foundation element shall adequately support the building at all points. Every exterior wall shall be free of deterioration, holes, breaks, loose or rotting boards or timbers, and any other condition which might admit rain or dampness to the interior portion of the walls or to the exterior spaces of the structure. The roof shall be tight and have no defects which admit rain, and roof drainage shall be adequate to prevent rain water from causing dampness in the walls. All exterior wood surfaces, other than decay resistant woods, shall be protected from the elements and decay by paint or other protective covering or treatment.
4. *Exterior Doors And Windows.* Every window, exterior door, and other exterior openings shall be substantially tight and shall be kept in sound condition and repair. Every window, other than a fixed window or storm window, shall be capable of being easily opened. Every window, door and frame shall be constructed and maintained in such relation to the adjacent wall construction as to completely exclude rain, wind, vermin and rodents from entering the building. Garages attached or detached shall have a fully operational overhead door or barn-type doors.

(Prior Code, § 17.10)

157.11 Reporting Forms, Records

The Housing Official must prepare forms and certificates necessary to carry out the provisions of this code. The Housing Official must design appropriate systems of accumulating or organizing and cataloging data relating to the condition, adequacy, and availability of rental residential housing in the city and must report on these matters from time to time to the City Council at its request. The Housing Official's report must also contain recommendations for modifications in the provisions of this chapter and its administration.

(Prior Code, § 17.11)

157.12 Hazardous Conditions, Built-In Deficiencies, Procedure

1. *Procedure.* If the Housing Official determines that there exists in a building a condition that constitutes an immediate hazard to the health and safety of its occupants, the Housing Official may:
 1. Issue a compliance order requiring immediate compliance if the condition can reasonably be corrected;
 2. Proceed against the building pursuant to applicable city code provisions and state laws relating to hazardous or unsafe structures; or
 3. Recommend that the City Council proceed to correct the condition by abating it as a nuisance under ~~M.S. § 429.101~~ City Code Chapter 95.96, and through issuance of an Administrative Citation per City Code Chapter 10.25, as it may be amended from time to time, and this clause is to be construed as authorizing the imposition and billing of charges for the cost thereof and the assessment of unpaid charges against the property on which the building is located in the manner provided by M.S. § 429.101, as it may be amended from time to time.
2. *Built In Deficiencies.* It is determined that certain conditions within existing buildings, lawful at the time of the construction of the building, may not comply with the minimum requirements of this chapter. Such conditions are herein referred to as built-in deficiencies, and the Housing Official, in administering this chapter, must consider the following built-in deficiencies as being beyond reasonable correction:
 1. Ceiling heights. An existing habitable room with less than a 7-foot ceiling height.
 2. Superficial floor area. An existing habitable room with less than 70 square feet.
 3. Natural light and ventilation. An existing habitable room with window area less than 8% of the floor area provided, however, that in no case may the required area of light and ventilation be less than 5% of the floor area.

(Prior Code, § 17.12)

157.13 Inspections

1. *Records.* Except in the case of emergency, inspections must be conducted during reasonable hours. The Housing Official must present evidence of authority to the owner or occupant in charge of a dwelling unit. Subject to the provisions of law, the Housing Official must keep evidence, exclusive of the inspection records, discovered or obtained in the course of an inspection confidential.
2. *Unfit For Human Habitation.* A dwelling, dwelling unit or rooming unit or portion thereof that is damaged, decayed, dilapidated, unsanitary, unsafe, vermin- or rodent-infested or which lacks provision for basic illumination, ventilation or sanitary facilities to the extent that the defects create a hazard to the health, safety and welfare of the occupants or of the public may be declared unfit for human habitation. If a dwelling, dwelling unit, or rooming unit has been declared unfit for human habitation, the Housing Official must order the same vacated within a reasonable time and post a placard on same indicating that it is unfit for human habitation.
3. *Correction.* It is unlawful for a dwelling, dwelling unit or rooming unit or portion thereof to be used for human habitation until defective conditions have been corrected and written approval has been issued by the Housing Official. It is unlawful to deface or remove the declaration placard from a dwelling, dwelling unit or rooming unit.
4. *Secure Unfit And Vacated Dwellings.* The owner of a dwelling, dwelling unit, or rooming unit that has been declared unfit for human habitation or that is otherwise vacant for a period of 60 days or more must make the same safe and secure so that it is not hazardous to the health, safety and welfare of the public and does not constitute a public nuisance. A vacant dwelling open at doors, windows, or wall opening, if unguarded, is deemed to be a hazard to the health, safety and welfare of the public and a public nuisance within the meaning of this section.
5. *Hazardous Building Declaration.* If a dwelling has been declared unfit for human habitation and the owner has not remedied the defects within a prescribed reasonable time, the dwelling may be

declared a hazardous building and may be removed, razed or corrected pursuant to the city code and provisions of M.S. Chapter 463, as it may be amended from time to time.

6. *Compliance Procedure Order.* If the Housing Official determines that a rental dwelling, rental dwelling unit or rooming unit or portion thereof is in violation of an order of this chapter, the Housing Official may issue a compliance order setting forth the violations of such and ordering the owner/occupant, operator or agent to correct such violation. The compliance order must:
1. Be in writing;
 2. Describe the location and nature of the violations of this section;
 3. Establish a reasonable time for the correction of the violation and notify the owner of appeal procedures;
 4. Be served upon the owner, owner's agent, or the occupant, as the case may be: the notice is deemed to be properly served upon owner or agent, or upon any such occupant, if a copy thereof is:
 1. Served upon the owner or agent; or
 2. Sent by registered mail to the owner or agent's last known address; or
 3. ~~Upon failure to effect notice through division (F)(4)(a) or (F)(4)(b), service may be made~~Served pursuant to M.S. § 463.17, Subdivision 2, as it may be amended from time to time, ~~which reads as follows:~~
 4. ~~3.~~ *“Service. This order shall be served upon the owner of record, or his agent if an agent is in charge of the building, and upon the occupying tenant, if there is one, and upon all lien holders of record, in the manner provided for service of a summons in a civil action. If the owner cannot be found, the order shall be served upon them by posting it at the main entrance to the building and by four weeks’ publication in the official newspaper of the municipality if it has one, otherwise in a legal newspaper in the county;” or*

~~5.4.~~ Pursuant to M.S. § 145A.04, as it may be amended from time to time.

(Prior Code, § 17.13)

157.14 Removed

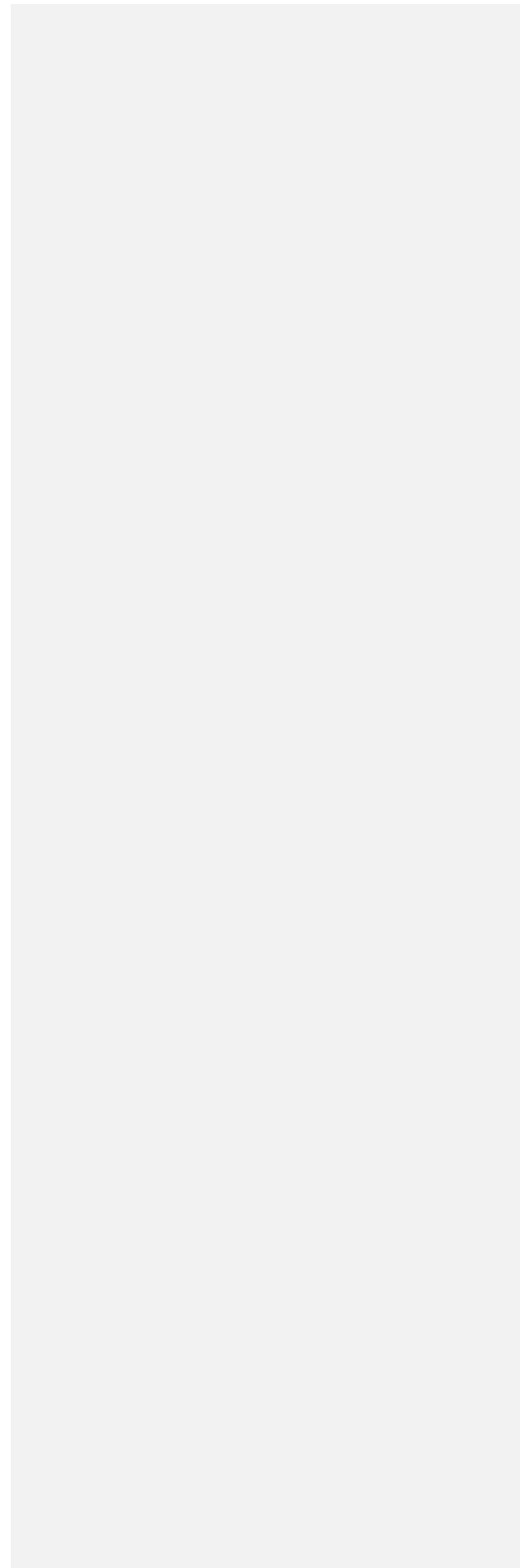
157.15 Restrictions On Transfer Of Ownership

It is unlawful for the owner of a dwelling, dwelling unit or rooming unit upon whom a Compliance Order has been served to sell, transfer, mortgage or lease or otherwise dispose the dwelling, dwelling unit, or rooming unit to another person until the compliance order has been complied with, unless the owner furnishes to the grantee, lessee or mortgagee a true copy of any notice of violation or compliance order and obtains and possesses a receipt of acknowledgment. A person obtaining an interest in the dwelling, dwelling unit or rooming unit who has received notice of the existence of a compliance order is bound by the order without further notice and is subject to the penalties and procedures provided by this chapter.

(Prior Code, § 17.15)

157.99 Penalty

1. *General.* It is unlawful to erect, construct, enlarge, alter, repair, move, improve, equip, use, occupy or maintain any building or structure within the City contrary to the provisions of this chapter.
2. ~~Non-compliance.~~ Failure to comply with a lawfully issued compliance order is a violation of this chapter.
3. ~~(Prior Code, § 17.99) (Ord. 365, 2nd Series, passed 11-28-1994; Res. 1-9-00, passed 1-18-2000)~~





Overview of Utility Rate Study

City Council Meeting
September 18, 2023



Items to Cover

X-E-01

- Review study objectives
- Conclusions and recommendations
- Key financial information
- Utility rates and customer impacts

Study Objectives

X-E-01

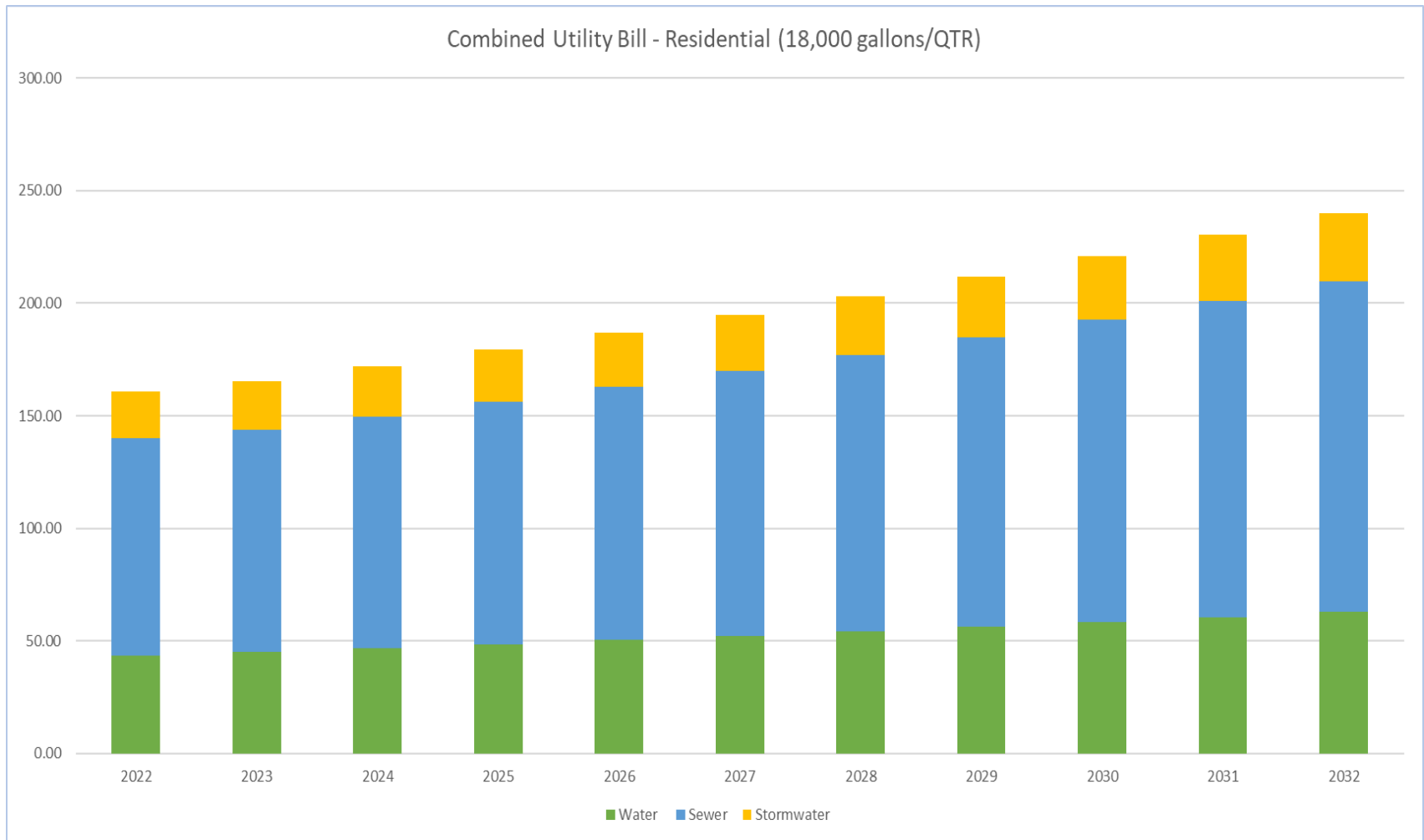
- Provide City with information to evaluate updated proposed rates for charging for service
- Review existing plans and projections
- Collect and analyze customer data
- Provide recommendation on planning for major capital improvements and financing

Utility Rates

- Rates set at level to fund operations, meet debt service, and to provide for annual capital improvements
- Plan anticipates the following future level of rate increases will be needed over the planning period (2024-2032):
 - 3.5% increase for Water rates
 - 4.5% increase for Sanitary Sewer rates
 - 4.0% increase for Storm Water rate

Impact on Example Customer

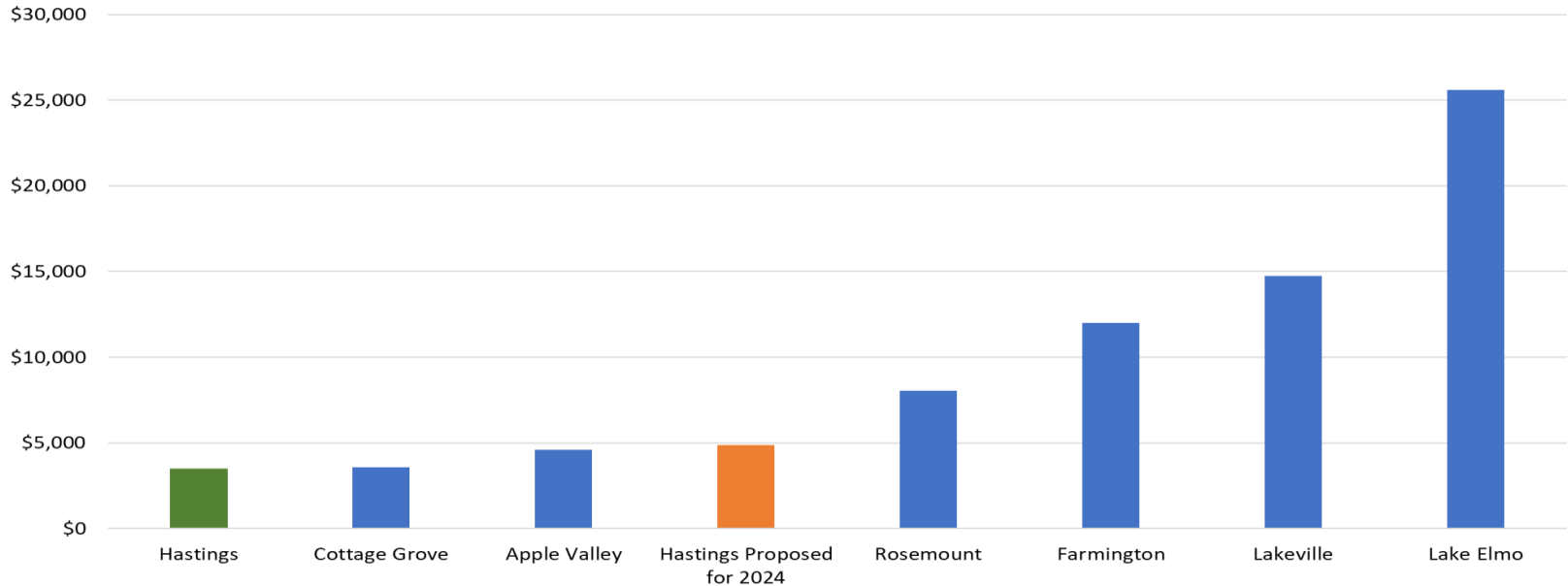
X-E-01



Impact on Development Fees

X-E-01

City Sewer and Water Development Charges Per Residential Equivalent Unit
Based on Low-Density Unit, 0.25 Acres



Note and disclaimer: The estimated total cost per REU is based on interpretation of a city's current published/adopted fee schedules and assumes a low density residential unit (0.25 acres). The interpretation may be incorrect, either missing fees, or INCORRECTLY interpreting how fees may be applied. The estimate is believed to be accurate but may not be accurate. Data is from published 2023 fee schedules. MCES SAC fee is not included in the amounts.

Financial Management of Utility Funds

X-E-01

- Activities of the utility enterprise funds should be recovered with the fees and charges of the individual utility
- Objectives for year-end cash balances:
 - Cash sufficient to cover 3-months of operations
 - Cash sufficient to cover following year debt service
 - Cash sufficient to cover planned (pay-go) capital outlay

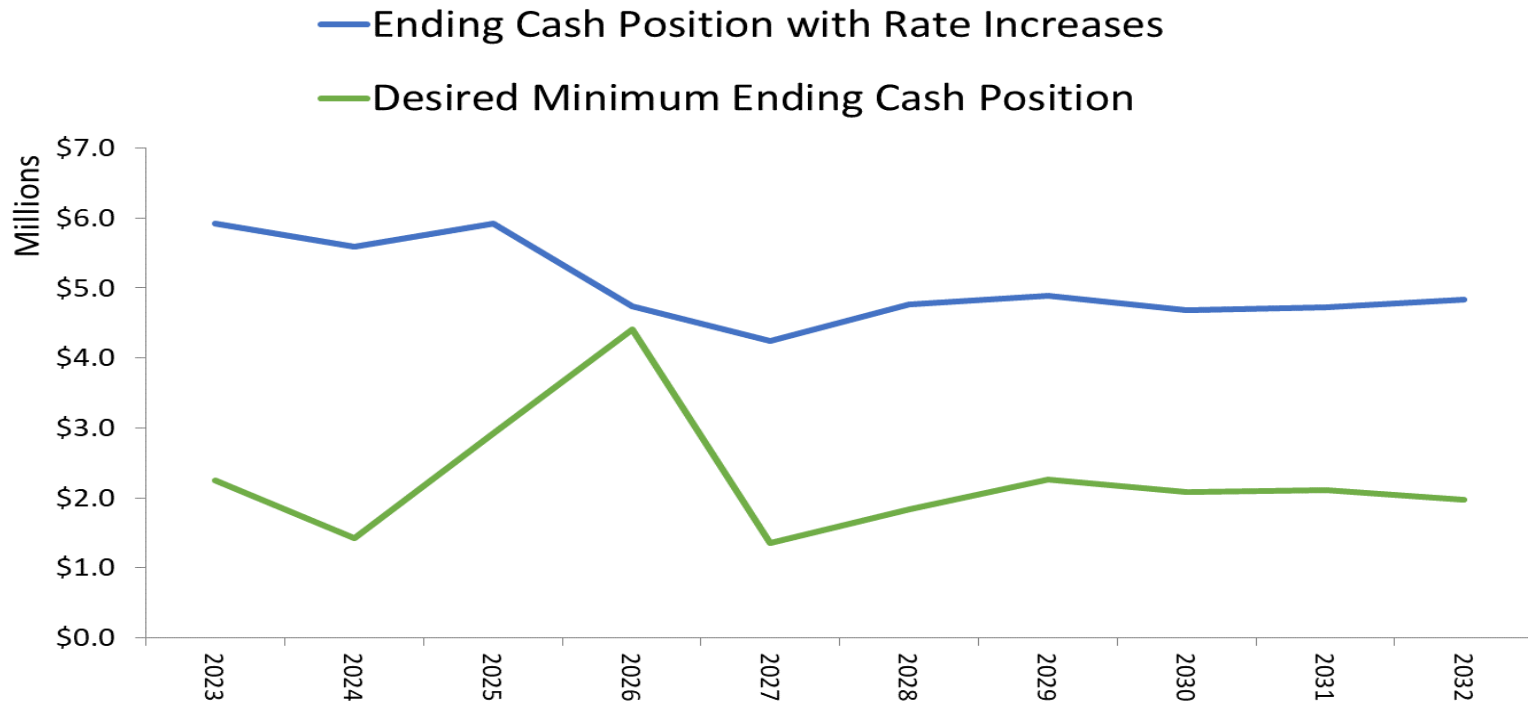
- Sound financial condition – revenues sufficient to cover expenses
- Plan assumes an average annual rate increase to customers of 3.5%
- Plan includes 1/3 FTE increase in 2025
- Capital improvements to be funded with a combination of cash (pay-go) and bonding:
 - Debt issuance anticipated in 2025, 2028, and 2029 to finance an estimated \$7.905 million of \$14.69 million of project costs

Water Fund Cash Balance

X-E-01

Water Fund

Projected Ending Cash Position is projected to be sufficient to meet policy objectives and to position City to accumulate cash for infrastructure improvements

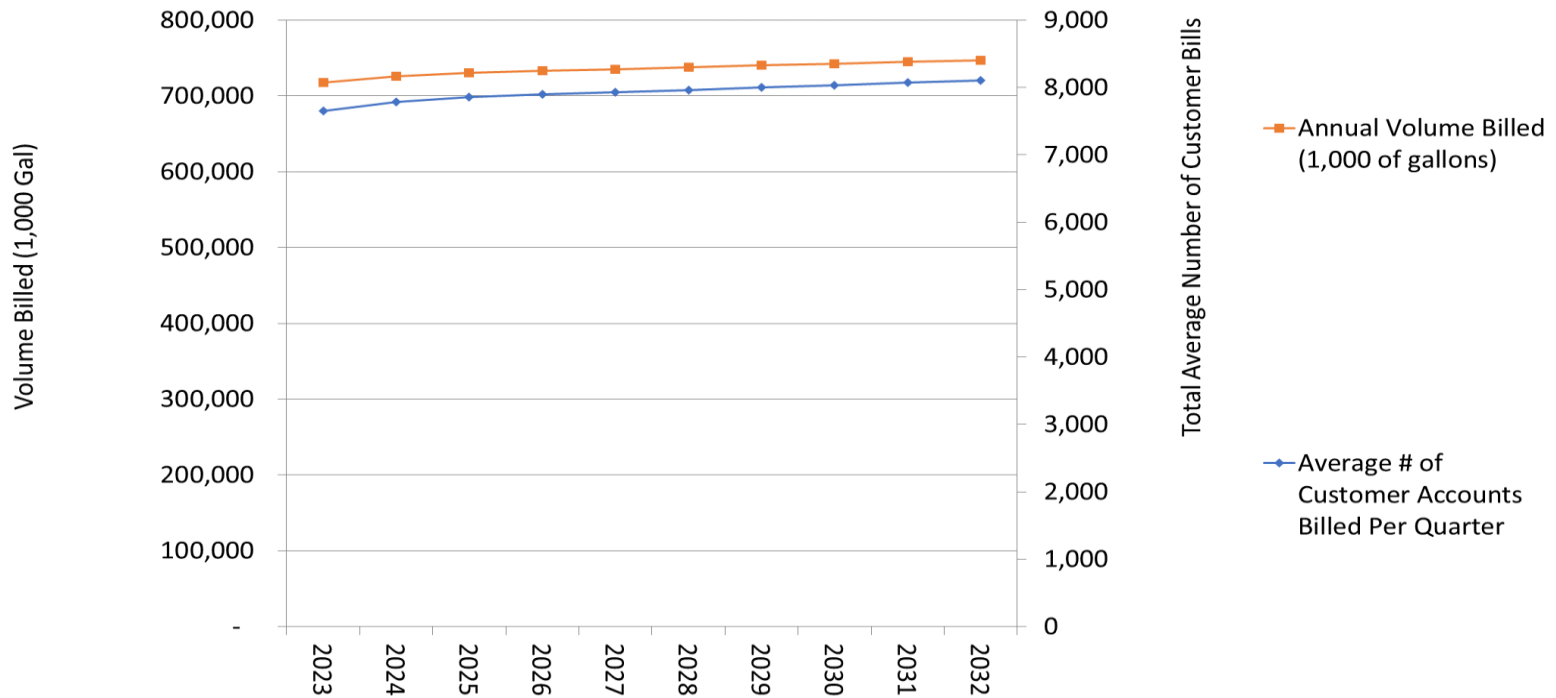


Water Fund Customers and Usage

X-E-01

Chart 5
Water Fund
Customers and Annual Water Volume Billed

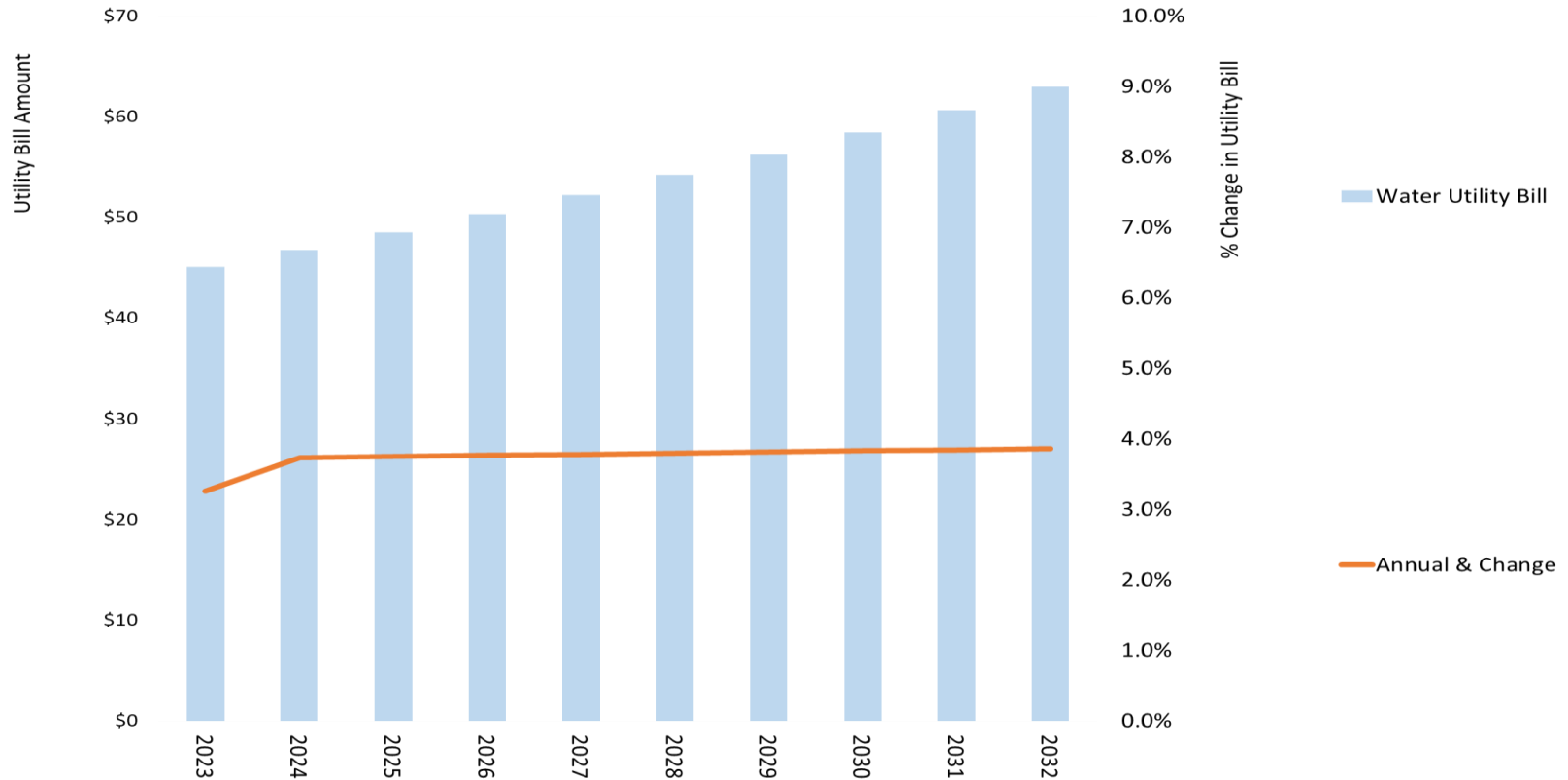
Plan anticipates about 50 new customers added annually with average water volume of 65,000 gallons/year per customer



Impact on Example Water Customer

X-E-01

Water Services
Medium Volume Customer (18,000 gallons/qtr)



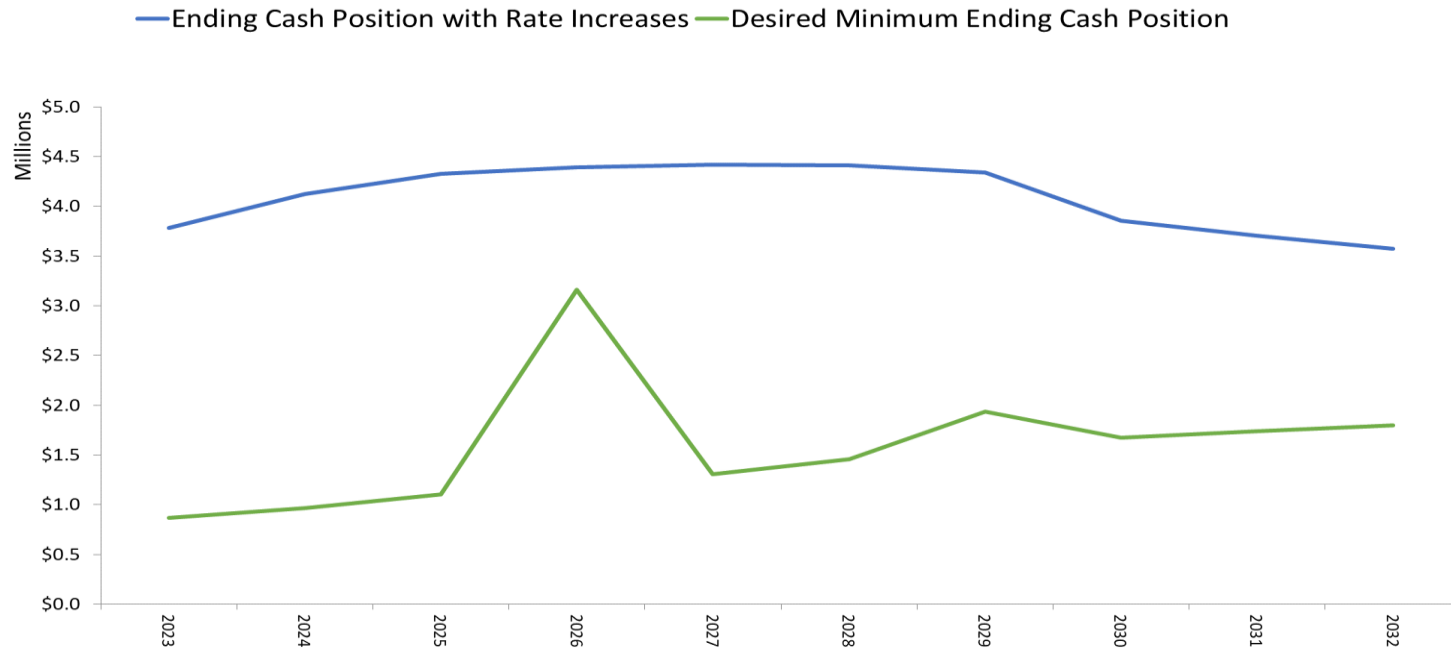
- Sound financial condition – revenues sufficient to cover expenses
- Plan includes 1/3 FTE increase in 2025
- Plan assumes an annual average rate increase to customers of 4.5%
- Bonding is anticipated for capital improvements in all years, with the exception of 2030.
 - Total debt issuance of \$9.1 million anticipated to finance total project costs of approximately \$10.425 million

Sanitary Sewer Fund Cash Balance

X-E-01

Sewer Fund

Projected Ending Cash Position is projected to be sufficient to meet policy objectives over the planning period

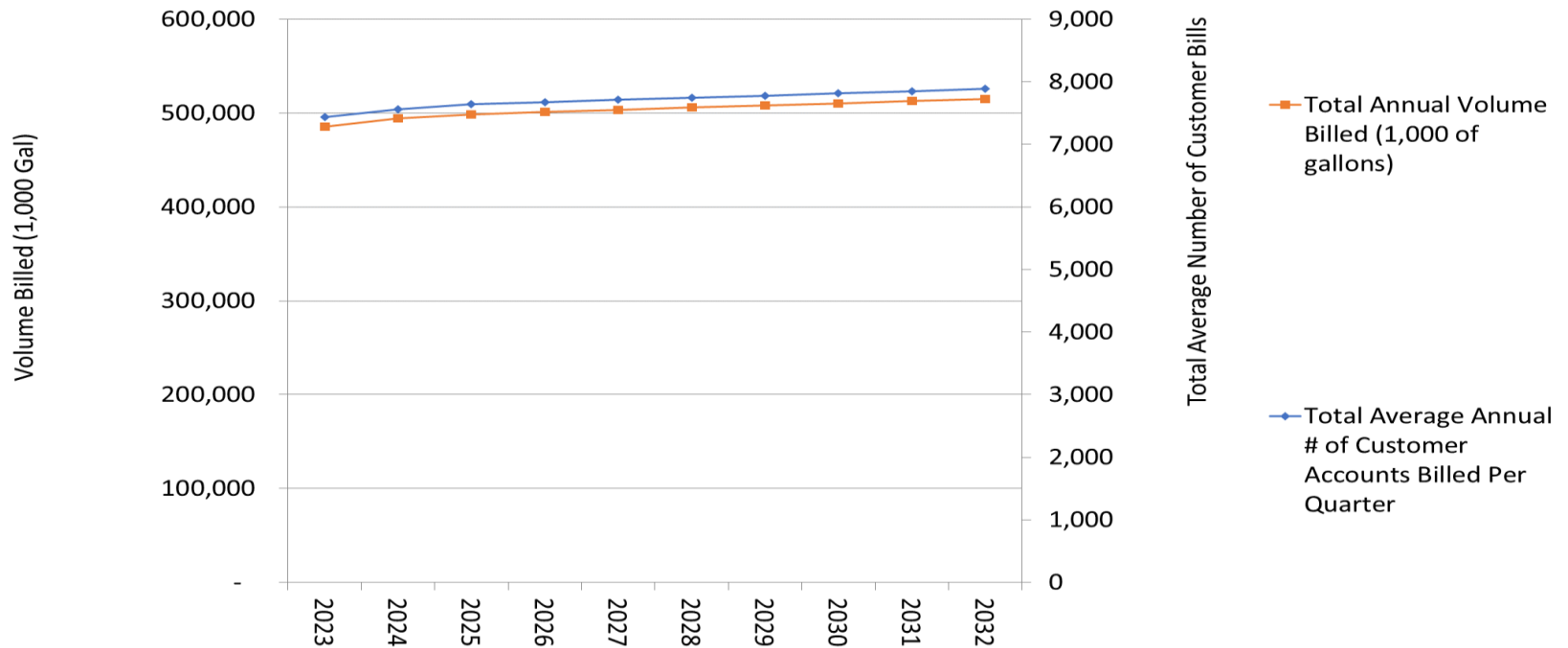


Sanitary Sewer Fund Customers and Usage

X-E-01

Sewer Fund
Customers and Annual Water Volume Billed

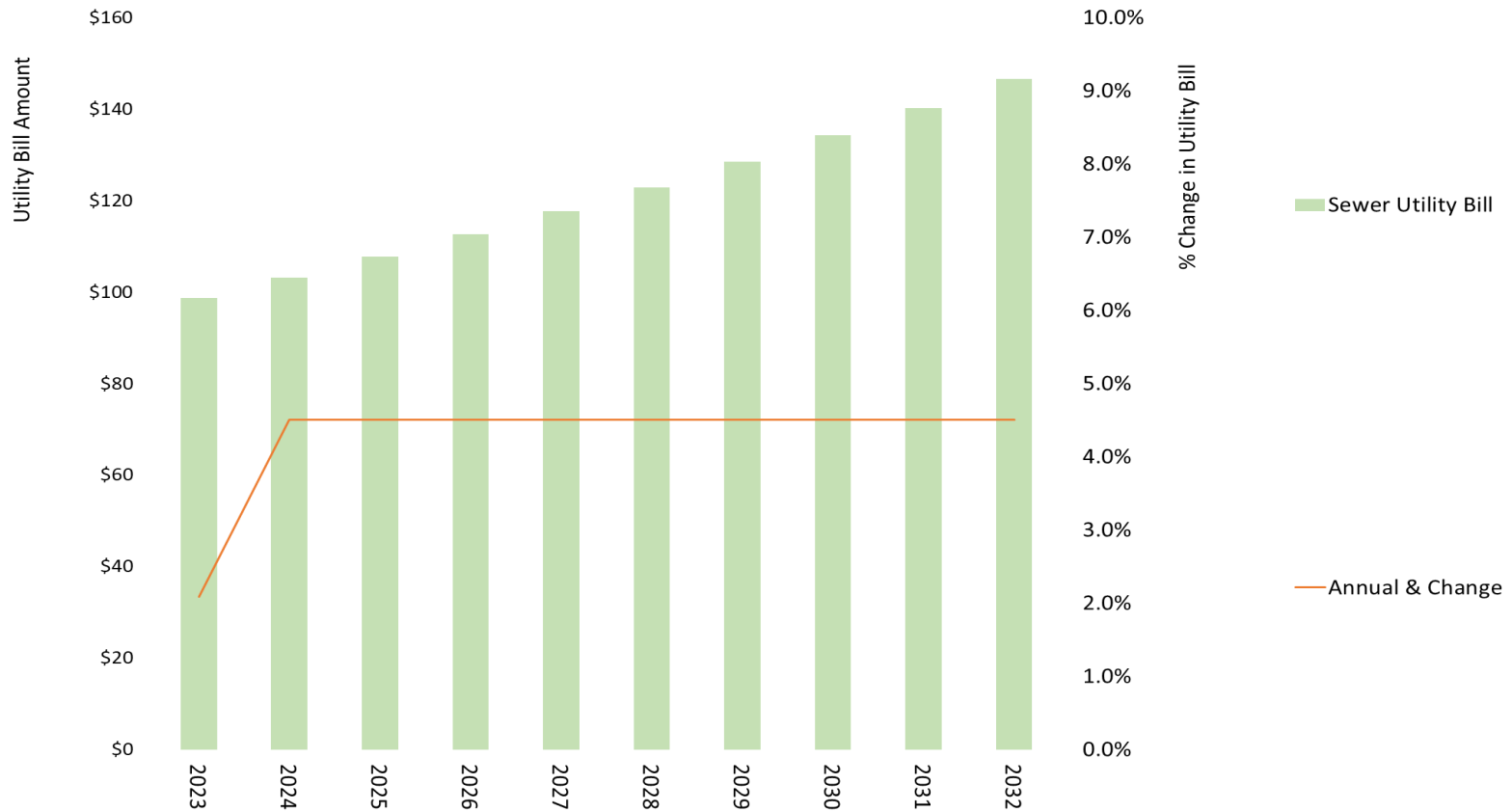
Plan anticipates about 50 new customers added annually with average volume of 65,000 gallons/year per customer



Impact on Example Sanitary Sewer Customer

X-E-01

Sewer Services
Medium Volume Customer (18,000 gallons/qtr)



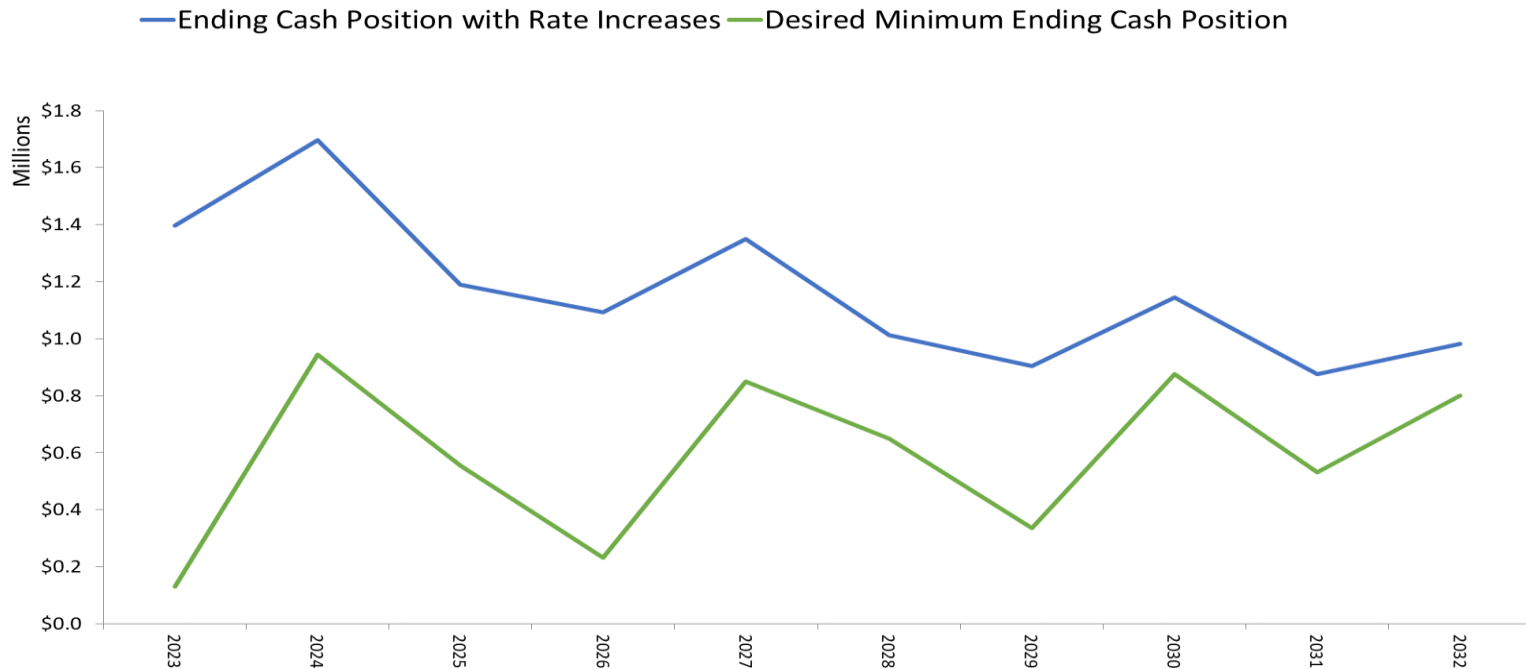
- Sound financial condition – revenues sufficient to cover expenses
- Plan includes 1/3 FTE increase in 2025
- Plan assumes average annual increase of 4.0% annually
- Capital improvements to be funded with a combination of cash and bonding
 - Debt issuance anticipated in 2024, 2027, 2030 and 2032 to finance the estimated \$2.65 million of the \$4.9 million of total storm utility projects

Storm Water Fund Cash Balance

X-E-01

Storm Fund

Projected Ending Cash Position is projected to be sufficient to meet policy objectives over the planning period

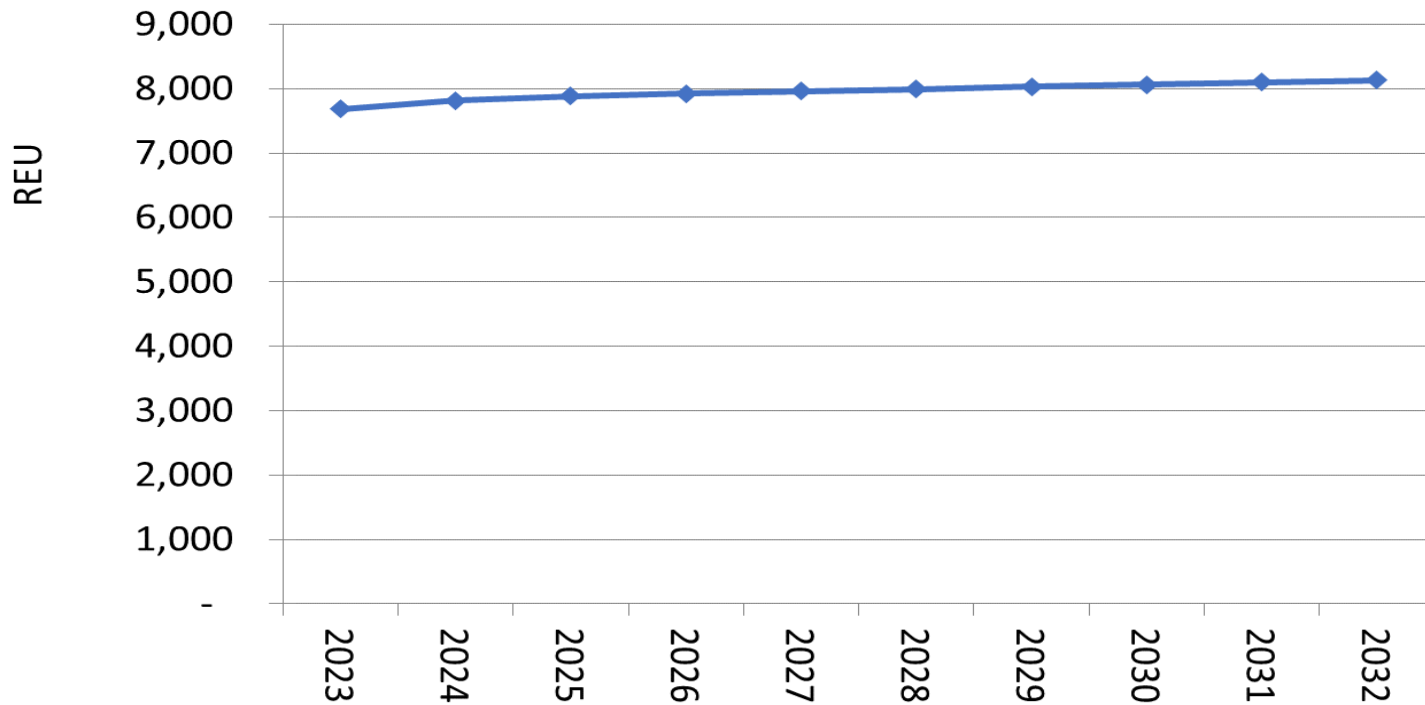


Storm Water Fund Customers and Usage

X-E-01

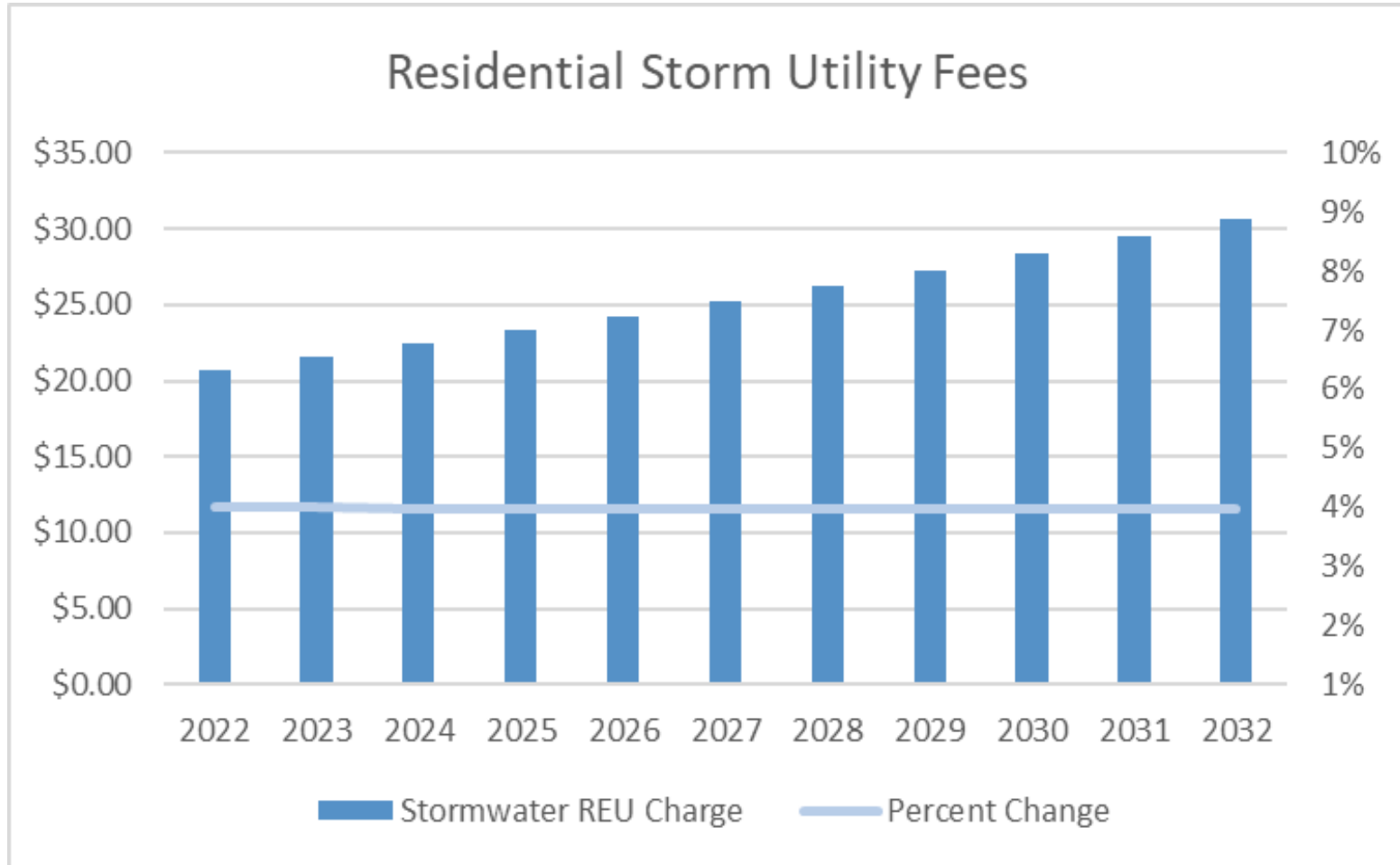
Storm Fund
Residential Equivalent Units (REU) Billed

Plan anticipates about 50 new REU added per year



Impact on Example Storm Water Customer

X-E-01

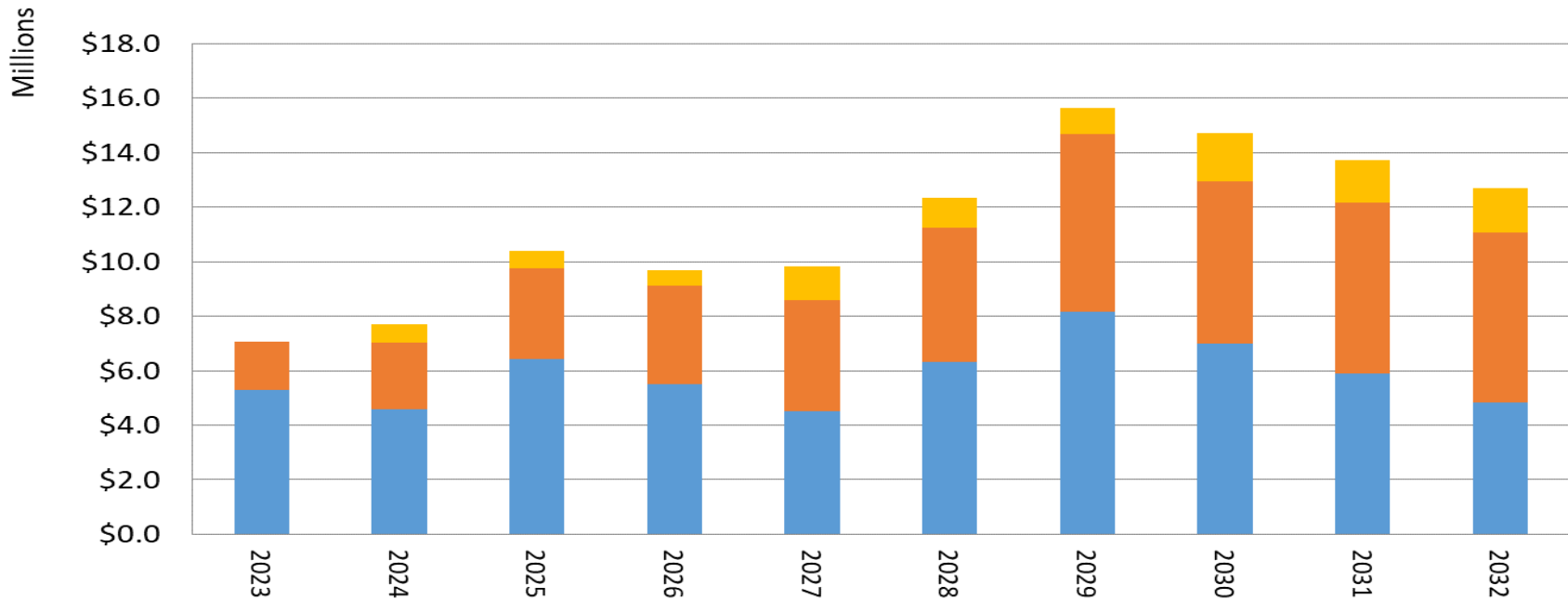


Bonds Outstanding Paid from Utility Revenue

X-E-01

Outstanding Bonds Payable
Includes Existing and Planned Debt Issuance

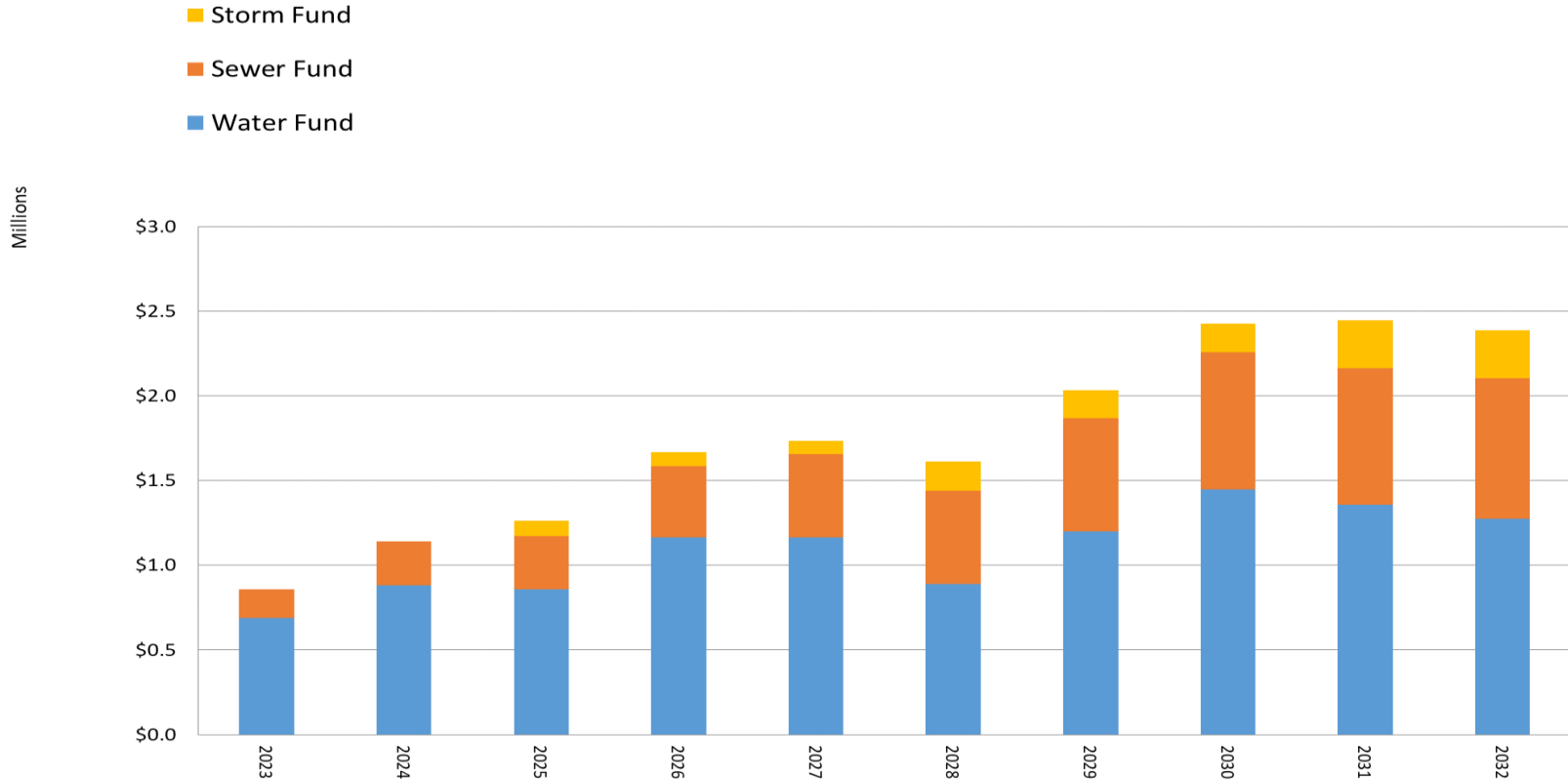
- Storm Fund
- Sewer Fund
- Water Fund



Annual Debt Service Paid from Utility Revenue

X-E-01

Debt Service Payable
Includes Existing and Planned Debt Issuance



Comparison to Other Cities

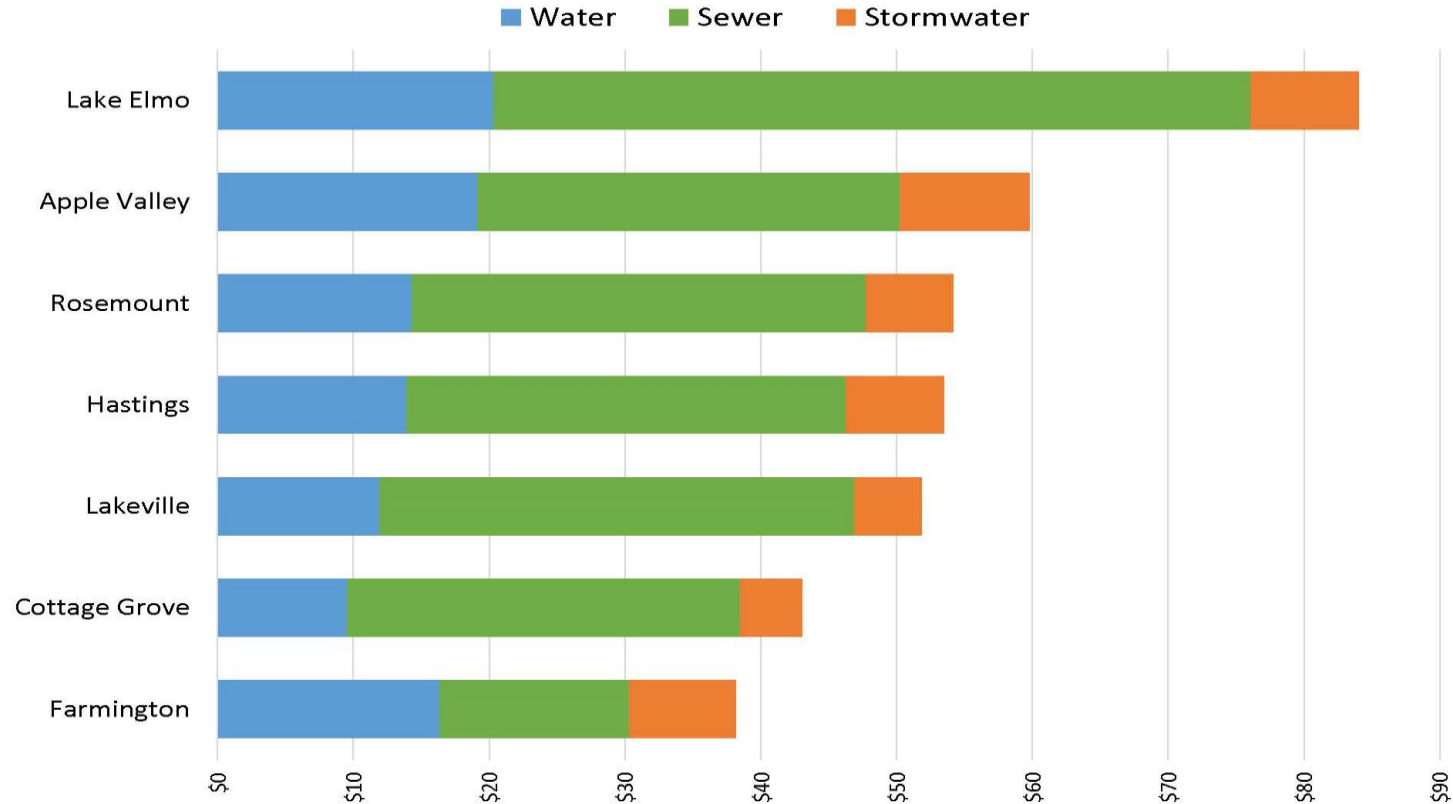
X-E-01

Chart 23

6,000 Gallons Monthly Volume - Residential

Estimated Based on Published Rate Data and Interpretation of Fee Schedules

Cities have different billing cycles for comparison billing is shown as monthly equivalent bills



- City should annually review and adopt rate increases, paying particular attention to anticipated changes to MCES charges and impact on Sewer expenses
- City should adopt rates that achieve revenues to meet both cash objectives and net position targets

Thank You

X-E-01

Jessica Green

612-851-5930

jgreen@northlandsecurities.com

Tammy Omdal

612-851-4964

tomdal@northlandsecurities.com

Northland Public Finance

Northland Securities, Inc.

150 South 5th Street, Suite 3300

Minneapolis, Minnesota 55402

800-851-2920

www.northlandsecurities.com

Member FINRA and SIPC

Registered with SEC and MSRB



City of Hastings, MN

**Financial Management Plan For
Water Fund, Sewer Fund, and Storm Fund (Utility Study)**

September 18, 2023



Northland Securities, Inc.
150 South Fifth Street , Suite 3300
Minneapolis, MN 55402
Toll Free 1-800-851-2920 Main 612-851-5900
www.northlandsecurities.com
Member FINRA and SIPC
Registered with SEC and MSRB

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September 18, 2023

Chris Eitemiller
Finance Manager
City of Hastings
101 4th Street East
Hastings, MN 55033

RE: Financial Management Plan for Water, Sewer, and Storm Funds

Dear Chris,

Northland is pleased to present the City of Hastings with a Financial Management Plan for Water, Sewer, and Storm Funds (the "Plan"). The Plan provides the results of our analytical work and facilitation of the process to guide the city towards arriving at a conclusion on utility rate fee schedule for the next decade. The Plan provides options for revenue generation structure that is projected to be financially solvent, fair to end-users, economically competitive, and in proposed alignment with what we understand to be the city's overall philosophy on utility fees.

Sincerely,

NORTHLAND SECURITIES, INC.

A handwritten signature in black ink, appearing to read "Tammy Omdal".

Tammy Omdal
Managing Director

A handwritten signature in blue ink, appearing to read "Jessica Green".

Jessica Green
Managing Director

150 South Fifth Street, Suite 3300, Minneapolis, MN 55402
Main: (612) 851-5900 / Direct: (612) 851-4964 / Email: tomdal@northlandsecurities.com
Member FINRA and SIPC | Registered with SEC and MSRB

INTRODUCTION AND SUMMARY

Overview

The Financial Management Plan for Water, Sewer, and Storm Funds (the “Plan”) is intended to serve as a guide for financial management of the water, sewer, and storm systems of the city (the “Utility Funds”).

The objectives of the study for the Plan were as follows:

- **Revenue Sufficiency** - develop and populate a forecasting model to determine the revenue needed to satisfy projected operating, capital improvements, and debt service while maintaining adequate reserves for future capital needs. The city desires to minimize debt issuance for capital improvements when possible.
- **Rate Calculation** - Review existing rate structures for the Utility Funds and develop and propose modifications to ensure that rates reflect accepted practices, fair and equitable distribution of costs.

The Plan includes anticipated future capital improvements for the Utility Funds for years 2023-2032 (the “CIP”). Estimates include future costs and timing of projects. The actual timing for future system improvements will depend in part on the growth rate of the city. While the specific timing is uncertain, awareness of the necessity of these future improvements is important when considering rates and level of reserves as presented in the Plan.

Study Approach

The following steps were taken as part of the study:

- City provided information on customer activity, includ-

ing reports on customer billings for years 2020 and 2021, with volumes billed by billing period and customer classifications. Northland relied on the data as presented by the city for projection of water use and volumes by tier and average number of billing units per year.

- City provided historical financial data along with current budget plans and CIP.
- Information provided by the city was organized, analyzed, and used to support the development of the Plan. Prior year data included in the Plan is reconciled with the city’s audited financial statements.
- City staff offered input and feedback on assumptions for the study.

Revenue Sufficiency

The study evaluated the sufficiency of revenues to meet current and projected financial requirements for the Utility Funds over the next decade, and determined the rates necessary in each year of the projection period to provide sufficient revenues to meet objectives. For purposes of the Plan, the objectives included providing revenue sufficient to achieve year-end cash balances to cover the following purposes:

- Three-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements

Reserves for future capital improvements includes cash available from connection and access charges collected at time of development reserved for future improvements.

The city accounts for water, sewer, and storm services in the Water Fund, Sewer Fund, and the Storm Fund, reported as Enterprise Funds of the city. Enterprise Funds are used to account for ongoing activities that are similar to businesses found in the private sector.

The Enterprise Funds are considered self-supporting in that the services rendered by them are financed primarily through user charges. The costs of providing services, such as capital costs, depreciation, and debt service, are recovered with fees and charges, rather than with taxes or similar revenues.

The graphics and tables that follow provide a summary of key financial information for the Utility Funds, including the revenue sufficiency of the proposed rates to meet ending cash objectives.

Rate Calculation

The city has a practice of annually adjusting utility rates to ensure revenue is sufficient. The city has a two-part rate structure for the water and sewer services, comprised of both fixed and variable charges based on volume. A tier structure is recommended by generally accepted practices and is a practice followed by most cities within the Twin Cities metropolitan area. A two-part rate structure recovers a portion of system costs in a fixed charge, recognizing that the water and sewer services have certain fixed costs that are incurred year-round regardless of the level of water usage by customers. Storm services are billed based on a per customer basis.

It is estimated that approximately 70%-85% of the Water Fund and Storm Fund expenses, including depreciation, are fixed, and for the Sewer Fund it is approximately 30%. The fixed expenses for the Sewer Fund are lower because of the collection and treatment system operated by Metropolitan

Council Environmental Services (MCES).

Based on the results of the study, for usage or metered volume-based rates the following is recommended:

- Maintain the city's structure for base rate charges with annual inflationary adjustments to cover the projected annual increases in fixed costs for services.
- Consider the cost/benefit of converting from a quarterly to monthly billing cycle. The benefits of a monthly billing cycle are covered later.
- Establish rates at a level that provides an appropriate level of cash reserves for future capital improvements that are not yet programmed in the CIP. The reserves should be maintained at a level that is consistent with the city's past experience for contingency and at a level that reflects uncertainty about cost and timing of future infrastructure needs, and the city's desire to limit the issuance of debt financing when feasible.

The Plan anticipates approximately 3.5% average annual rate increase for water services, 4.5% for sewer services, and 4% for storm services beginning in 2024. The annual rate increases are approximate average annual increases, and reflect the anticipated net cost increases and revenue sufficiency objectives in the Plan.

The graphics and tables that follow present the impact to an average residential customer at various levels of water use resulting from the proposed rates. Customer bill amounts are shown on a quarterly basis consistent with the city's current billing cycle.

Utility rates and tier structures should be reviewed annually to ensure that rates and structure provide adequate revenues based on actual experience. Future rates should be set based on actual data and performance, which will be

impacted by timing of future development, among other factors.

Organization of Plan

The Plan is organized into seven sections:

1. Introduction and Summary provides information on the study approach, revenue sufficiency, and rate calculations.
2. Best Practices Evaluation provides information on literature search for best practices, and comparison to other cities.
3. Rate Structure provides information on equity of the current rate structure, evaluation of funding approach for infrastructure, and approach for funding depreciation.
4. Capital Improvement Plan provides information on the city's plans for maintaining and improving the water and sanitary sewer systems. This includes estimates on project costs, timing, and sources of funds. The time horizon for the CIP is 2023-2032. Information on outstanding debt obligation and debt service of the Utility Funds is included in this section.
5. Financial Plans provides the financial plans for the Utility Funds. The financial plans include historical, current, and projected sources and uses of funds and estimated ending cash balances. Financial plans take into account capital improvement plans and proposed rates.
6. Appendixes provides additional data and graphics.

Table 1
Water Fund
Summary

Water Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues	2,668,223	2,966,836	2,896,394	2,890,923	5,099,397	3,108,955	3,229,588	3,348,716	3,479,382	3,608,946
Expenses	2,466,901	2,528,002	2,675,770	2,768,771	2,835,231	2,949,089	3,126,681	3,196,458	3,208,998	3,228,181
Revenue Over (Under) Expense	201,322	438,834	220,624	122,152	2,264,166	159,866	102,907	152,258	270,384	380,765

Projected Ending Cash by Purpose

For future capital and unassigned	3,674,334	4,164,382	3,014,665	345,656	2,906,639	2,961,850	2,682,702	2,655,622	2,699,475	2,979,426
For planned capital	1,035,000	214,000	1,390,100	2,863,500	78,200	239,000	400,300	314,000	405,400	314,000
For 3-months of operating cash	334,054	351,659	362,209	373,075	384,267	395,796	407,669	419,899	432,496	445,471
For following year debt service	883,057	856,125	1,164,125	1,164,850	887,375	1,199,075	1,448,350	1,355,690	1,276,378	1,211,950
Total Projected Ending Cash	5,926,446	5,586,167	5,931,099	4,747,082	4,256,482	4,795,721	4,939,022	4,745,211	4,813,749	4,950,847

Net Position

Ending unrestricted net position	5,669,155	5,308,976	5,659,059	4,480,244	3,994,899	4,539,445	4,688,106	4,499,709	4,573,714	4,716,335
As % of expense	230%	210%	211%	162%	141%	154%	150%	141%	143%	146%

Net Revenues as % of Debt Service

	200%	185%	168%	124%	310%	172%	133%	119%	133%	147%
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Customers

Average # of Customer Accounts Billed Per Quarter	7,653	7,785	7,858	7,894	7,930	7,965	8,001	8,036	8,072	8,107
Annual Volume Billed (1,000 of gallons)	717,493	726,073	730,818	733,158	735,498	737,773	740,113	742,388	744,728	747,003

Example Customer

Residential Bill for Water Service (36,000 gallons per quarter)	45	47	48	50	52	54	56	58	61	63
\$ Change in Total Annual Billed		2	2	2	2	2	2	2	2	2
% Change in Total Annual Billed		3.7%	3.7%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.9%

Notes:

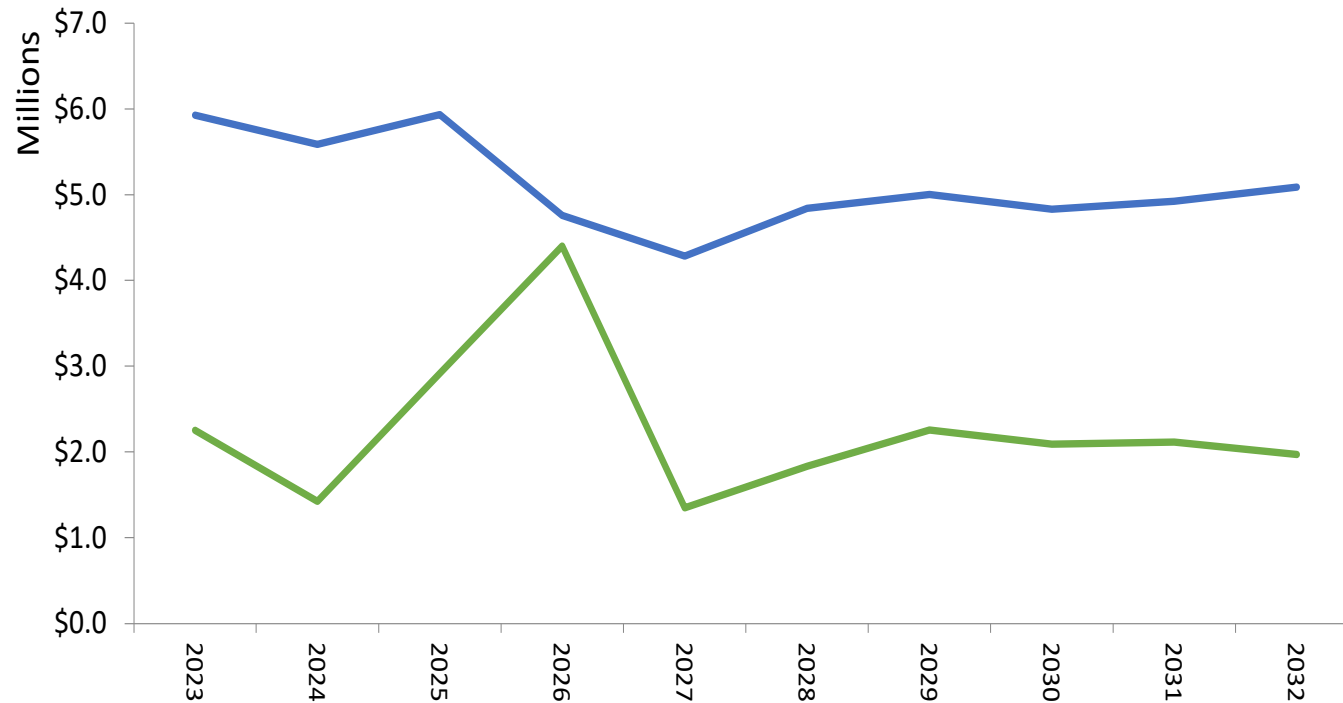
- Expenses includes depreciation expense.

Chart 1.

Water Fund

Projected Ending Cash Position is projected to be sufficient to meet policy objectives and to position City to accumulate cash for infrastructure improvements

- Ending Cash Position with Rate Increases
- Desired Minimum Ending Cash Position



Water Fund

Introduction and Summary X-E-01

Chart 2
Water Fund
Projected Ending Cash (Investments) by Designation

Cash is projected to be sufficient to meet minimum annual cash needs and to provide reserve for future capital improvements

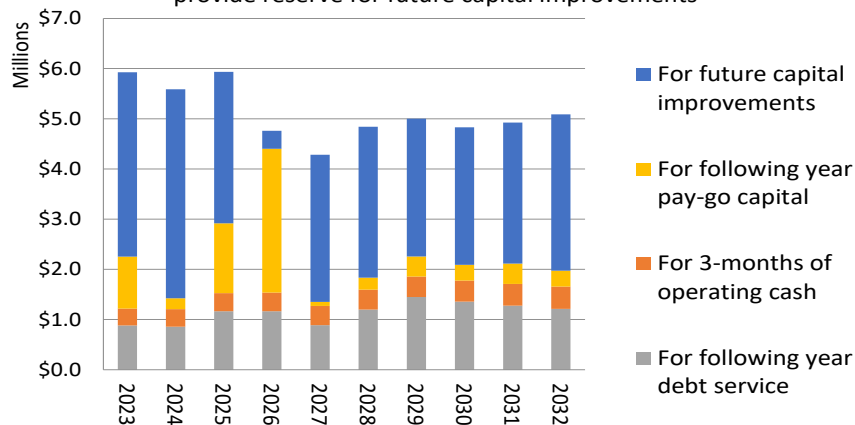


Chart 3
Water Fund
Ending Unrestricted Net Position

Ending unrestricted net position as % of expense is projected to be at or above a minimum target of 50%

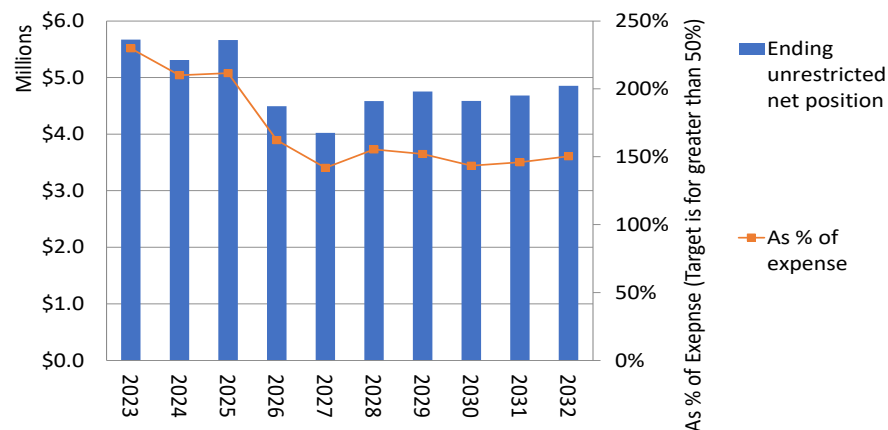


Chart 4
Water Fund
Revenue and Expense

Revenues are projected to cover expenses, revenues in excess of annual expenses comes from development fees collected to pay for future improvements

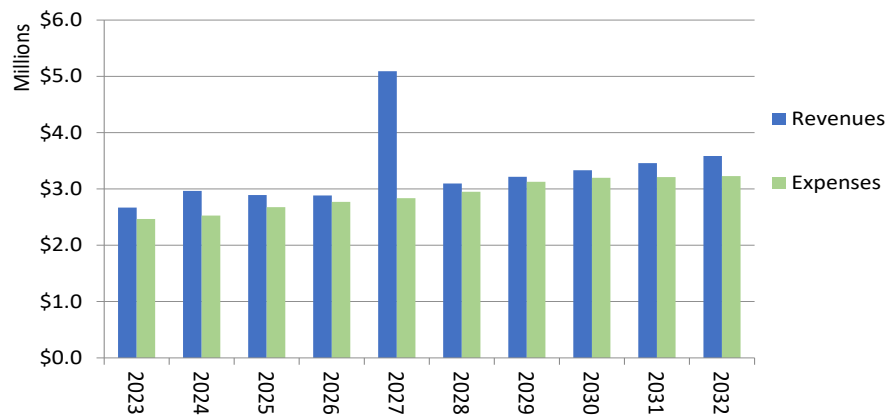


Chart 5
Water Fund
Customers and Annual Water Volume Billed

Plan anticipates about 50 new customers added annually with average water volume of 65,000 gallons/year per customer

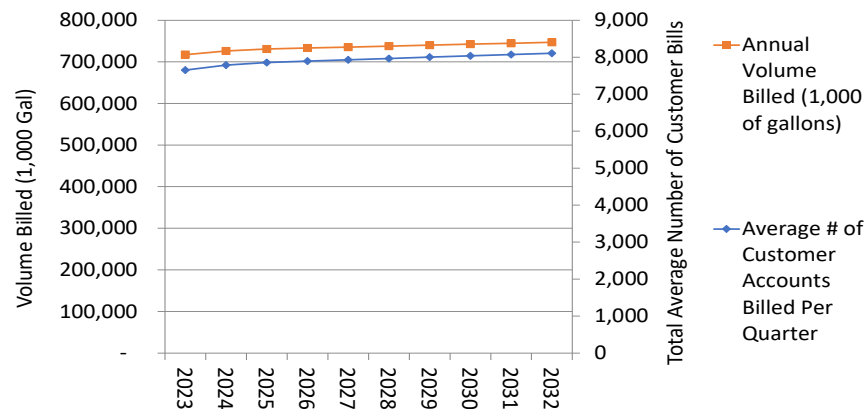


Table 2
Sewer Fund
Summary

Sewer Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues	2,981,209	3,120,164	3,196,015	3,296,463	5,407,373	3,624,323	3,802,874	3,986,785	4,183,169	4,385,738
Expenses	2,886,951	3,096,743	3,306,366	3,469,696	3,673,517	3,864,458	4,099,039	4,283,115	4,462,320	4,647,975
Revenue Over (Under) Expense	94,258	23,422	(110,351)	(173,234)	1,733,856	(240,135)	(296,165)	(296,330)	(279,151)	(262,237)

Projected Ending Cash by Purpose

For future capital and unassigned	2,912,371	3,155,626	3,219,397	1,234,401	3,113,222	2,951,114	2,399,841	2,177,257	1,966,827	1,773,378
For planned capital	-	-	-	1,950,000	-	-	300,000	-	-	-
For 3-months of operating cash	614,857	654,192	685,600	718,585	753,158	789,538	827,675	867,809	909,887	954,173
For following year debt service	255,837	314,713	419,463	490,263	552,588	669,088	808,213	807,535	827,891	841,525
Total Projected Ending Cash	3,783,065	4,124,530	4,324,460	4,393,248	4,418,967	4,409,740	4,335,729	3,852,602	3,704,605	3,569,077

Net Position

Ending unrestricted net position	4,158,065	4,502,630	4,705,622	4,777,432	4,806,131	4,799,839	4,728,716	4,248,429	4,103,221	3,970,427
As % of expense	144%	145%	142%	138%	131%	124%	115%	99%	92%	85%

Net Revenues as % of Debt Service

	219%	154%	114%	98%	376%	73%	75%	82%	82%	88%
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Customers

Total Average Annual # of Customer Accounts Billed Per Quarter	7,432	7,564	7,637	7,673	7,709	7,744	7,780	7,815	7,851	7,886
Total Annual Volume Billed (1,000 of gallons)	485,489	494,069	498,814	501,154	503,494	505,769	508,109	510,384	512,724	514,999

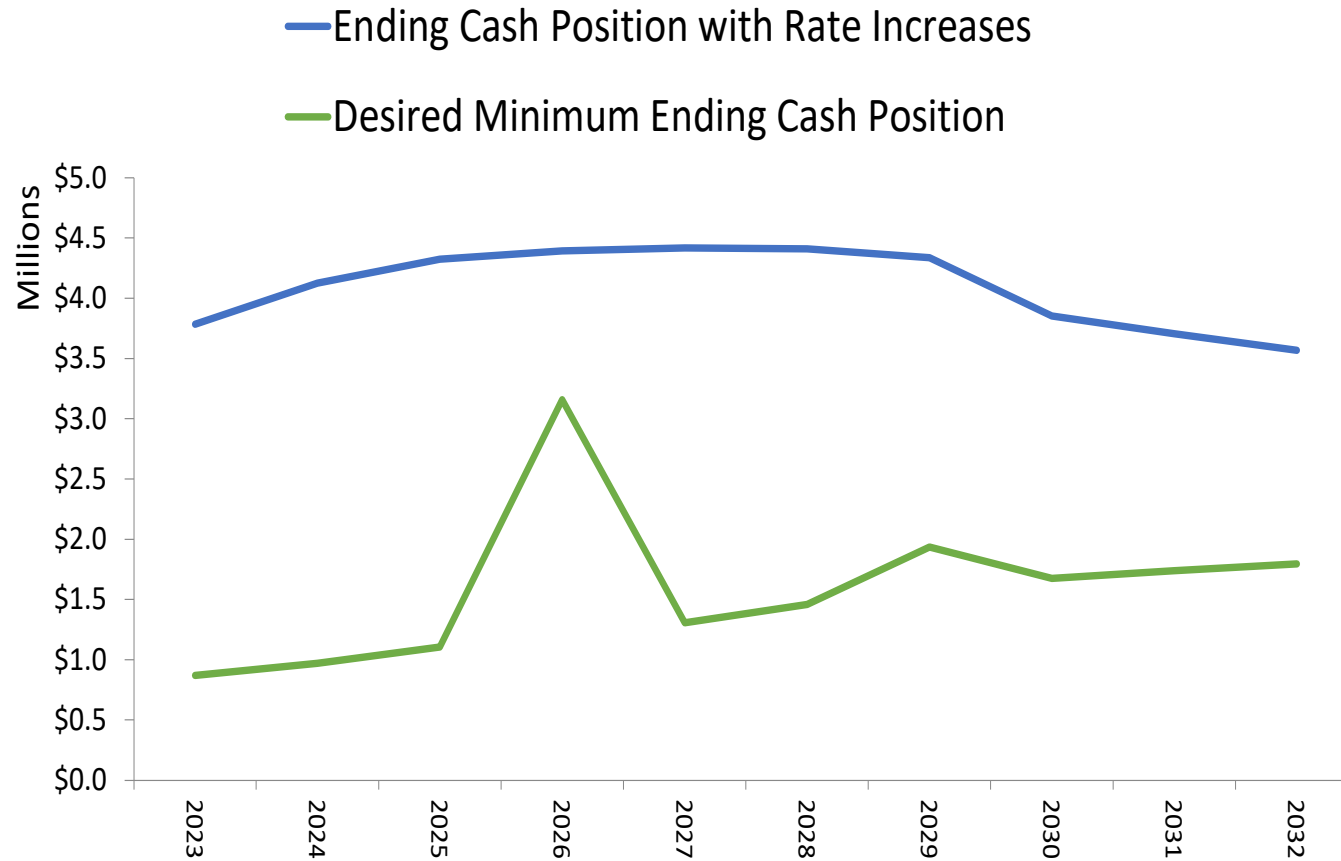
Example Customer

Residential Bill for Water Service (36,000 gallons per quarter)	178	186	194	203	212	222	232	242	253	264
\$ Change in Total Annual Billed		8	8	9	9	10	10	10	11	11
% Change in Total Annual Billed		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

Notes:

- Expenses includes depreciation expense.

Chart 6.
Sewer Fund
Projected Ending Cash Position is projected to be sufficient to meet policy objectives over the planning period



Sewer Fund

Introduction and Summary

X-E-01

Chart 7
Sewer Fund
Projected Ending Cash (Investments) by Designation

Cash is projected to be sufficient to meet minimum annual cash needs and to provide reserve for future capital improvements

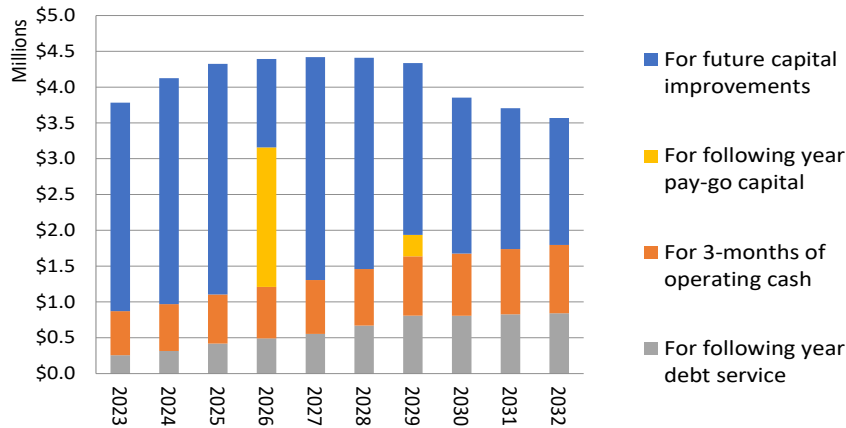


Chart 8
Sewer Fund
Ending Unrestricted Net Position

Ending unrestricted net position as % of expense is projected to be at or above a minimum target of 50%, but at a decline rate

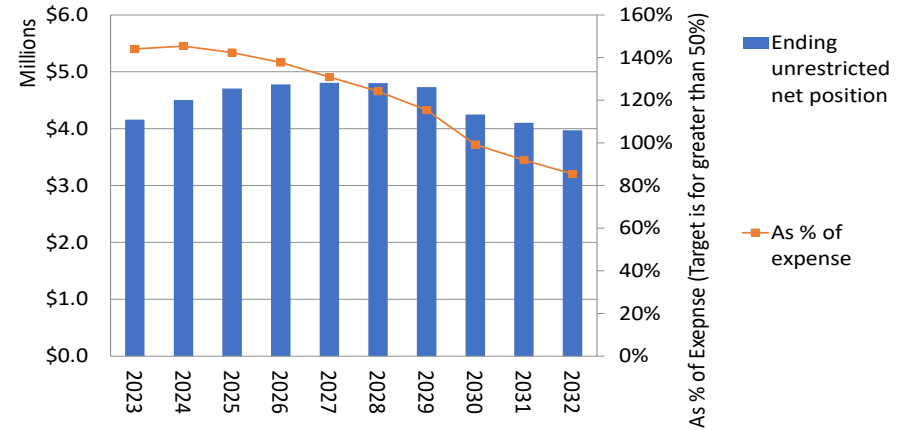


Chart 9
Sewer Fund
Revenue and Expense

Expenses, including depreciation, are anticipated to outpace revenues over the planning period

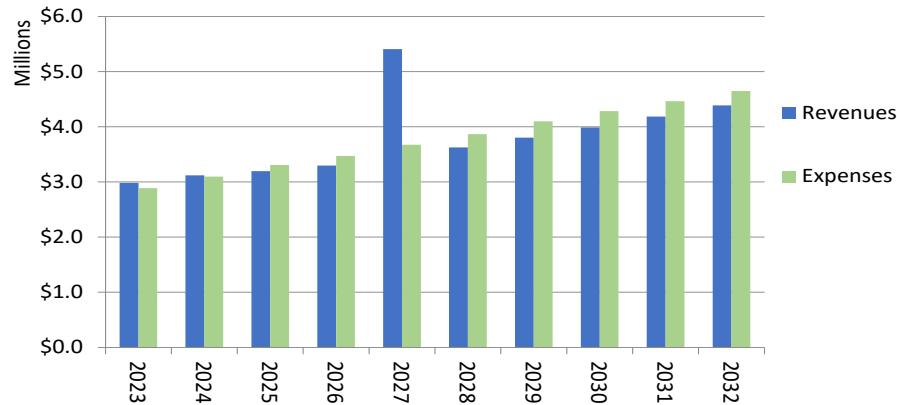


Chart 10
Sewer Fund
Customers and Annual Water Volume Billed

Plan anticipates about 50 new customers added annually with average volume of 65,000 gallons/year per customer

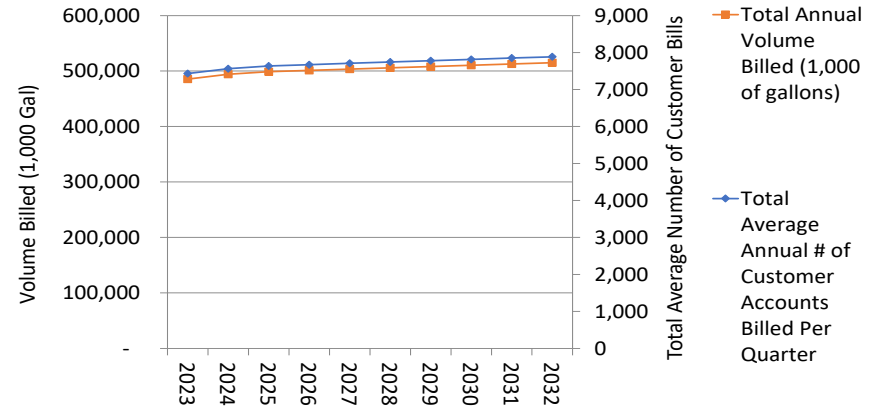


Table 3
Storm Fund
Summary

Storm Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues	836,262	820,338	859,890	897,708	937,558	978,658	1,022,070	1,066,845	1,114,134	1,162,911
Expenses	559,947	603,889	675,627	696,920	741,231	779,777	800,172	852,935	892,282	916,630
Revenue Over (Under) Expense	276,315	216,449	184,263	200,788	196,327	198,882	221,897	213,910	221,852	246,281

Projected Ending Cash by Purpose

For future capital and unassigned	1,266,564	753,435	633,634	861,914	497,693	361,391	569,974	268,245	342,738	183,045
For planned capital	-	775,000	325,000	-	525,000	325,000	-	425,000	75,000	300,000
For 3-months of operating cash	130,204	141,694	145,944	150,323	154,832	159,477	164,262	169,190	174,265	179,493
For following year debt service	-	26,300	83,800	81,400	171,100	166,100	170,900	281,700	282,900	320,400
Total Projected Ending Cash	1,396,768	1,696,429	1,188,379	1,093,637	1,348,625	1,011,968	905,136	1,144,135	874,903	982,938

Net Position

Ending unrestricted net position	1,161,768	1,451,929	934,104	829,303	1,073,942	726,635	608,844	836,565	555,729	651,821
As % of expense	207%	240%	138%	119%	145%	93%	76%	98%	62%	71%

Net Revenues as % of Debt Service

	105%	68%	60%	57%	48%	44%	48%	47%	52%	55%
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Customers

Total Average # of Residential Equivalent Units Billed Per Quarter	7,680	7,812	7,885	7,921	7,957	7,992	8,028	8,063	8,099	8,134
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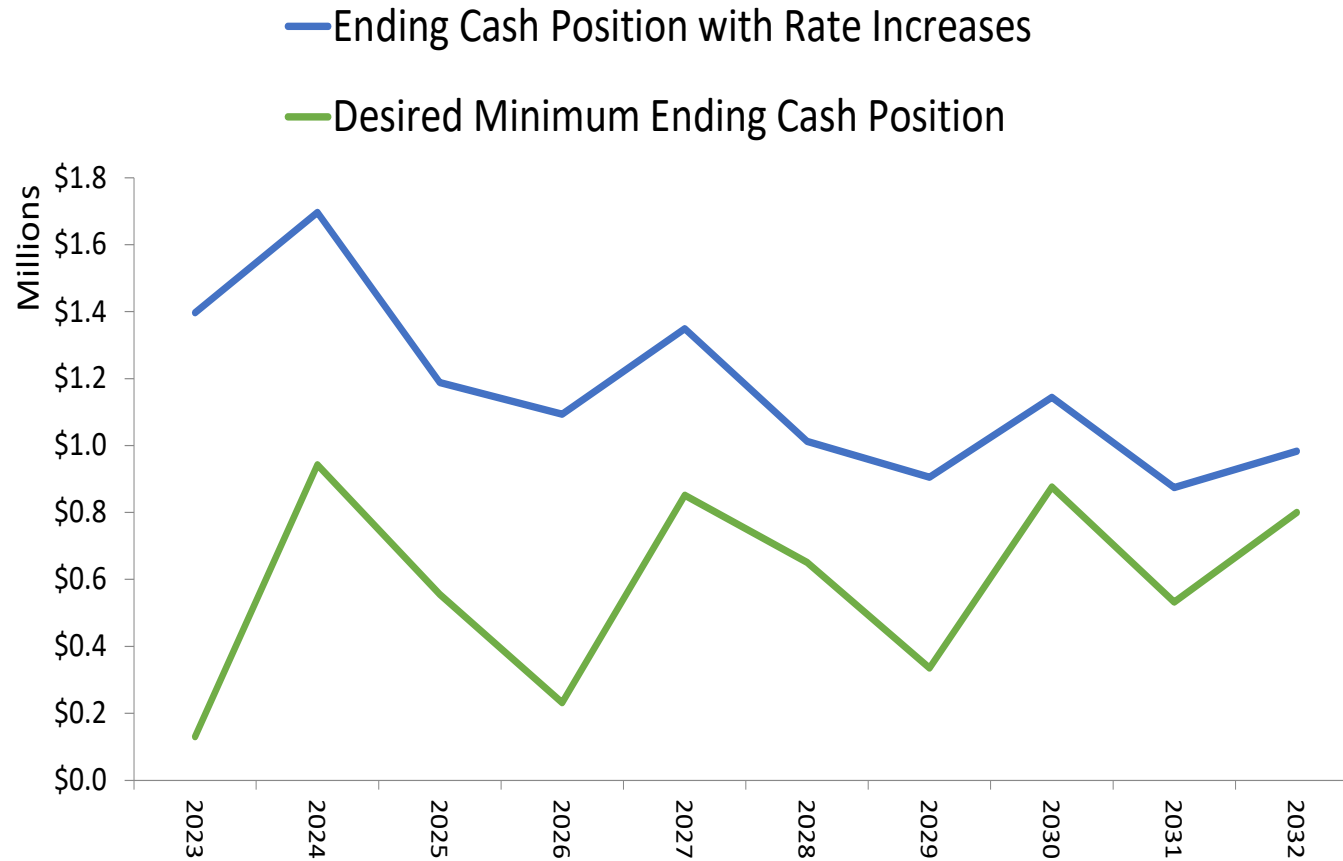
Residential Customer

Average Residential Bill for Service	22	22	23	24	25	26	27	28	29	31
\$ Change in Total Annual Billed		1	1	1	1	1	1	1	1	1
% Change in Total Annual Billed		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

Notes:

1. Expenses includes depreciation expense.

Chart 11.
Storm Fund
Projected Ending Cash Position is projected to be sufficient to meet policy objectives over the planning period



Storm Fund

Chart 12
Storm Fund
Projected Ending Cash (Investments) by Designation

Cash is projected to be sufficient to meet minimum annual cash needs and to provide reserve for future capital improvements

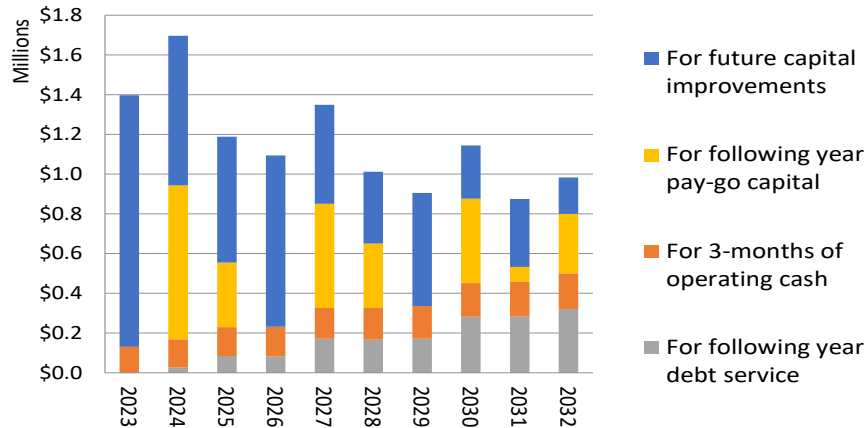


Chart 13
Storm Fund
Ending Unrestricted Net Position

Ending unrestricted net position as % of expense is projected to be at or above a minimum target of 50%, but at a decline rate

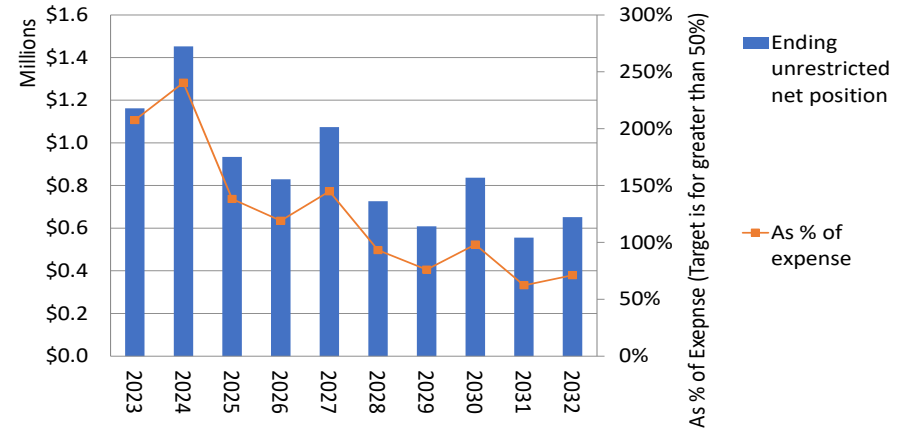


Chart 14
Storm Fund
Revenue and Expense

Revenues are projected to cover expenses within the Storm Fund

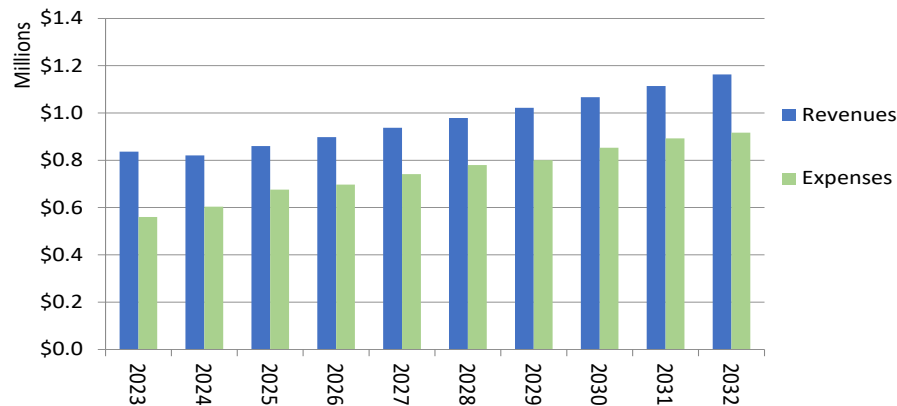
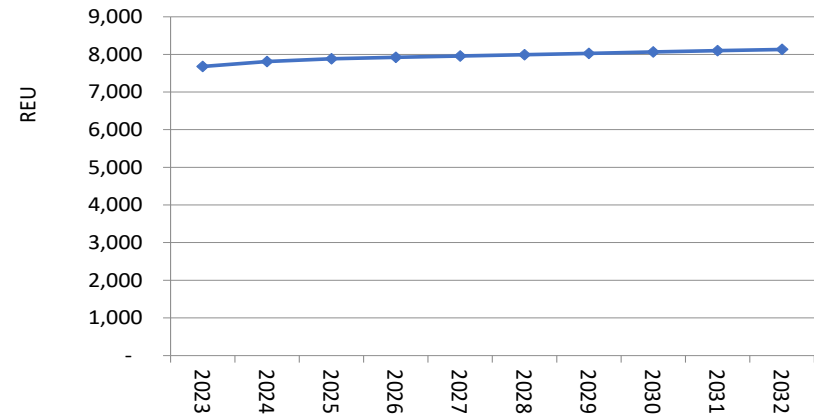
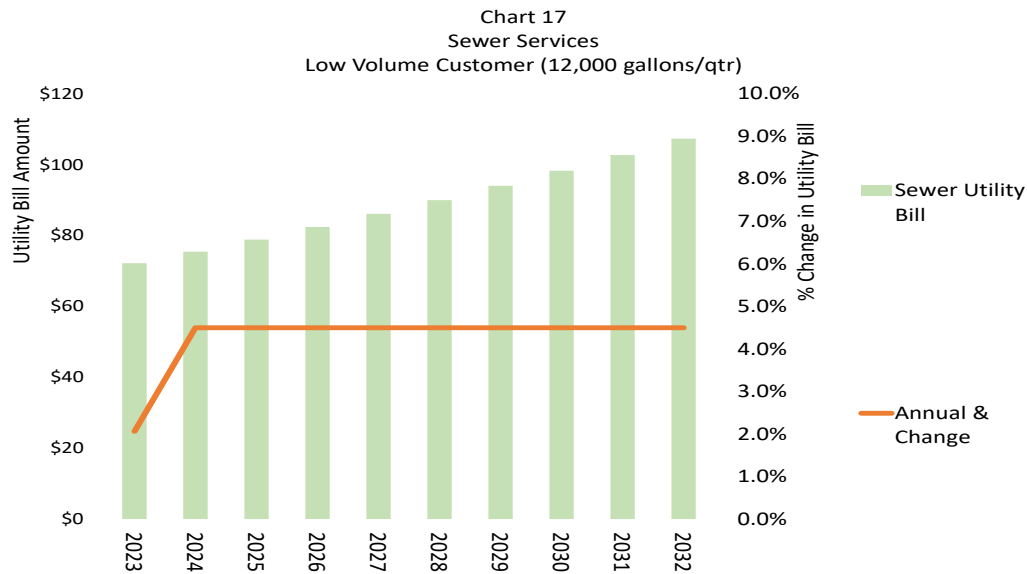
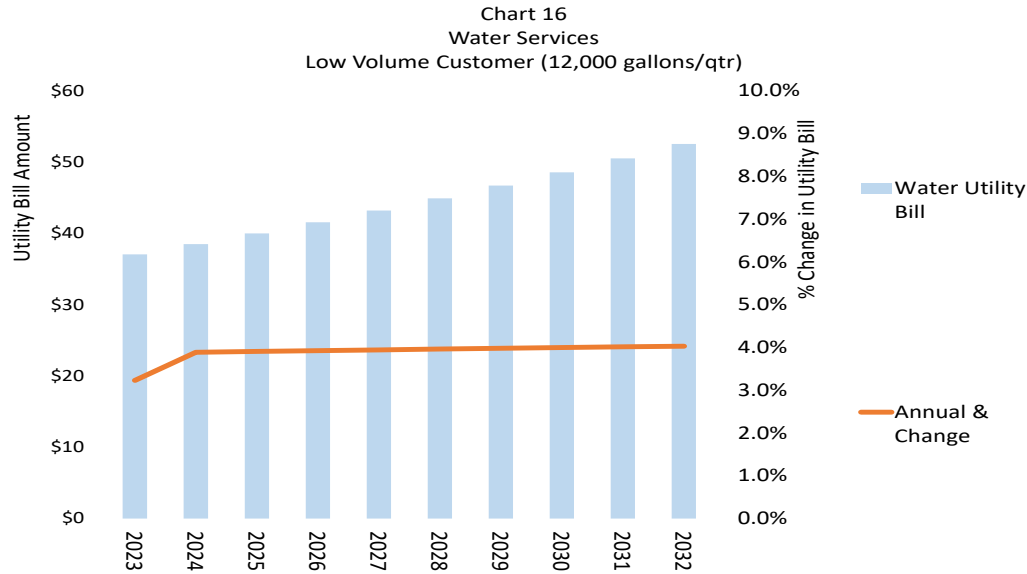


Chart 15
Storm Fund
Residential Equivalent Units (REU) Billed

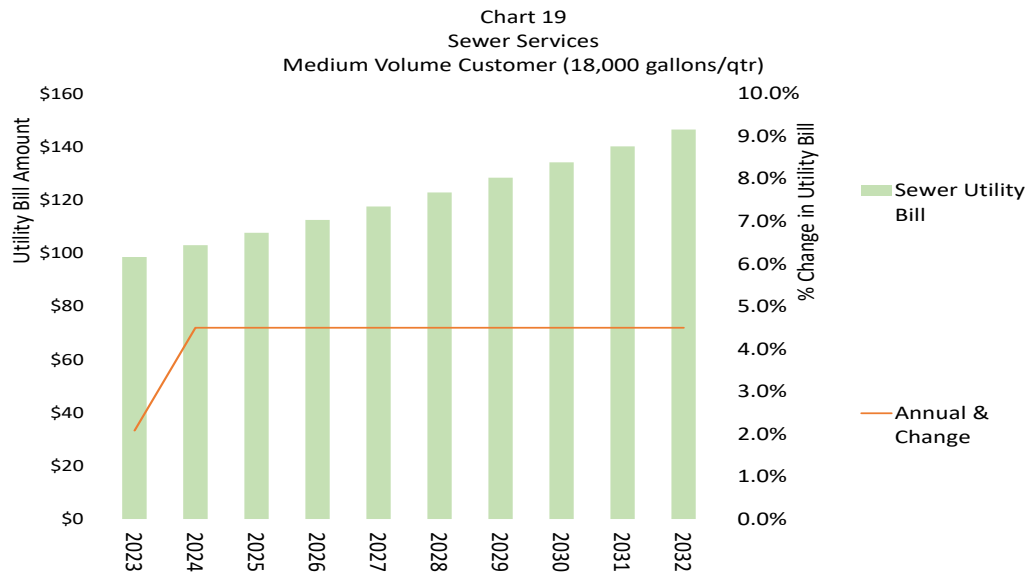
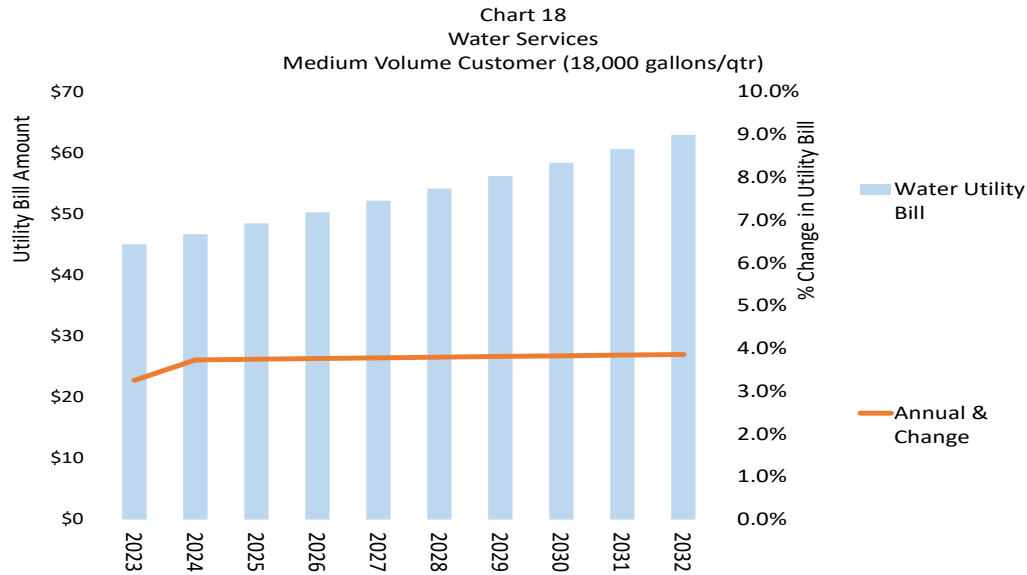
Plan anticipates about 50 new REU added per year



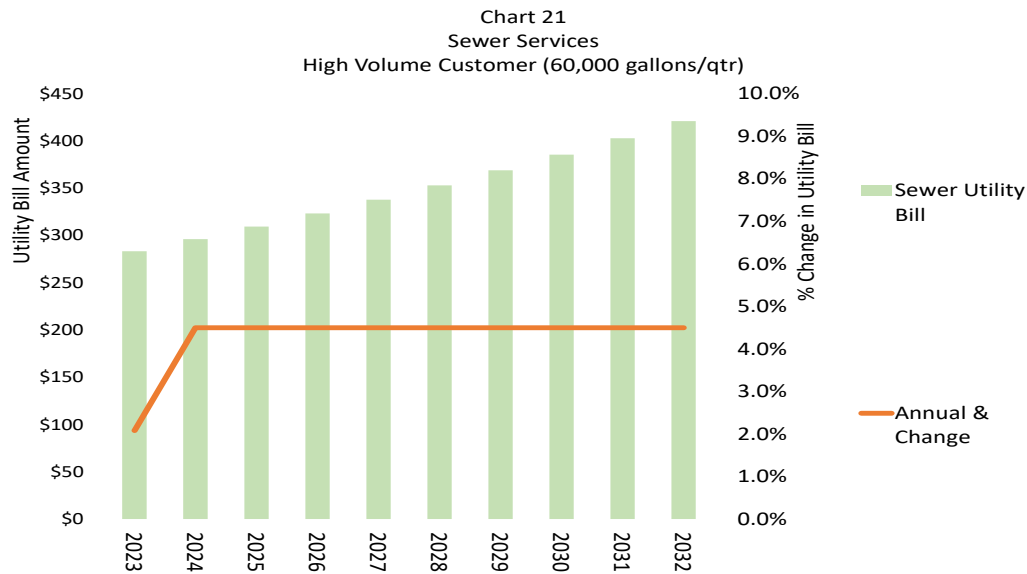
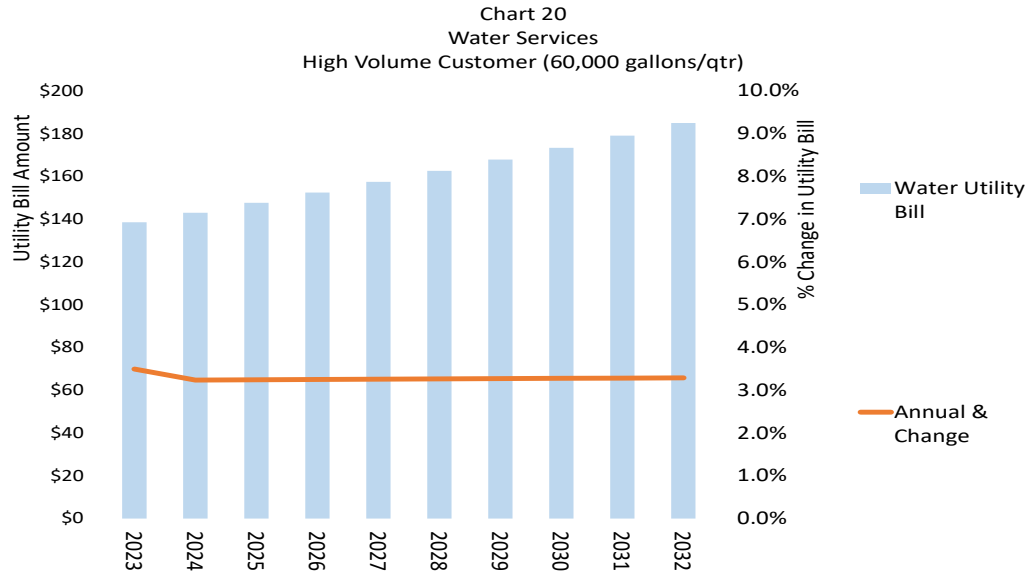
Low Volume Residential Customer Water and Sewer Bill



Medium Volume Residential Customer Utility Bill Examples



High Volume Residential Customer Utility Bill Examples



Best Practices and Comparisons

Overview

This section provides information on best practices and comparisons to other cities to help inform city decisions for utility rates and billing cycles, among other purposes.

Irrigation / Rate Structures

Research regarding the relationship between inclining rate structures and demand for water is readily available. Research specific to rates versus irrigation demand is less prevalent, particularly for residential customers as these customers often lack separate irrigation meters.

Research has shown that inclining rate structures are often successful in reducing overall water demand, which would suggest that demand for water used for irrigation purposes would also decline.

Most studies specific to irrigation focus on the use of metering, consumption control devices, and the use of other measures specific to landscaping (soil additives, drought tolerant turf, etc.). Separate irrigation metering has proven to be a successful tool in reducing demand for water as it identifies the specific use of outdoor watering and is separate from normal residential use. Hastings promotes separate irrigation meters when appropriate and beneficial to the customer.

Consumption control devices, such as weather sensitive irrigation control switches (WSICS), are powerful tools in reducing irrigation demand, particularly for high volume users. WSICS are designed to override automated or timer-controlled irrigation systems to prevent over watering dur-

ing rainy or wet weather.

WSICS have proven to be valuable tools for residential customers with automated irrigation systems, particularly in suburban areas. Studies have shown that suburban properties are more likely to have in-ground irrigation systems. This, coupled with the fact that suburban lot sizes are generally larger than those in more denser urban environments, often leads to a greater demand for outdoor watering, particularly in areas with higher property values. Additionally, research indicates that property owners in these areas are more likely to be concerned with the condition and appearance of landscaping and maintaining lawn health.

High-demand residential water users are particularly sensitive to increasing rate structures. Their outdoor water usage can be discretionary and may be scaled back should the cost of water become less palatable.

Specific example of Midwestern cities with experience in modifying water rate structures in a way that results in a reduction in irrigation demand, includes cities of all sizes, located within large metropolitan areas and suburban areas. Most of the examples of cities implementing programs for water conservation tend to be focused on providing financial assistance (grants or otherwise) to assist private property owners with acquisition of new plumbing fixtures (sinks, toilets, sprinkler systems) to improve water conservation.

Water Conservation Elements and Rate Structures

National studies support the finding that the utility rate level itself matters more than the rate structure. Rates that are kept too low do not adequately cover the cost of operation, future replacement, and infrastructure expansion. Rates kept too low in the short term provide inaccurate information to customers on the long term cost of service.

The setting of rates and rate structure needs to take into account both current and future needs for revenue. The rates and structure need to balance what are sometimes competing objectives. Those objectives may include:

- Providing a stable source of revenue, recognizing water usage can vary from year to year due to weather conditions and other factors, to cover both variable and fixed costs, both in the short term and long term.
- Promoting water conservation.
- Providing for affordable and fair structure for charging for services.
- Balancing the decision to pay for capital infrastructure with cash versus debt recognizing that future customers will benefit from the improvements funded today.

Conservation measures include placing the lowest 10-20% of users in the first tier, the more average users of 20-30% in the second tier, and the highest 20-30% and 10-20% of users in the third and fourth tiers, respectively.

Tiered rates should increase respective to the desire for water conservation. Some studies suggest that each tier should be increased by 10, 20, and 30%, while more aggressive rate structures may have each tier increasing by 20 to 50%.

In Minnesota, public water suppliers serving more than 1,000 people, large private water suppliers in designated Groundwater Management Areas, and all water suppliers in the Twin Cities metropolitan area are required to prepare and submit a water supply plan (WSP). For water suppliers in the metropolitan area, the WSP helps local governmental units to fulfill their statutory requirements to complete a local comprehensive plan.

The water industry recognizes that there are many ways to design rates. Research and studies suggest that utilizing a three-or-four tiered approach, such as Hastings has adopted, can demonstrate success in reducing water usage and encouraging conservation.

Some cities tend to recover significant amounts of fixed costs through volumetric rates, primarily for the purpose of promoting conservation. However, when drought-related water shortages over the past five years resulted in declining water sales, those cities may find themselves at greater risk of not recovering their fixed costs. To promote revenue stability its important to not shift fixed costs into volumetric rates.

The proposed rate structure for Hastings does not propose changes to shift any fixed costs of the systems into fixed charges versus volumetric rates.

Billing Cycles

Research has shown that monthly billing cycles can be helpful in promoting water conservation as less frequent billing tends to disconnect users from monitoring usage. Hastings has a quarterly billing cycle.

Billing on a monthly basis can more easily help to identify issues with water supply (plumbing that may be leaking) and allow customers to easily see the impacts of increasing or decreasing usage which can lead to behavior modification. Monthly billing can sometimes be more budget friendly for the rate payer and can be beneficial in reducing late payments.

Monthly billing will likely have a direct impact on costs associated with utility billing due to the need for increased administrative support and distribution expense. Providers that utilize and promote online billing benefit from reduced costs associated with printing and mailing physical bills.

To analyze the cost of monthly versus the city's current quarterly billing cycle, more information would be needed regarding the city's data collection (meter readings) and other information gathered by the city. The cost of a monthly versus quarterly billing cycle was not analyzed as part of the study.

Comparison to Other Cities

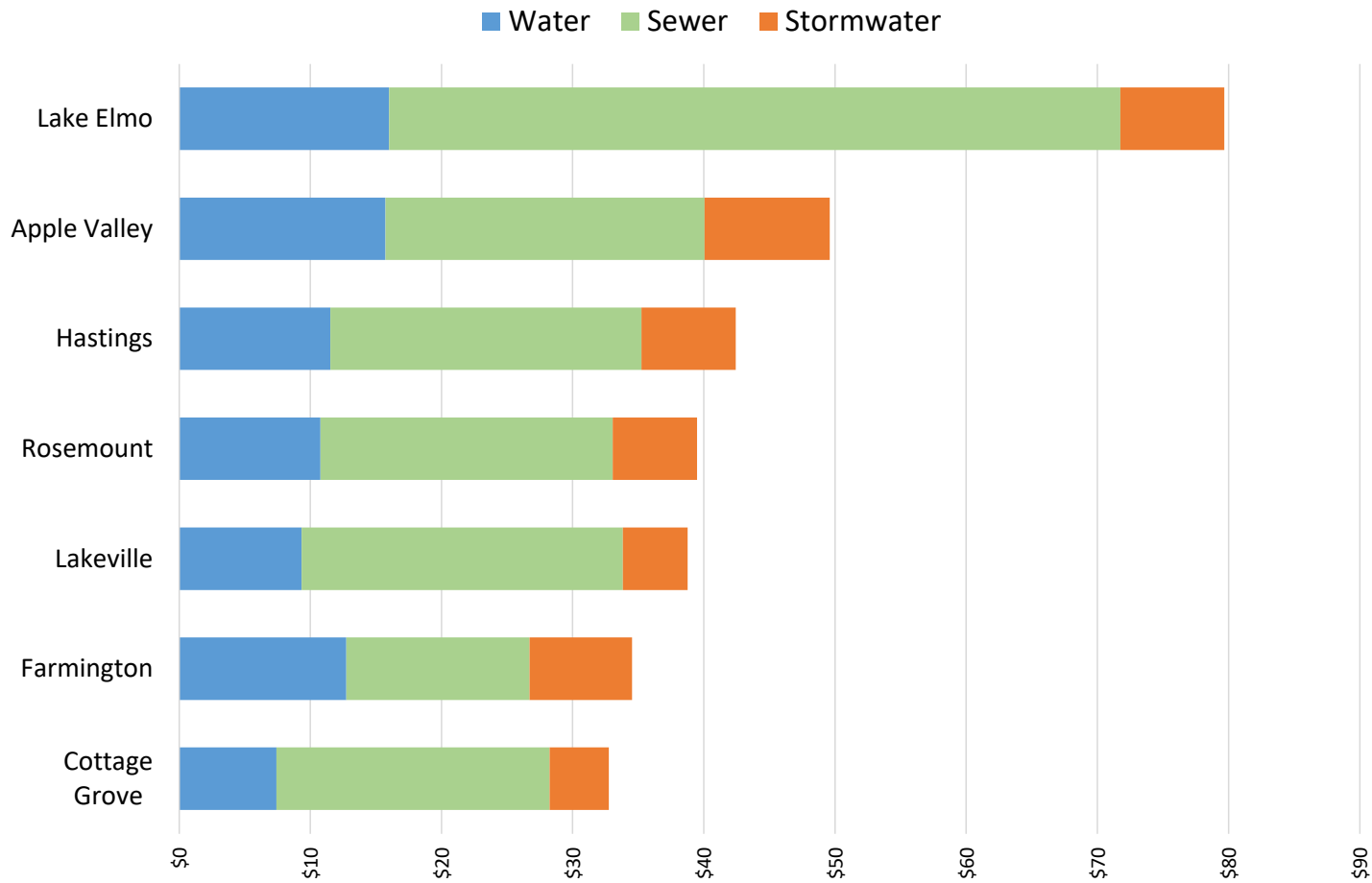
As part of the study, water and sewer rate information for other cities was compiled and compared to Hastings.

As shown in the charts that follow, water and sewer bills for utility customers in Hastings tend to fall in the lower range compared to the other cities included in the study. For equivalent comparison purposes, the bill comparisons are based on monthly equivalent bills. The actual billing cycles vary across cities.

The rates used to calculate the monthly bills for the comparative cities comes from the published fees schedule for each of the cities available on respective city websites.

LOW VOLUME CUSTOMER COMPARISON

Chart 22
3,000 Gallons Monthly Volume - Residential
Estimated Based on Published Rate Data and Interpretation of Fee Schedules
Cities have different billing cycles for comparison billing is shown as monthly equivalent bills



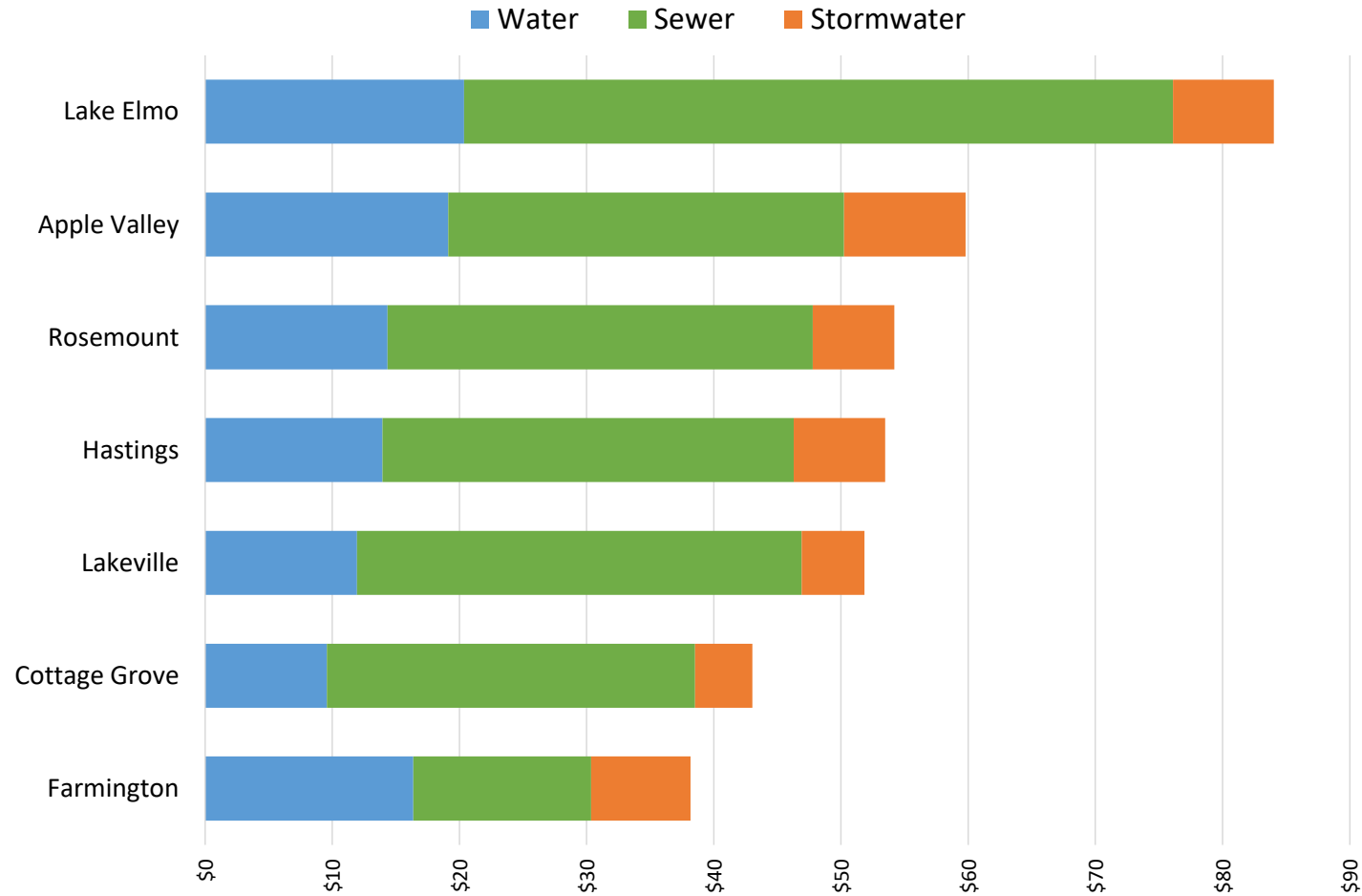
MEDIUM VOLUME CUSTOMER COMPARISON

Chart 23

6,000 Gallons Monthly Volume - Residential

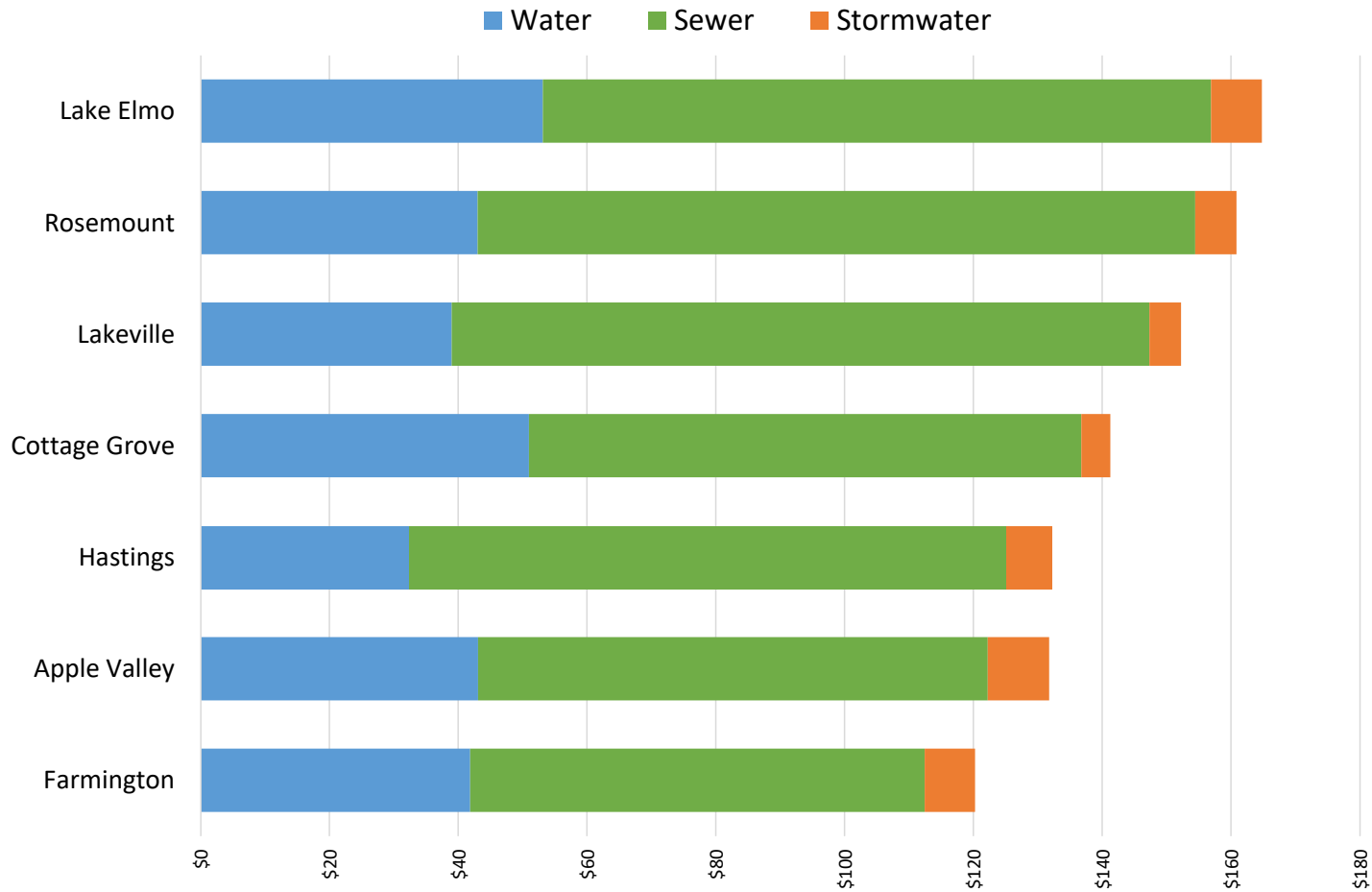
Estimated Based on Published Rate Data and Interpretation of Fee Schedules

Cities have different billing cycles for comparison billing is shown as monthly equivalent bills



HIGH VOLUME CUSTOMER COMPARISON

Chart 24
20,000 Gallons Monthly Volume - Residential
Estimated Based on Published Rate Data and Interpretation of Fee Schedules
Cities have different billing cycles for comparison billing is shown as monthly equivalent bills



Rate Structure

Equity of Current Rate Structure

The study included review and analysis of the city's current utility rates. The proposed rates are based on meeting the following objectives:

- Provide a clear understanding of the costs of water and sewer operations; and
- Provide revenue generation structures that are financially solvent, fair to end-users, economically competitive, and in alignment with the city's overall philosophy on user fees.

The existing rate structure is comprised of quarterly fixed charges per customer for water, sewer, and storm services.

Water Rate Structure

The quarterly charges include base charges for water services and for sewer services. The city varies the base charge based on customer meter size. The base charge for irrigation meters is twice the charge for non-irrigation meters.

The city's existing volumetric rates for water customers is a four-tier block rate structure, with volumes capped by tier and different rates charged per 1,000 gallon by tier.

Residential customers are charged based on different maximum volumes per tier compared to other customers, for example for commercial and industrial customers, but the rate charged per tier, for the four tiers, is the same for all customers.

Sewer Rate Structure

Sewer volume is currently billed at a fixed rate per 1,000 gallons. Sewer services are billed based on actual consumption during the first quarter of the year, or actual water consumption during the billing period, whichever is less. The city does not bill sanitary sewer volume based on a tiered block rate structure. And the city does not vary sanitary sewer rates charged based on customer classifications - all customers are charged based on the same rate structure for sewer services.

Revenue from Fixed Rate Versus Volume Basis

A comparison of volume basis revenue versus non-volume basis revenue is provided in the charts that follow. The projected revenues from the fixed rate charges (non-volume basis revenue) compared to total fixed expenses and total revenues is projected to remain fairly constant.

Base Rates

The proposed base rates for water and sanitary sewer services were determined based on the following targets:

- Non-volume basis revenues from base charge equal to not less than 50% of total fixed expenses.
- Non-volume basis revenues from base charge equal to not less than 30% of total revenues (total revenues includes both base charges and volumetric-charges).

The base rate for water services is projected to meet the above targets by year 2027 based on the proposed increases assumed within the Plan. The base rate for sewer is projected to meet the minimum percentage of not less than 50% of total fixed expenses, but not less than 30% of total revenues. Significantly higher adjustments than proposed would be necessary to meet this target.

Figure 1 below provides information on revenue from fixed rates charges for both water and sewer.

Figure 1.

Revenue from Fixed Rate Charges (Non-Volume Basis Revenue)	Year 2023 Projected	Year 2027 Projected
Water Fund		
Non-Volume Basis Revenue (NVR)	\$807,756	\$995,710
Total Fixed Expense	\$1,808,026	\$2,093,661
Total Revenue	\$2,668,223	\$2,999,397
NVR as % of Total Fixed Expense	45%	48%
NVR as % of Total Revenue	30%	33%
Sanitary Sewer Fund		
Non-Volume Basis Revenue (NVR)	\$577,318	\$714,122
Total Fixed Expense	\$1,031,956	\$1,309,192
Total Revenue	\$2,981,209	\$3,457,373
NVR as % of Total Fixed Expense	56%	55%
NVR as % of Total Revenue	19%	21%

Evaluation of Funding Approach for Infrastructure

The CIP provides that the city will strive to fund infrastructure for water, sewer, and storm systems with cash versus debt when doing so does not put undue pressure on utility rates.

The Plan includes bond issuance for the following:

- \$1.535 million in 2024 to finance \$845,000 in Sewer Improvements and \$690,000 in Storm Improvements.
- \$3.680 million in 2025 to finance \$2,550,000 in Water Improvements and \$1,130,000 in Sewer Improvements.
- \$595,000 in 2026 to finance Sewer Improvements.
- \$1.515 million in 2027 to finance \$805,000 in Sewer improvements, and \$710,000 in Storm improvements.
- \$3.775 million in 2028 to finance \$2,550,000 in Water improvements and \$1,225,000 in Sewer improvements.
- \$4.905 million in 2029 to finance \$2,805,000 in Water improvements and \$2,100,000 in Sewer improvements.
- \$945,000 in 2030 to finance Storm improvements.
- \$915,000 in 2031 to finance Sewer improvements.
- \$840,000 in 2032 to finance \$535,000 in Sewer improvements and \$305,000 in Storm improvements.

The city plans to adopt annual rate increases to ensure sufficient cash is available to pay for planned capital improvements, operations and debt service.

Recognizing that future customers will benefit from the improvements funded with today's dollars, it is always a balancing decision to decide whether to pay for capital infrastructure with cash versus debt. There are many factors to consider, including balancing other city demands for debt financing of projects and the impact on the city's overall outstanding debt obligations, among other factors. The city should continue to consider which projects make financial sense to fund from cash versus the issuance of debt.

Funding Depreciation

The funding of depreciation, or setting aside of funds to replace depreciated infrastructure, is an important element for establishment of sufficient rates.

The study focused on the city's asset management practices to maintain and replace aging infrastructure, including the city's adoption of a long-range capital improvements plan.

Rather than focus on "funding depreciation" we find it is better to gain a strong understanding of the expected future costs and, maybe more importantly, their timing, and plan for replacement of infrastructure and facilities. Using a planned schedule for capital improvements and the incorporation of those plans into the study does that. Capital improvement plans combined with financial management targets are an important element that allows for the setting of rates that meet city goals.

Financial management targets begin with criteria for evaluating overall financial condition. For instance, do projections show sufficient revenues to cover planned operating and capital improvement expenses? The Utility Funds must do better than break even, but by how much?

Cash Balance Targets

The Plan helps to answer these question by allocating projected year-end cash balance to defined purposes. One of the purposes is for planned capital acquisition and reserves for future capital. The year end cash balances are targeted to meet the following purposes:

- Three-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)

- Reserves for future capital

Taken together these targets for ending cash help determine if future financial scenarios provide adequate amounts of available financial resources.

Unrestricted Net Position Target

The Plan provides a second criteria to evaluate revenue sufficiency. The second criteria is ending unrestricted net position as percent of expense. The unrestricted net assets of the Water Fund and the Sewer Fund can be considered a measure of available financial resources.

The Plan sets a target (a floor) to strive to maintain an unrestricted net position in the Utility Funds in the range of 50% of the subsequent year's estimated expenditures.

The majority of revenues in the Water Fund and the Sewer Fund come from user charges. Maintaining an unrestricted net position that is equal to at least 50% of the subsequent year's expenditures will help to ensure that sufficient resources are available to fund services between receipts of user charges.

The target (or floor) for unrestricted net position of 50% is meant to be an equivalent of the target for an unrestricted fund balance for the General Fund. Hastings has a stated policy to strive to maintain a year-end unassigned fund balance in the Governmental Funds in the range of 35%–45% of the subsequent year's budgeted expenditures.

Equity is reported as "fund balance" in the General Fund and as "net position" within the Utility Funds. Net position and fund balance are the difference between fund assets and liabilities reflected on the statement of net position or balance sheet.

Price Elasticity of Demand for Water

The model developed for the study provides the ability to test different assumptions for how water usage may respond to price changes. The model allows for an input of estimated price elasticity of demand for water to adjust water usage for each one-percent increase in rate.

While the model provides the ability to input different assumptions for price elasticity of demand, the Plan does not include a factor for reduction in demand based on proposed pricing changes in the Plan. General demand for municipal water is assumed to remain constant, with the exception of growth from new development.

While not proposed in the Plan, a more aggressive rate structure may result in a stronger economic relationship between water use and price, with water use responding to price.

Chart 25
Water Revenue

Non-volume basis revenue as % of total revenue is projected to increase slightly over

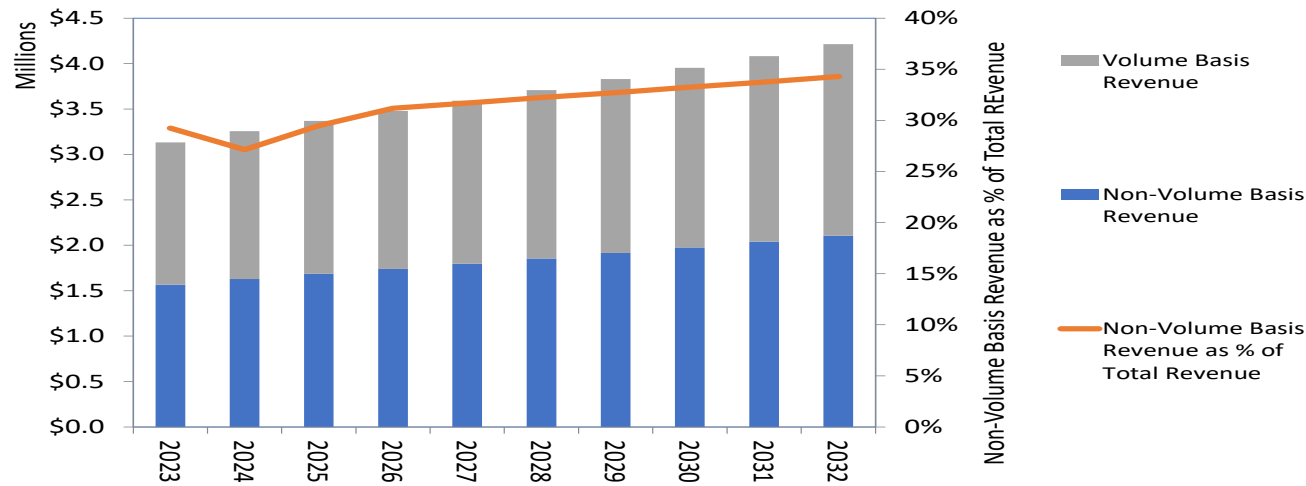
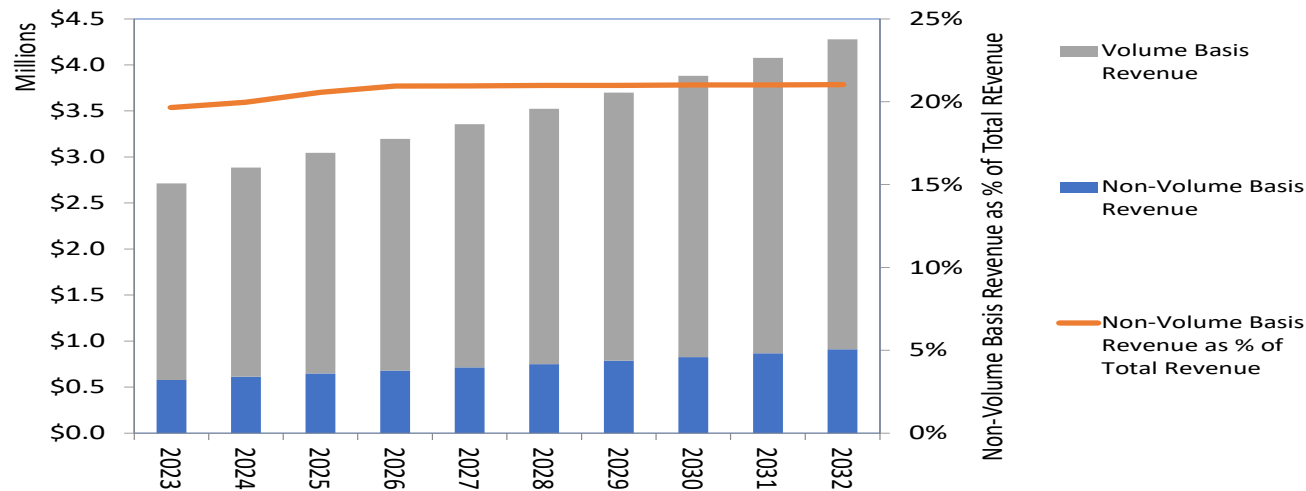


Chart 26
Sewer Revenue

Non-volume basis revenue as % of total revenue is projected to increase over the planning period but below 30% target



CAPITAL IMPROVEMENT PLAN

Overview

For purposes of the Plan, the city provided a Capital Improvement Plan (the “CIP”) that included planned water, sewer, and storm capital improvement projects.

A purpose of the Plan is to provide the city with options and recommendation for financing future capital improvement projects for water and sanitary sewer services.

The tables that follow in this section provide information on planned capital improvement projects.

Capital Projects

The projects in the CIP include projects to manage both existing and expanding service demands and to reconstruct or replace existing infrastructure.

Future updates to the CIP may include service expansion to support development. The city collects development fees at time of development of property.

Development fees collected are deposited into the Water Fund and the Sewer Fund and available to pay for future improvements needed as a result of development.

Source of Funding for Capital Projects

The source of funding for the planned capital projects is anticipated to come from the use of estimated available cash within the Utility Funds and the issuance of debt on a limited basis.

The Plan includes proposed utility fees and charges at a level to provide for pay-go funding of annual capital improve-

ments and to minimize the issuance of debt, with some limited exceptions in years where cash is not projected to be sufficient and bonding is anticipated for major improvement projects.

Capital projects and source of funding are evaluated on an on-going basis by the city, including for timing and estimated costs.

Capital Improvement Plan X E-01

Chart 27
Water Fund
Capital Improvement Plan
Annual Project Costs

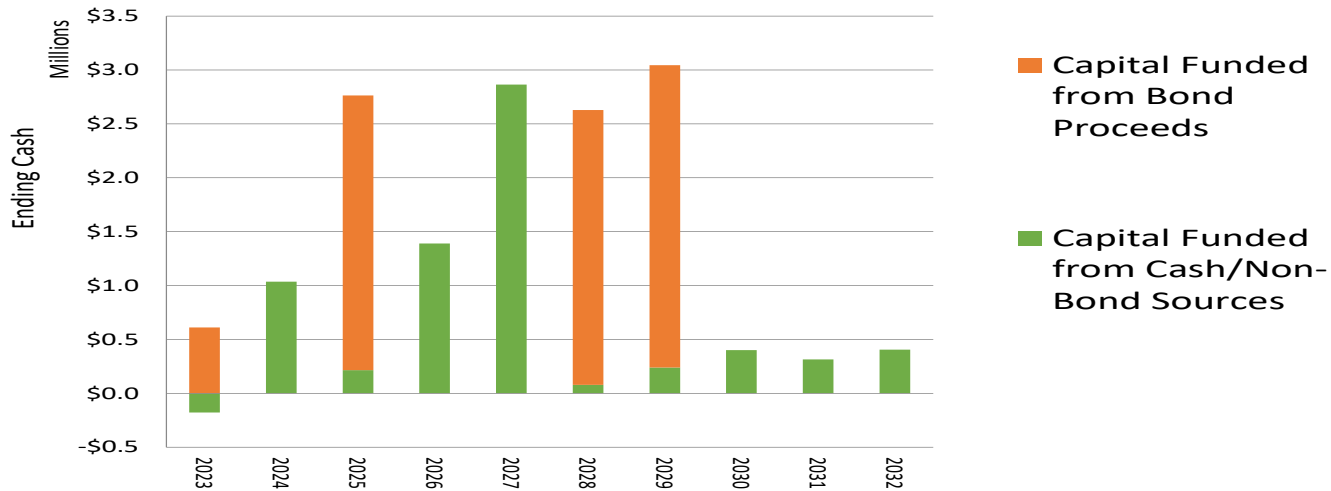


Chart 28
Sewer Fund
Capital Improvement Plan
Annual Project Costs

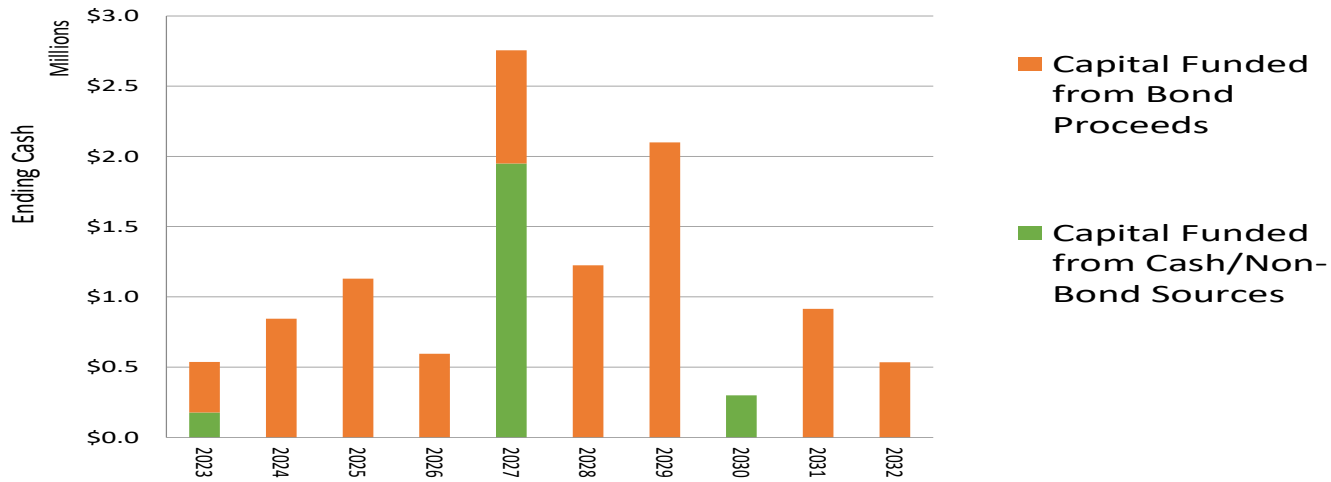


Chart 29
Storm Fund
Capital Improvement Plan
Annual Project Costs

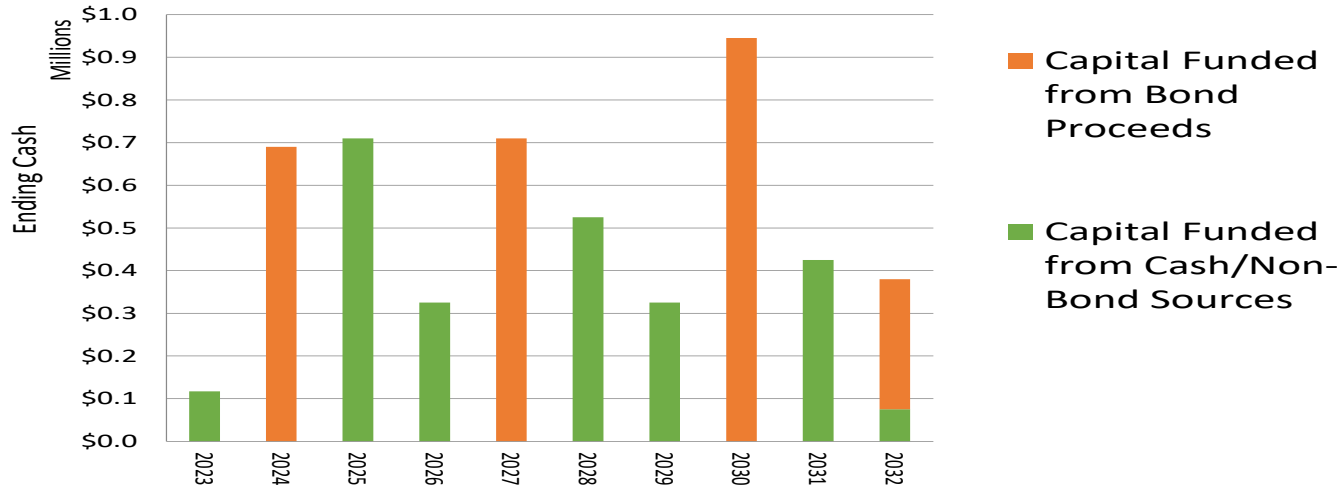


Table 4
Water Fund

Capital Improvement Plan
X E-01

City of Hastings
Capital Improvement Plan (CIP)
Water Fund

	Budget 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capital Outlay										
Acquisition of capital assets	431,500	1,035,000	2,714,000	1,390,100	2,863,500	2,578,200	2,989,000	400,300	314,000	405,400
Bond issuance cost	-	-	50,000	-	-	50,000	55,000	-	-	-
Total Capital Outlay	431,500	1,035,000	2,764,000	1,390,100	2,863,500	2,628,200	3,044,000	400,300	314,000	405,400
Source of Funds										
Bond proceeds	610,000	-	2,550,000	-	-	2,550,000	2,805,000	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Current revenue / use of cash in fund	(178,500)	1,035,000	214,000	1,390,100	2,863,500	78,200	239,000	400,300	314,000	405,400
Total Source of Funds	431,500	1,035,000	2,764,000	1,390,100	2,863,500	2,628,200	3,044,000	400,300	314,000	405,400

Table 5
Sewer Fund

**Capital X E-01
Improvement Plan**

City of Hastings
**Capital Improvement Plan (CIP)
Sewer Fund**

	Budget 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capital Outlay										
Acquisition of capital assets	537,500	830,000	1,110,000	585,000	2,740,000	1,200,000	2,060,000	300,000	895,000	525,000
Bond issuance cost	-	15,000	20,000	10,000	15,000	25,000	40,000	-	20,000	10,000
Total Capital Outlay	537,500	845,000	1,130,000	595,000	2,755,000	1,225,000	2,100,000	300,000	915,000	535,000
Source of Funds										
Bond proceeds	360,000	845,000	1,130,000	595,000	805,000	1,225,000	2,100,000	-	915,000	535,000
Transfers in	18,333	18,883	19,449	20,033	20,634	21,253	21,891	22,547	23,224	23,920
Current revenue / use of cash in fund	159,167	(18,883)	(19,449)	(20,033)	1,929,366	(21,253)	(21,891)	277,453	(23,224)	(23,920)
Total Source of Funds	537,500	845,000	1,130,000	595,000	2,755,000	1,225,000	2,100,000	300,000	915,000	535,000

Table 6
Storm Fund

**Capital X E-01
Improvement Plan**

City of Hastings
**Capital Improvement Plan (CIP)
Storm Fund**

	Budget 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capital Outlay										
Acquisition of capital assets	117,000	675,000	710,000	325,000	695,000	525,000	325,000	925,000	425,000	375,000
Bond issuance cost	-	15,000	-	-	15,000	-	-	20,000	-	5,000
Total Capital Outlay	117,000	690,000	710,000	325,000	710,000	525,000	325,000	945,000	425,000	380,000
Source of Funds										
Bond proceeds	-	690,000	-	-	710,000	-	-	945,000	-	305,000
Transfers in	-	-	-	-	-	-	-	-	-	-
Current revenue / use of cash in fund	117,000	-	710,000	325,000	-	525,000	325,000	-	425,000	75,000
Total Source of Funds	117,000	690,000	710,000	325,000	710,000	525,000	325,000	945,000	425,000	380,000

Table 7
Debt Payable from Utility Funds, Includes Existing and Planned New Debt

Summary of Debt (Existing and New)

Fiscal Year	Water Fund				Sewer Fund				Storm Fund				Total Enterprise Funds			
	Principal	Interest	Total P&I	Outstanding	Principal	Interest	Total P&I	Outstanding	Principal	Interest	Total P&I	Outstanding	Principal	Interest	Total P&I	Outstanding
2021	360,000	111,642	471,642	4,210,000	40,000	27,558	67,558	1,340,000	-	-	-	-	400,000	139,200	539,200	5,550,000
2022	440,000	118,262	558,262	5,190,000	75,000	38,965	113,965	1,550,000	-	-	-	-	515,000	157,227	672,227	6,740,000
2023	510,000	176,575	686,575	5,290,000	120,000	50,379	170,379	1,790,000	-	-	-	-	630,000	226,954	856,954	7,080,000
2024	705,000	178,057	883,057	4,585,000	195,000	60,837	255,837	2,440,000	-	-	-	690,000	900,000	238,894	1,138,894	7,715,000
2025	705,000	151,125	856,125	6,430,000	230,000	84,713	314,713	3,340,000	65,000	26,300	91,300	625,000	1,000,000	262,138	1,262,138	10,395,000
2026	940,000	224,125	1,164,125	5,490,000	300,000	119,463	419,463	3,635,000	60,000	23,800	83,800	565,000	1,300,000	367,388	1,667,388	9,690,000
2027	975,000	189,850	1,164,850	4,515,000	360,000	130,263	490,263	4,080,000	60,000	21,400	81,400	1,215,000	1,395,000	341,513	1,736,513	9,810,000
2028	730,000	157,375	887,375	6,335,000	405,000	147,588	552,588	4,900,000	125,000	46,100	171,100	1,090,000	1,260,000	351,063	1,611,063	12,325,000
2029	975,000	224,075	1,199,075	8,165,000	490,000	179,088	669,088	6,510,000	125,000	41,100	166,100	965,000	1,590,000	444,263	2,034,263	15,640,000
2030	1,155,000	293,350	1,448,350	7,010,000	565,000	243,213	808,213	5,945,000	135,000	35,900	170,900	1,775,000	1,855,000	572,463	2,427,463	14,730,000
2031	1,105,000	250,690	1,355,690	5,905,000	585,000	222,535	807,535	6,275,000	215,000	66,700	281,700	1,560,000	1,905,000	539,925	2,444,925	13,740,000
2032	1,065,000	211,378	1,276,378	4,840,000	590,000	237,891	827,891	6,220,000	225,000	57,900	282,900	1,640,000	1,880,000	507,169	2,387,169	12,700,000
2033	1,040,000	171,950	1,211,950	3,800,000	605,000	236,525	841,525	6,565,000	260,000	60,400	320,400	1,380,000	1,905,000	468,875	2,373,875	11,745,000
2034	825,000	135,500	960,500	2,975,000	590,000	250,800	840,800	5,975,000	270,000	49,800	319,800	1,110,000	1,685,000	436,100	2,121,100	10,060,000
2035	855,000	101,900	956,900	2,120,000	620,000	226,600	846,600	5,355,000	200,000	40,400	240,400	910,000	1,675,000	368,900	2,043,900	8,385,000
2036	575,000	73,300	648,300	1,545,000	640,000	201,400	841,400	4,715,000	205,000	32,300	237,300	705,000	1,420,000	307,000	1,727,000	6,965,000
2037	600,000	49,800	649,800	945,000	600,000	176,600	776,600	4,115,000	215,000	23,900	238,900	490,000	1,415,000	250,300	1,665,300	5,550,000
2038	620,000	25,400	645,400	325,000	620,000	152,200	772,200	3,495,000	135,000	16,900	151,900	355,000	1,375,000	194,500	1,569,500	4,175,000
2039	325,000	6,500	331,500	-	640,000	127,000	767,000	2,855,000	140,000	11,400	151,400	215,000	1,105,000	144,900	1,249,900	3,070,000
2040	-	-	-	-	590,000	102,400	692,400	2,265,000	145,000	5,700	150,700	70,000	735,000	108,100	843,100	2,335,000
2041	-	-	-	-	510,000	80,400	590,400	1,755,000	35,000	2,100	37,100	35,000	545,000	82,500	627,500	1,790,000
2042	-	-	-	-	545,000	59,300	604,300	1,210,000	35,000	700	35,700	-	580,000	60,000	640,000	1,210,000
2043	-	-	-	-	420,000	40,000	460,000	790,000	-	-	-	-	420,000	40,000	460,000	790,000
2044	-	-	-	-	325,000	25,100	350,100	465,000	-	-	-	-	325,000	25,100	350,100	465,000
2045	-	-	-	-	150,000	15,600	165,600	315,000	-	-	-	-	150,000	15,600	165,600	315,000
2046	-	-	-	-	155,000	9,500	164,500	160,000	-	-	-	-	155,000	9,500	164,500	160,000
2047	-	-	-	-	80,000	4,800	84,800	80,000	-	-	-	-	80,000	4,800	84,800	80,000
2048	-	-	-	-	80,000	1,600	81,600	-	-	-	-	-	80,000	1,600	81,600	-
2049	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	14,505,000	2,850,853	17,355,853		11,125,000	3,252,316	14,377,316		2,650,000	562,800	3,212,800		28,280,000	6,665,969	34,945,969	

Capital X E-01 Improvement Plan

Chart 30
Outstanding Bonds Payable
Includes Existing and Planned Debt Issuance

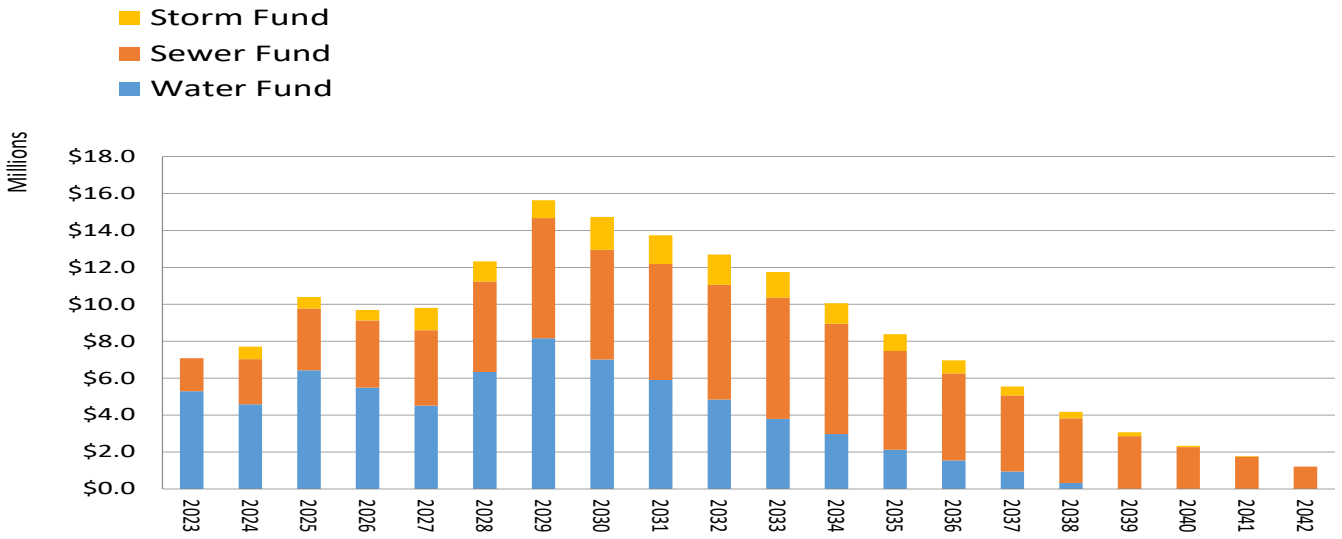
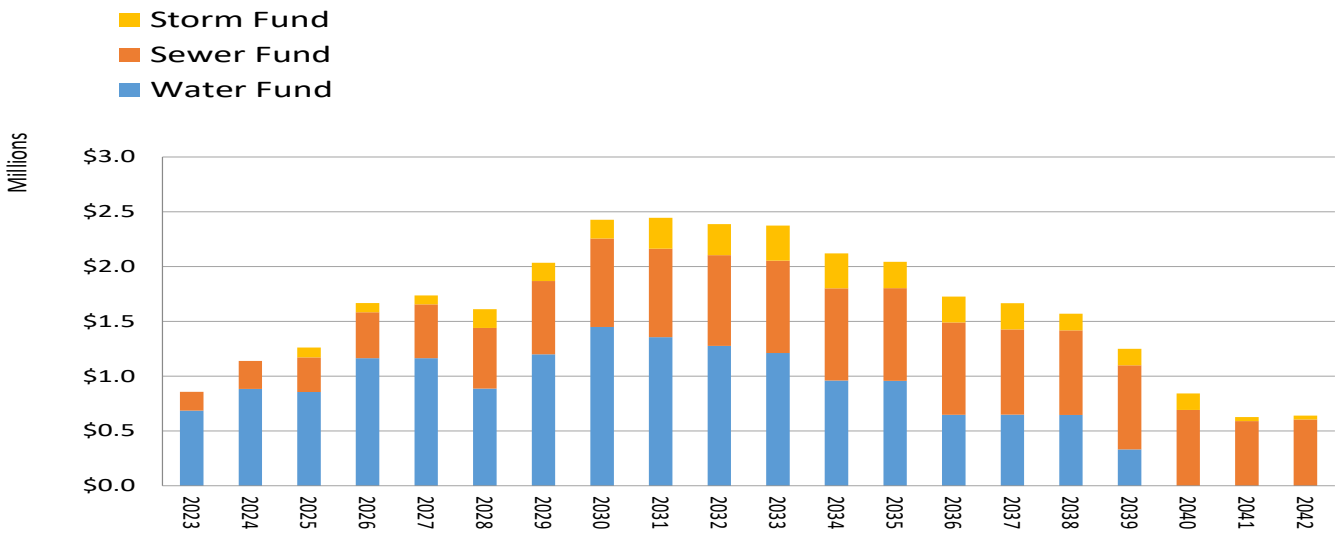


Chart 31
Debt Service Payable
Includes Existing and Planned Debt Issuance



The bonds outstanding and annual debt service amounts shown in the charts here are for the combined total estimated debt payable from revenues from the Water Fund, Sewer Fund and Storm Fund.

The charts include combined existing debt and future estimated debt based on anticipated bond issuance as shown in the Plan.

The charts include debt supported by utility revenue only and does not include debt payable from property tax levy or other sources of revenue.

FINANCIAL PLANS

Revenue Sufficiency

Based on historical financial performance, current utility rates and structure, and anticipated future capital projects, financial plans have been prepared for the Utility Funds.

The reports demonstrate revenue sufficiency, which is the level of revenue needed to satisfy each system's projected operating, capital costs, and debt service while maintaining adequate reserves for future capital needs of the systems.

The following reports are provided for the Water Fund, Sewer Fund, and Storm Fund:

- **Pro Forma** - Includes information on annual revenues and expenses and balance sheet items.
- **Year End Cash Balance** - Includes explanation of the projected changes in year end cash balances.
- **Customers/Usage and Rates** - Includes the number of customers, usage (volume billed) for prior years and projections for future years. Revenues by non-volume basis and volume basis are shown by customer type.

Key Assumptions

The financial plans are based on certain key assumptions, which are as follows:

- Operating expenditures, including personnel costs, materials supplies, utilities and all other operating expense will increase by approximately 3.0% per year, with exception for sanitary sewer disposal charges payable to the Met Council, which are estimated to in-

crease by 6.80% in 2024 and 5% annually throughout the planning period; the City should closely monitor annual increases to MCEs charges and adjust rates as necessary. The Plan includes an increase of one new position (FTE), split equally between the utility funds.

- Depreciation is adjusted for anticipated annual depreciable capital acquisitions. New capital is depreciated over a 50 year term in the Plan.
- Capital improvement plan will be implemented at estimated project costs and sources of funding as included in the Plan.
- Water customers and volume billed is based on historical customer volumes plus estimates for future development. The Plan anticipates an average annual increase of approximately 50 new residential customer units between 2023-2032. The average annual consumption per unit is assumed to remain constant over the planning period at 65,000 gallons for water and for sewer.
- Rate increases to provide revenue sufficiency. The Plan anticipates fees and charges will increase by an average annual amount of 3.5% for water, 4.5% for sewer, and 4.0% for storm services between 2024-2032. There are no proposed changes to the tier structure for charging water and sewer volume.
- Base rate and volume based tiered rate structure includes charging a fixed quarterly fee for water and sanitary sewer services, consistent with the past structure for billing. Volume based tiered rate structure, including maximum volumes per tier, are not proposed to be modified.
- Development related charges for access (city WAC and SAC) are accounted for in the Water Fund and the

Sewer Fund. There are no access charges for the Storm Fund. The City also charges a “Interceptor Sewer Fee” on a per unit basis. The timing of collection of development related charges does not directly correlate to the use of funds for capital improvements. Development related charges that have been collected but not spent are reflected in the cash reserve balances of the funds. The Plan assumes the following for WAC, SAC, and Sewer Interceptor fee:

- Increase WAC fee from \$2,306.25 to \$2,957 per unit
- Increase SAC fee from \$708.75 to \$945 per unit
- Maintain Sewer Interceptor Fee at \$485 per unit

The proposed WAC and SAC fees are based on an analysis of the City’s estimated water and sewer improvement project costs in future years that are planned to support new development. Improvement projects include a new water well and pump house and elevated storage tank, and sanitary sewer pipe over-sizing and new lift station. The estimated costs for these future projects were spread over the City’s estimated growth in units (from development) out to year 2030.

WATER FUND

Background

The Water Fund is used to account for the operating and capital improvement costs related to maintenance of the water utility system. The Fund is in sound financial condition. Future financial performance will be impacted by future capital improvement needs and the timing of future development in the city.

Future development will increase the demands on the water utility infrastructure but will also provide increased revenue to support the maintenance and operation of the system. Expansion of infrastructure, including treatment may be needed in the future. The city anticipates collection of future development related revenue, which is reported as revenue in the Water Fund.

Revenues

The major source of revenue comes from the collection of quarterly charges, including a fixed based charge to each customer, along with volume-based charges for water use.

The financial plan for the Water Fund reflects the adopted rates for 2023 and proposed future year increases averaging 3.5% annually.

Interest income is earned on the cash balance in the Fund that is recorded as revenue. The investment earnings rate is projected to be 2.0% for future years.

Expenses

The expenses are for payment of operating expenses, debt service expense, and depreciation expense.

The Plan anticipates a 3.0% annual inflationary increase in operating expenses with .33 personnel (FTE) additions.

Debt service expense includes interest expense on both existing outstanding bonds and for anticipated new issuance. The Plan models annual depreciation expense on both existing capital assets and anticipated new assets to be acquired.

The Water Fund includes annual transfers to other funds based on historical levels.

Cash Balance

The financial plan includes projected assets and liabilities for the Fund. This includes projected annual year-end cash balance. A table that follows provides a detailed summary on projected change in cash year by year.

Based on assumptions in the Plan, including collection of development fees related to growth (that will be used to pay for future capital improvements), it is projected that the cash balance position of the Fund will decrease over the planning period. The Fund is projected to have future cash sufficient to meet the objectives for cash balance, including cash sufficient to cover:

- Three-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements

The sufficiency of the estimated reserves for capital improvements will depend on future capital improvement projects that may not yet be programmed in the CIP.

Table 8
Water Fund

City of Hastings
Finance Plan
Water Fund

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Estimated	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Charges for services	2,563,573	2,326,389	2,347,973	2,409,023	2,511,592	2,610,992	2,714,795	2,822,501	2,935,226	3,052,215	3,174,677	3,301,798
Availability charges	113,006	724,163	160,000	393,281	215,861	106,452	106,452	103,495	106,452	103,495	106,452	103,495
Service charges - state testing fee	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - unbilled revenues	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - cancels/manual bill adjust	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Capital contributions - non-cash	328,395	402,154	-	-	-	-	-	-	-	-	-	-
Distillery waste disposal	-	-	-	-	-	-	-	-	-	-	-	-
Connection permits	-	-	-	-	-	-	-	-	-	-	-	-
Sales of meters	11,448	26,106	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667
Penalties and other revenues	43,200	53,547	104,250	107,378	110,599	113,917	117,334	120,854	124,480	128,214	132,061	136,023
Investment income and other earnings	(4,055)	(70,710)	21,000	21,105	21,211	21,317	21,423	21,530	21,638	21,746	21,855	21,964
Connection charges	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	2,100,000	-	-	-	-	-
Other revenues and special items	1,345	3,862	-	-	-	-	-	-	-	-	-	-
Special assessments	114,436	59,148	-	-	-	-	-	-	-	-	-	-
Special item	(3,762)	9,082	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	3,167,586	3,533,741	2,668,223	2,966,836	2,896,394	2,890,923	5,099,397	3,108,955	3,229,588	3,348,716	3,479,382	3,608,946
Expenses												
<i>Fixed Expenses</i>												
Personnel services	465,560	633,889	638,423	657,576	677,303	697,622	718,551	740,107	762,310	785,180	808,735	832,997
Personnel services / FTE changes	-	-	-	-	30,333	31,243	32,181	33,146	34,140	35,165	36,220	37,306
Transfers out General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out Other Funds	33,806	38,877	40,822	40,822	40,822	40,822	40,822	40,822	40,822	40,822	40,822	40,822
Interest and fiscal expense	102,647	159,845	176,575	178,057	151,125	224,125	189,850	157,375	224,075	293,350	250,690	211,378
Depreciation	897,045	943,576	952,206	972,906	1,027,186	1,054,988	1,112,258	1,163,822	1,223,602	1,231,608	1,237,888	1,245,996
<i>Subtotal Fixed Expenses</i>	<i>1,499,058</i>	<i>1,776,187</i>	<i>1,808,026</i>	<i>1,849,361</i>	<i>1,926,769</i>	<i>2,048,800</i>	<i>2,093,661</i>	<i>2,135,272</i>	<i>2,284,950</i>	<i>2,386,124</i>	<i>2,374,355</i>	<i>2,368,499</i>
<i>Variable Expenses</i>												
Supplies	392,349	107,713	159,100	163,873	168,789	173,853	179,068	184,441	189,974	195,673	201,543	207,589
Meters	-	-	-	-	-	-	-	-	-	-	-	-
Placeholder	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	135,144	139,198	143,374	147,675	152,106	156,669	161,369	166,210	171,196	176,332
Professional services and other expense	554,608	516,488	364,631	375,570	386,837	398,442	410,395	422,707	435,388	448,450	461,904	475,761
Bond issuance cost	-	-	-	-	50,000	-	-	50,000	55,000	-	-	-
<i>Subtotal Variable Expenses</i>	<i>946,957</i>	<i>624,201</i>	<i>658,875</i>	<i>678,641</i>	<i>749,000</i>	<i>719,971</i>	<i>741,570</i>	<i>813,817</i>	<i>841,731</i>	<i>810,333</i>	<i>834,643</i>	<i>859,682</i>
Total Expenses	2,446,015	2,400,388	2,466,901	2,528,002	2,675,770	2,768,771	2,835,231	2,949,089	3,126,681	3,196,458	3,208,998	3,228,181
Change in Net Position	721,571	1,133,353	201,322	438,834	220,624	122,152	2,264,166	159,866	102,907	152,258	270,384	380,765
Ending net position	17,283,965	18,417,318	18,618,640	19,057,474	19,278,098	19,400,250	21,664,416	21,824,282	21,927,189	22,079,447	22,349,832	22,730,597

Table 8
Water Fund

City of Hastings
Finance Plan
Water Fund

	2021 Actual	2022 Actual	2023 Estimated	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Assets and Deferred Outflow of Resources												
Cash and cash equivalents	3,721,657	5,061,827	5,926,446	5,586,167	5,931,099	4,747,082	4,256,482	4,795,721	4,939,022	4,745,211	4,813,748	4,950,847
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds / advances	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments receivable	146,838	149,166	125,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other assets / receivables	554,787	507,713	510,000	515,100	520,251	525,454	530,708	536,015	541,375	546,789	552,257	557,779
Capital assets	38,040,940	39,962,106	40,393,606	41,428,606	44,142,606	45,532,706	48,396,206	50,974,406	53,963,406	54,363,706	54,677,706	55,083,106
Less Accumulated depreciation	(20,022,912)	(20,882,724)	(21,834,930)	(22,807,836)	(23,835,022)	(24,890,010)	(26,002,268)	(27,166,090)	(28,389,692)	(29,621,300)	(30,859,188)	(32,105,184)
Deferred outflows of resources	196,001	184,372	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Assets and Deferred Outflows	22,637,311	24,982,460	25,320,122	25,022,037	27,058,934	26,215,231	27,481,128	29,440,052	31,354,111	30,334,406	29,484,524	28,786,549
Liabilities and Deferred Inflow of Resources												
Other current liabilities / payables	595,562	783,987	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Contracts payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable	4,210,000	5,190,000	5,290,000	4,585,000	6,430,000	5,490,000	4,515,000	6,335,000	8,165,000	7,010,000	5,905,000	4,840,000
Unamortized bond premium	290,577	354,656	319,190	287,271	258,544	232,690	209,421	188,479	169,631	152,668	137,401	123,661
Net pension liability (non-current)	209,916	443,614	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000
Other non-current liabilities	(152,401)	(218,247)	(152,401)	(152,401)	(152,401)	(152,401)	(152,401)	(152,401)	(152,401)	(152,401)	(152,401)	(152,401)
Deferred inflows of resources	199,692	11,132	199,692	199,692	199,692	199,692	199,692	199,692	199,692	199,692	199,692	199,692
Total Liabilities and Deferred Inflows	5,353,346	6,565,142	6,701,481	5,964,562	7,780,835	6,814,981	5,816,712	7,615,770	9,426,922	8,254,959	7,134,692	6,055,952
Total Liabilities, Deferred Inflows, and Net Position	22,637,311	24,982,460	25,320,122	25,022,037	27,058,934	26,215,231	27,481,128	29,440,052	31,354,111	30,334,406	29,484,524	28,786,549
Net investments in capital assets	13,517,451	13,534,726	12,949,486	13,748,499	13,619,040	14,920,006	17,669,517	17,284,837	17,239,083	17,579,738	17,776,117	18,014,261
Unrestricted net position	3,766,514	4,882,592	5,669,155	5,308,976	5,659,059	4,480,244	3,994,899	4,539,445	4,688,106	4,499,709	4,573,714	4,716,335
Total net position	17,283,965	18,417,318	18,618,640	19,057,474	19,278,098	19,400,250	21,664,416	21,824,282	21,927,189	22,079,447	22,349,832	22,730,597

Table 9
Water Fund

City of Hastings
Ending Cash Balance
Water Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Budget	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Use of Cash										
Operations & Maintenance	1,297,298	1,336,217	1,406,637	1,448,836	1,492,301	1,537,070	1,583,182	1,630,678	1,679,598	1,729,986
Capital Acquisition and Cost of Issuance of Bonds	431,500	1,035,000	2,764,000	1,390,100	2,863,500	2,628,200	3,044,000	400,300	314,000	405,400
Other Interfund Transfers	40,822	40,822	40,822	40,822	40,822	40,822	40,822	40,822	40,822	40,822
Debt Service (includes transfers for debt)	686,575	883,057	856,125	1,164,125	1,164,850	887,375	1,199,075	1,448,350	1,355,690	1,276,378
Total Use of Cash	2,456,195	3,295,096	5,067,584	4,043,883	5,561,473	5,093,467	5,867,079	3,520,150	3,390,110	3,452,585
Source of Cash										
Revenue from Service Charges	2,508,223	2,573,555	2,680,533	2,784,471	4,992,945	3,005,460	3,123,136	3,245,221	3,372,930	3,505,451
Revenue from Connection and Availability Charges	160,000	393,281	215,861	106,452	106,452	103,495	106,452	103,495	106,452	103,495
Bond Proceeds	610,000	-	2,550,000	-	-	2,550,000	2,805,000	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Source of Cash	3,278,223	2,966,836	5,446,394	2,890,923	5,099,397	5,658,955	6,034,588	3,348,716	3,479,382	3,608,946
Net Change in Other Assets and Liabilities	42,590	(12,019)	(33,878)	(31,057)	(28,524)	(26,249)	(24,208)	(22,377)	(20,735)	(19,263)
Change in Cash Balance	864,618	(340,279)	344,932	(1,184,017)	(490,600)	539,239	143,301	(193,811)	68,538	137,098
Beginning Cash Balance	5,061,827	5,926,446	5,586,167	5,931,099	4,747,082	4,256,482	4,795,721	4,939,022	4,745,211	4,813,749
Total Projected Ending Cash	5,926,446	5,586,167	5,931,099	4,747,082	4,256,482	4,795,721	4,939,022	4,745,211	4,813,749	4,950,847
Ending Cash by Purpose										
For future capital improvements	3,674,334	4,164,382	3,014,665	345,656	2,906,639	2,961,850	2,682,702	2,655,622	2,699,475	2,979,426
For following year pay-go capital	1,035,000	214,000	1,390,100	2,863,500	78,200	239,000	400,300	314,000	405,400	314,000
For 3-months of operating cash	334,054	351,659	362,209	373,075	384,267	395,796	407,669	419,899	432,496	445,471
For following year debt service	883,057	856,125	1,164,125	1,164,850	887,375	1,199,075	1,448,350	1,355,690	1,276,378	1,211,950
Total Projected Ending Cash	5,926,446	5,586,167	5,931,099	4,747,082	4,256,482	4,795,721	4,939,022	4,745,211	4,813,749	4,950,847

Note: Cash balances include cash and investments.

Table 10
Water Fund

City of Hastings

Customers and Charges for Sales and Development Revenue

Water Fund

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj

CUSTOMER DATA

Average Annual Billing Units (Customers)

Residential	6,919	6,942	7,010	7,142	7,215	7,251	7,286	7,321	7,356	7,391	7,426	7,461
Commercial	388	391	392	392	392	392	393	393	394	394	395	395
Governmental	50	53	53	53	53	53	53	53	53	53	53	53
Other	3	3	3	3	3	3	3	3	3	3	3	3
Irrigation	198	195	195	195	195	195	195	195	195	195	195	195
Total Customers	7,558	7,584	7,653	7,785	7,858	7,894	7,930	7,965	8,001	8,036	8,072	8,107

Volume (in thousands of gallons)

Residential	572,631	531,081	505,501	514,081	518,826	521,166	523,441	525,716	527,991	530,266	532,541	534,816
Commercial	80,372	79,104	79,169	79,169	79,169	79,169	79,234	79,234	79,299	79,299	79,364	79,364
Governmental	35,968	41,191	41,191	41,191	41,191	41,191	41,191	41,191	41,191	41,191	41,191	41,191
Other	15,561	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322
Irrigation	91,872	76,310	76,310	76,310	76,310	76,310	76,310	76,310	76,310	76,310	76,310	76,310
Total Volume	796,404	743,008	717,493	726,073	730,818	733,158	735,498	737,773	740,113	742,388	744,728	747,003

Table 10
Water Fund

City of Hastings

**Customers and Charges for Sales and Development Revenue
Water Fund**

	2021 Actual	2022 Actual	2023 Budget	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
REVENUE												
Revenue - Base Charge												
Residential	\$519,202	\$539,255	\$563,604	\$602,928	\$639,545	\$674,873	\$712,037	\$751,230	\$792,563	\$836,150	\$882,115	\$930,587
Commercial	\$72,804	\$75,932	\$78,792	\$82,732	\$86,868	\$91,212	\$96,016	\$100,817	\$106,128	\$111,434	\$117,303	\$123,168
Governmental	\$9,382	\$10,293	\$10,653	\$11,186	\$11,745	\$12,332	\$12,949	\$13,596	\$14,276	\$14,990	\$15,739	\$16,526
Other	\$1,801	\$1,864	\$1,929	\$2,026	\$2,127	\$2,234	\$2,345	\$2,463	\$2,586	\$2,715	\$2,851	\$2,993
Irrigation	\$74,305	\$75,730	\$78,390	\$82,310	\$86,425	\$90,746	\$95,284	\$100,048	\$105,050	\$110,303	\$115,818	\$121,609
Total Revenue	\$677,495	\$703,074	\$733,368	\$781,180	\$826,710	\$871,396	\$918,631	\$968,154	\$1,020,602	\$1,075,592	\$1,133,826	\$1,194,882
Revenue - State Testing Charge												
Residential	\$67,253	\$67,476	\$68,137	\$69,420	\$70,130	\$70,480	\$70,820	\$71,160	\$71,500	\$71,841	\$72,181	\$72,521
Commercial	\$3,771	\$3,801	\$3,810	\$3,810	\$3,810	\$3,810	\$3,820	\$3,820	\$3,830	\$3,830	\$3,839	\$3,839
Governmental	\$486	\$515	\$515	\$515	\$515	\$515	\$515	\$515	\$515	\$515	\$515	\$515
Other	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29
Irrigation	\$1,925	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895
Total Revenue	\$73,464	\$73,716	\$74,387	\$75,670	\$76,380	\$76,730	\$77,080	\$77,420	\$77,770	\$78,110	\$78,460	\$78,800
Revenue - Volume Charge												
Residential	\$1,012,412	\$836,559	\$823,866	\$862,985	\$897,079	\$928,158	\$960,176	\$993,280	\$1,027,506	\$1,062,891	\$1,099,474	\$1,137,297
Commercial	\$222,389	\$216,310	\$224,009	\$230,729	\$237,651	\$244,780	\$252,331	\$259,901	\$267,917	\$275,955	\$284,466	\$293,000
Governmental	\$141,031	\$167,792	\$173,620	\$178,829	\$184,194	\$189,719	\$195,411	\$201,273	\$207,311	\$213,531	\$219,937	\$226,535
Other	\$21,941	\$22,539	\$23,305	\$24,004	\$24,724	\$25,466	\$26,230	\$27,017	\$27,827	\$28,662	\$29,522	\$30,407
Irrigation	\$370,474	\$310,849	\$321,647	\$331,296	\$341,235	\$351,472	\$362,016	\$372,877	\$384,063	\$395,585	\$407,452	\$419,676
Total Revenue	\$1,768,246	\$1,554,048	\$1,566,446	\$1,627,842	\$1,684,882	\$1,739,596	\$1,796,164	\$1,854,347	\$1,914,624	\$1,976,623	\$2,040,852	\$2,106,915

Table 10
Water Fund

City of Hastings

Customers and Charges for Sales and Development Revenue
Water Fund

	2021 Actual	2022 Actual	2023 Budget	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Availability Charge (WAC)												
Residential	\$113,006	\$724,163	\$157,694	\$393,281	\$215,861	\$106,452	\$103,495	\$103,495	\$103,495	\$103,495	\$103,495	\$103,495
Commercial	\$0	\$0	\$2,306	\$0	\$0	\$0	\$2,957	\$0	\$2,957	\$0	\$2,957	\$0
Governmental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Irrigation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$113,006	\$724,163	\$160,000	\$393,281	\$215,861	\$106,452	\$106,452	\$103,495	\$106,452	\$103,495	\$106,452	\$103,495
Total Unadjusted Revenue	\$2,632,211	\$3,055,001	\$2,534,201	\$2,877,974	\$2,803,833	\$2,794,174	\$2,898,326	\$3,003,416	\$3,119,448	\$3,233,820	\$3,359,589	\$3,484,093
Adjustments / other changes ¹	\$44,368	-\$4,449	-\$26,228									
Total Revenue Calculated	\$2,676,579	\$3,050,552	\$2,507,973	\$2,877,974	\$2,803,833	\$2,794,174	\$2,898,326	\$3,003,416	\$3,119,448	\$3,233,820	\$3,359,589	\$3,484,093
Total Revenue from Service Charges	\$2,519,205	\$2,330,838	\$2,374,201	\$2,484,693	\$2,587,972	\$2,687,722	\$2,791,874	\$2,899,921	\$3,012,996	\$3,130,325	\$3,253,137	\$3,380,598
Total Revenue Other / Adjustments	\$44,368	-\$4,449	-\$26,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Connection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Availability Charges	\$113,006	\$724,163	\$160,000	\$393,281	\$215,861	\$106,452	\$106,452	\$103,495	\$106,452	\$103,495	\$106,452	\$103,495
Total	\$2,676,579	\$3,050,552	\$2,507,973	\$2,877,974	\$2,803,833	\$2,794,174	\$2,898,326	\$3,003,416	\$3,119,448	\$3,233,820	\$3,359,589	\$3,484,093

Note:

1. The Adjustments/other changes is the difference between how the Study calculated revenue compared to revenue reported in the city's financial statements or budget document. The difference are subject to further review.

SEWER FUND

Background

The Sewer Fund is used to account for the operating and capital improvement costs related to maintenance of the sanitary sewer system. The sanitary sewer utility system provides for the collection and treatment of wastewater. The treatment of wastewater is provided by Metropolitan Council Environmental Services (MCES). The city builds and maintains the collection system that transports wastewater to the MCES treatment facilities.

The Sewer Fund is in sound financial condition, but notably the level of reserves and net assets as percentage of expense is comparatively less than compared to the Water Fund. The Plan proposes higher rate increases for sewer services compared to water.

Future development will increase the demands on the sanitary sewer utility infrastructure but will also provide increased revenue to support the maintenance and operation of the system.

The city anticipates collection of future development fees to support expansion of the system as the community continues to grow. Development fees are accounted for in the Sewer Fund.

Revenues

The major source of revenue comes from the collection of quarterly charges, including a fixed based charge to each customer, along with volume-based charges for sanitary sewer volume billed.

The financial plan for the Sewer Fund reflects the adopted rates for 2024 and proposed future year increases averaging 4.5% annually.

Interest income is earned on the cash balance in the Fund that is recorded as revenue. The investment earnings rate is projected to be 2.0% for future years.

Expenses

The expenses are for payment of operating expenses, debt service expense, and depreciation expense.

The Plan anticipates a 3.0% annual inflationary increase in operating expenses and .33 personnel (FTE) additions.

Debt service expense includes interest expense on both existing outstanding bonds and for anticipated new issuance. The Plan models annual depreciation expense on both existing capital assets and anticipated new assets to be acquired. With the inclusion of depreciation expense, annual operating losses are shown within the Sewer Fund, on a declining basis beginning in 2030, due to the retirement of debt service.

The Sewer Fund includes annual transfers to other funds based on historical levels.

MCES charges the city a fee for the regional collection and treatment of wastewater (disposal charges). The city does not have control over this operating expense. Future charges payable to the MCES are projected based on total estimated sanitary sewer volume reported to the MCES with an estimated 6.8% increase in 2024 and 5.0% annual increase in years 2025-2032 per unit of volume. The City should closely monitor changes to MCES charges and adjust rates as necessary.

MCES uses an allocation method based on previous flow to calculate each municipality's charges. For example, the

method uses 2022 calendar year flow to allocate 2023 fees. The city pays the Metropolitan Council a disposal charge based on volume. Disposal charges payable to the MCES represent approximately 48% of the estimated 2023 expenses in the Sewer Fund, increasing to an average of 58% in years 2024-2032.

Cash Balance

The financial plan includes projected assets and liabilities for the Fund. This includes projected annual year-end cash balance. A table that follows provides a detailed summary on projected change in cash year by year.

Based on assumptions in the Plan, including collection of development fees related to growth (that will be used to pay for future capital improvements), it is projected that the cash balance position of the Fund will decrease over the planning period. The Fund is projected to have future cash sufficient to meet the objectives for cash balance, including cash sufficient to cover:

- Three-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements

The sufficiency of the estimated reserves for capital improvements will depend on future capital improvement projects that may not yet be programmed in the CIP.

Table 11
Sewer Fund

City of Hastings
Finance Plan
Sewer Fund

	2021 Actual	2022 Actual	2023 Estimated	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Revenues												
Charges for services	2,608,421	2,627,715	2,876,876	2,885,742	3,044,592	3,196,539	3,355,996	3,522,878	3,698,458	3,882,211	4,075,529	4,277,844
Availability charges	108,984	222,548	60,000	188,760	104,390	51,480	51,480	50,050	51,480	50,050	51,480	50,050
Penalties and other revenues	-	-	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657
Investment income and other earnings	(2,774)	(44,484)	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267
Connection charges	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	1,950,000	-	-	-	-	-
Other revenues and special items	37,299	169,082	-	-	-	-	-	-	-	-	-	-
Special assessments	(233)	-	-	-	-	-	-	-	-	-	-	-
Transfers in	18,333	18,333	18,333	18,883	19,449	20,033	20,634	21,253	21,891	22,547	23,224	23,920
Capital contributions	223,782	339,292	-	-	-	-	-	-	-	-	-	-
Total Revenues	2,993,812	3,332,486	2,981,209	3,120,164	3,196,015	3,296,463	5,407,373	3,624,323	3,802,874	3,986,785	4,183,169	4,385,738
Expenses												
<i>Fixed Expenses</i>												
Personnel services	321,850	383,932	437,876	451,012	464,543	478,479	492,833	507,618	522,847	538,532	554,688	571,329
Personnel services / FTE changes	-	-	-	-	30,333	31,243	32,181	33,146	34,140	35,165	36,220	37,306
Transfers out General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out Other Funds	387,429	37,293	39,158	40,333	41,543	42,789	44,073	45,395	46,757	48,159	49,604	51,092
Interest and fiscal expense	32,068	58,955	50,379	60,837	84,713	119,463	130,263	147,588	179,088	243,213	222,535	237,891
Depreciation	476,605	493,793	504,543	521,143	543,343	555,043	609,843	633,843	675,043	681,043	698,943	709,443
<i>Subtotal Fixed Expenses</i>	<i>1,217,952</i>	<i>973,973</i>	<i>1,031,956</i>	<i>1,073,325</i>	<i>1,164,474</i>	<i>1,227,017</i>	<i>1,309,192</i>	<i>1,367,590</i>	<i>1,457,874</i>	<i>1,546,112</i>	<i>1,561,990</i>	<i>1,607,062</i>
<i>Variable Expenses</i>												
Supplies	5,358	6,201	6,400	6,592	6,790	6,993	7,203	7,419	7,642	7,871	8,107	8,351
Repairs and maintenance	102,471	1,600	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810
MCES Disposal Charges	1,412,707	1,595,532	1,659,271	1,806,822	1,914,248	2,018,807	2,129,036	2,244,970	2,367,460	2,496,287	2,632,392	2,775,538
Professional services and other expense	219,428	182,409	124,324	128,054	131,895	135,852	139,928	144,126	148,449	152,903	157,490	162,215
Bond issuance cost	-	-	-	15,000	20,000	10,000	15,000	25,000	40,000	-	20,000	10,000
<i>Subtotal Variable Expenses</i>	<i>1,739,964</i>	<i>1,785,742</i>	<i>1,854,995</i>	<i>2,023,418</i>	<i>2,141,891</i>	<i>2,242,680</i>	<i>2,364,325</i>	<i>2,496,868</i>	<i>2,641,165</i>	<i>2,737,003</i>	<i>2,900,330</i>	<i>3,040,913</i>
Total Expenses	2,957,916	2,759,715	2,886,951	3,096,743	3,306,366	3,469,696	3,673,517	3,864,458	4,099,039	4,283,115	4,462,320	4,647,975
Beginning net position	11,153,684	11,189,580	11,762,351	11,856,608	11,880,030	11,769,679	11,596,446	13,330,302	13,090,167	12,794,002	12,497,671	12,218,520
Change in Net Position	35,896	572,771	94,258	23,422	(110,351)	(173,234)	1,733,856	(240,135)	(296,165)	(296,330)	(279,151)	(262,237)

Table 11
Sewer Fund

City of Hastings
Finance Plan
Sewer Fund

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Estimated	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Assets and Deferred Outflow of Resources												
Cash and cash equivalents	3,285,758	3,457,029	3,783,065	4,124,530	4,324,460	4,393,248	4,418,967	4,409,740	4,335,729	3,852,601	3,704,605	3,569,076
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds / advances	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments receivable	15,358	13,527	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Other assets / receivables	841,186	848,936	850,000	858,500	867,085	875,756	884,513	893,359	902,292	911,315	920,428	929,632
Capital assets	20,438,295	21,482,497	22,019,997	22,849,997	23,959,997	24,544,997	27,284,997	28,484,997	30,544,997	30,844,997	31,739,997	32,264,997
Less Accumulated depreciation	(11,453,653)	(11,926,911)	(12,431,454)	(12,952,597)	(13,495,940)	(14,050,983)	(14,660,826)	(15,294,669)	(15,969,712)	(16,650,755)	(17,349,698)	(18,059,141)
Deferred outflows of resources	148,311	117,240	125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	163,097
Total Assets and Deferred Outflows	13,275,255	13,992,318	14,361,608	15,024,180	15,803,215	15,914,609	18,083,340	18,653,336	19,977,562	19,126,893	19,188,678	18,882,662
Liabilities and Deferred Inflow of Resources												
Other current liabilities / payables	194,282	195,498	195,000	198,900	202,878	206,936	211,074	215,296	219,602	223,994	228,474	233,043
Contracts payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable	1,340,000	1,550,000	1,790,000	2,440,000	3,340,000	3,635,000	4,080,000	4,900,000	6,510,000	5,945,000	6,275,000	6,220,000
Unamortized bond premium	111,704	119,010	100,000	80,000	60,000	40,000	20,000	-	-	-	-	-
Net pension liability (non-current)	163,873	125,802	175,000	180,250	185,658	191,227	196,964	202,873	208,959	215,228	221,685	228,335
Other non-current liabilities	120,127	232,722	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Deferred inflows of resources	155,689	6,936	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Total Liabilities and Deferred Inflows	2,085,675	2,229,968	2,505,000	3,144,150	4,033,536	4,318,163	4,753,038	5,563,169	7,183,561	6,629,222	6,970,158	6,926,378
Total Liabilities, Deferred Inflows, and Net Position	13,275,255	13,992,318	14,361,608	15,024,180	15,803,215	15,914,609	18,083,340	18,653,336	19,977,562	19,126,893	19,188,678	18,882,662
Net investments in capital assets	7,532,938	7,886,576	7,698,543	7,377,400	7,064,057	6,819,014	8,524,171	8,290,328	8,065,285	8,249,242	8,115,299	7,985,856
Unrestricted net position	3,656,642	3,875,775	4,158,065	4,502,630	4,705,622	4,777,432	4,806,131	4,799,839	4,728,716	4,248,429	4,103,221	3,970,427
Total net position	11,189,580	11,762,351	11,856,608	11,880,030	11,769,679	11,596,446	13,330,302	13,090,167	12,794,002	12,497,671	12,218,520	11,956,283

Table 12
Sewer Fund

City of Hastings
Ending Cash Balance
Sewer Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Budget	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Use of Cash										
Operations & Maintenance	2,292,871	2,459,430	2,616,767	2,742,402	2,874,339	3,012,632	3,158,152	3,310,700	3,471,238	3,639,549
Capital Acquisition and Cost of Issuance of Bonds	537,500	845,000	1,130,000	595,000	2,755,000	1,225,000	2,100,000	300,000	915,000	535,000
Other Interfund Transfers	39,158	40,333	41,543	42,789	44,073	45,395	46,757	48,159	49,604	51,092
Debt Service (includes transfers for debt)	170,379	255,837	314,713	419,463	490,263	552,588	669,088	808,213	807,535	827,891
Total Use of Cash	3,039,908	3,600,600	4,103,023	3,799,653	6,163,674	4,835,615	5,973,996	4,467,072	5,243,377	5,053,532
Source of Cash										
Revenue from Service Charges	2,902,876	2,912,522	3,072,175	3,224,950	5,335,259	3,553,020	3,729,503	3,914,187	4,108,465	4,311,768
Revenue from Connection and Availability Charges	60,000	188,760	104,390	51,480	51,480	50,050	51,480	50,050	51,480	50,050
Bond Proceeds	360,000	845,000	1,130,000	595,000	805,000	1,225,000	2,100,000	-	915,000	535,000
Interfund Transfers	18,333	18,883	19,449	20,033	20,634	21,253	21,891	22,547	23,224	23,920
Total Source of Cash	3,341,209	3,965,164	4,326,015	3,891,463	6,212,373	4,849,323	5,902,874	3,986,785	5,098,169	4,920,738
Net Change in Other Assets and Liabilities	24,735	(23,100)	(23,062)	(23,022)	(22,980)	(22,935)	(2,889)	(2,840)	(2,788)	(2,735)
Change in Cash Balance	326,036	341,465	199,930	68,788	25,719	(9,228)	(74,011)	(483,127)	(147,997)	(135,528)
Beginning Cash Balance	3,457,029	3,783,065	4,124,530	4,324,460	4,393,248	4,418,967	4,409,740	4,335,729	3,852,602	3,704,605
Total Projected Ending Cash	3,783,065	4,124,530	4,324,460	4,393,248	4,418,967	4,409,740	4,335,729	3,852,602	3,704,605	3,569,077
Ending Cash by Purpose										
For future capital improvements	2,912,371	3,155,626	3,219,397	1,234,401	3,113,222	2,951,114	2,399,841	2,177,257	1,966,827	1,773,378
For following year pay-go capital	-	-	-	1,950,000	-	-	300,000	-	-	-
For 3-months of operating cash	614,857	654,192	685,600	718,585	753,158	789,538	827,675	867,809	909,887	954,173
For following year debt service	255,837	314,713	419,463	490,263	552,588	669,088	808,213	807,535	827,891	841,525
Total Projected Ending Cash	3,783,065	4,124,530	4,324,460	4,393,248	4,418,967	4,409,740	4,335,729	3,852,602	3,704,605	3,569,077

Note: Cash balances include cash and investments.

Table 13
Sewer Fund

City of Hastings

Customers and Charges for Sales and Development Revenue

Sewer Fund

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj

CUSTOMER DATA

Average Annual Billing Units (Customers)

Residential	6,917	6,947	7,015	7,147	7,220	7,256	7,291	7,326	7,361	7,396	7,431	7,466
Commercial	372	371	372	372	372	372	373	373	374	374	375	375
Non-Profit	-	-	-	-	-	-	-	-	-	-	-	-
Governmental	45	45	45	45	45	45	45	45	45	45	45	45
Other	1	1	1	1	1	1	1	1	1	1	1	1
Total Customers	7,335	7,363	7,432	7,564	7,637	7,673	7,709	7,744	7,780	7,815	7,851	7,886

Volume (in thousands of gallons)

Residential	351,801	348,823	353,243	361,823	366,568	368,908	371,183	373,458	375,733	378,008	380,283	382,558
Commercial	69,341	69,042	69,107	69,107	69,107	69,107	69,172	69,172	69,237	69,237	69,302	69,302
Non-Profit	-	-	-	-	-	-	-	-	-	-	-	-
Governmental	45,822	47,817	47,817	47,817	47,817	47,817	47,817	47,817	47,817	47,817	47,817	47,817
Other	15,561	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322	15,322
Total Volume	482,525	481,004	485,489	494,069	498,814	501,154	503,494	505,769	508,109	510,384	512,724	514,999

REVENUE

Revenue - Base Charge

Residential	\$521,561	\$529,045	\$544,886	\$580,121	\$612,419	\$643,169	\$675,354	\$709,133	\$744,585	\$781,791	\$820,838	\$861,816
Commercial	\$28,011	\$28,217	\$28,858	\$30,157	\$31,514	\$32,932	\$34,506	\$36,059	\$37,783	\$39,483	\$41,371	\$43,232
Non-Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Governmental	\$3,393	\$3,427	\$3,496	\$3,653	\$3,817	\$3,989	\$4,169	\$4,356	\$4,552	\$4,757	\$4,971	\$5,195
Other	\$75	\$76	\$78	\$81	\$85	\$89	\$93	\$97	\$101	\$106	\$110	\$115
Total Revenue	\$553,040	\$560,766	\$577,318	\$614,012	\$647,835	\$680,179	\$714,122	\$749,646	\$787,021	\$826,137	\$867,290	\$910,359

Revenue - Volume Charge

Residential	\$1,502,190	\$1,503,427	\$1,554,269	\$1,663,662	\$1,761,326	\$1,852,335	\$1,947,628	\$2,047,745	\$2,152,929	\$2,263,433	\$2,379,523	\$2,501,477
Commercial	\$296,086	\$297,571	\$304,071	\$317,754	\$332,053	\$346,995	\$362,951	\$379,284	\$396,724	\$414,577	\$433,639	\$453,153
Non-Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Governmental	\$195,660	\$206,091	\$210,395	\$219,863	\$229,756	\$240,095	\$250,900	\$262,190	\$273,989	\$286,318	\$299,203	\$312,667
Other	\$66,445	\$66,038	\$67,417	\$70,451	\$73,621	\$76,934	\$80,396	\$84,014	\$87,794	\$91,745	\$95,873	\$100,188
Total Revenue	\$2,060,382	\$2,073,127	\$2,136,152	\$2,271,729	\$2,396,756	\$2,516,360	\$2,641,874	\$2,773,233	\$2,911,436	\$3,056,073	\$3,208,239	\$3,367,485

Table 13
Sewer Fund

City of Hastings

**Customers and Charges for Sales and Development Revenue
Sewer Fund**

	2021 Actual	2022 Actual	2023 Budget	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Availability Charge (SAC) and Interceptor Sewer Fee												
Residential	\$183,411	\$374,838	\$116,988	\$188,760	\$104,390	\$51,480	\$50,050	\$50,050	\$50,050	\$50,050	\$50,050	\$50,050
Commercial	\$0	\$0	\$1,194	\$0	\$0	\$0	\$1,430	\$0	\$1,430	\$0	\$1,430	\$0
Non-Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Governmental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$183,411	\$374,838	\$118,181	\$188,760	\$104,390	\$51,480	\$51,480	\$50,050	\$51,480	\$50,050	\$51,480	\$50,050
Total Unadjusted Revenue	\$2,796,832	\$3,008,732	\$2,831,651	\$3,074,502	\$3,148,982	\$3,248,019	\$3,407,476	\$3,572,928	\$3,749,938	\$3,932,261	\$4,127,009	\$4,327,894
Adjustments / other changes ¹	-\$79,427	-\$158,469	\$105,225									
Total Revenue Calculated	\$2,717,405	\$2,850,263	\$2,936,876	\$3,074,502	\$3,148,982	\$3,248,019	\$3,407,476	\$3,572,928	\$3,749,938	\$3,932,261	\$4,127,009	\$4,327,894
Total Revenue from Service Charges	\$2,613,422	\$2,633,893	\$2,713,469	\$2,885,742	\$3,044,592	\$3,196,539	\$3,355,996	\$3,522,878	\$3,698,458	\$3,882,211	\$4,075,529	\$4,277,844
Total Revenue Other / Adjustments	-\$79,427	-\$158,469	\$105,225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Connection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Availability Charges	\$183,411	\$374,838	\$118,181	\$188,760	\$104,390	\$51,480	\$51,480	\$50,050	\$51,480	\$50,050	\$51,480	\$50,050
Total	\$2,717,405	\$2,850,263	\$2,936,876	\$3,074,502	\$3,148,982	\$3,248,019	\$3,407,476	\$3,572,928	\$3,749,938	\$3,932,261	\$4,127,009	\$4,327,894

Note:

1. The Adjustments/other changes is the difference between how the Study calculated revenue compared to revenue reported in the city's financial statements or budget document. The difference are subject to further review.

STORM FUND

Background

The Storm Fund is used to account for the operating and capital improvement costs related to maintenance of the stormwater system. The city builds and maintains the collection system that transports and manages stormwater.

The Storm Fund is in sound financial condition. Future development will increase the demands on the sanitary sewer utility infrastructure but will also provide increased revenue to support the maintenance and operation of the system.

The Plan does not include collection of future development fees to support the stormwater system.

Revenues

The major source of revenue comes from the collection of quarterly charges from a fixed charge that is based on customer classification.

The financial plan for the Storm Fund reflects the adopted rates for 2023 and proposed future year increases averaging 4.0% annually.

Interest income is earned on the cash balance in the Fund that is recorded as revenue. The investment earnings rate is projected to be 2.0% for future years.

Expenses

The expenses are for payment of operating expenses, including depreciation expense.

The Plan anticipates a 3.0% annual inflationary increase in operating expenses and .33 personnel (FTE) additions.

Debt service expense includes interest expense on anticipated new bond issuance.

The Storm Fund includes annual transfers to other funds based on historical levels.

Cash Balance

The financial plan includes projected assets and liabilities for the Fund. This includes projected annual year-end cash balance. A table that follows provides a detailed summary on projected change in cash year by year.

Based on assumptions in the Plan, which does not include any collection of development fees related to growth, it is projected that the cash balance position of the Fund will decrease over the planning period. The Fund is projected to have future cash sufficient to meet the objectives for cash balance, including cash sufficient to cover:

- Three-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements

The sufficiency of the estimated reserves for capital improvements will depend on future capital improvement projects that may not yet be programmed in the CIP.

Table 14
Storm Fund

City of Hastings
Finance Plan
Storm Fund

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Estimated	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Charges for services	761,135	802,509	829,762	813,643	852,995	890,605	930,242	971,123	1,014,308	1,058,851	1,105,900	1,154,430
Availability charges	-	-	-	-	-	-	-	-	-	-	-	-
Penalties and other revenues	-	(49,568)	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
Investment income and other earnings	(1,270)	(31,805)	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Connection charges	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	119,525	-	-	-	-	-	-	-	-	-	-	-
Other revenues and special items	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Special item	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Capital contributions	260,554	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,139,944	721,136	836,262	820,338	859,890	897,708	937,558	978,658	1,022,070	1,066,845	1,114,134	1,162,911
Expenses												
<i>Fixed Expenses</i>												
Personnel services	308,885	362,258	401,250	413,288	425,686	438,457	451,610	465,159	479,113	493,487	508,291	523,540
Personnel services / FTE changes	-	-	-	-	30,333	31,243	32,181	33,146	34,140	35,165	36,220	37,306
Transfer out Other Funds	7,526	8,655	9,088	9,361	9,641	9,931	10,229	10,535	10,852	11,177	11,512	11,858
Interest and fiscal expense	-	-	-	-	26,300	23,800	21,400	46,100	41,100	35,900	66,700	57,900
Depreciation	32,093	42,872	45,212	58,712	72,912	79,412	93,312	103,812	110,312	128,812	137,312	144,812
<i>Subtotal Fixed Expenses</i>	<i>348,504</i>	<i>413,785</i>	<i>455,550</i>	<i>481,360</i>	<i>564,872</i>	<i>582,842</i>	<i>608,731</i>	<i>658,752</i>	<i>675,517</i>	<i>704,540</i>	<i>760,035</i>	<i>775,416</i>
<i>Variable Expenses</i>												
Supplies	3,856	5,132	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Meters	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Professional services and other expense	58,653	84,596	101,397	104,439	107,572	110,799	114,123	117,547	121,073	124,706	128,447	132,300
Bond issuance cost	-	-	-	15,000	-	-	15,000	-	-	20,000	-	5,000
<i>Subtotal Variable Expenses</i>	<i>62,509</i>	<i>89,728</i>	<i>104,397</i>	<i>122,529</i>	<i>110,755</i>	<i>114,077</i>	<i>132,500</i>	<i>121,025</i>	<i>124,655</i>	<i>148,395</i>	<i>132,247</i>	<i>141,214</i>
Total Expenses	411,013	503,513	559,947	603,889	675,627	696,920	741,231	779,777	800,172	852,935	892,282	916,630

Table 14
Storm Fund

City of Hastings
Finance Plan
Storm Fund

	2021 Actual	2022 Actual	2023 Estimated	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Revenues												
Charges for services	761,135	802,509	829,762	813,643	852,995	890,605	930,242	971,123	1,014,308	1,058,851	1,105,900	1,154,430
Availability charges	-	-	-	-	-	-	-	-	-	-	-	-
Penalties and other revenues	-	(49,568)	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
Investment income and other earnings	(1,270)	(31,805)	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Connection charges	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	119,525	-	-	-	-	-	-	-	-	-	-	-
Other revenues and special items	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Special item	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Capital contributions	260,554	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,139,944	721,136	836,262	820,338	859,890	897,708	937,558	978,658	1,022,070	1,066,845	1,114,134	1,162,911
Expenses												
<i>Fixed Expenses</i>												
Personnel services	308,885	362,258	401,250	413,288	425,686	438,457	451,610	465,159	479,113	493,487	508,291	523,540
Personnel services / FTE changes	-	-	-	-	30,333	31,243	32,181	33,146	34,140	35,165	36,220	37,306
Transfer out Other Funds	7,526	8,655	9,088	9,361	9,641	9,931	10,229	10,535	10,852	11,177	11,512	11,858
Interest and fiscal expense	-	-	-	-	26,300	23,800	21,400	46,100	41,100	35,900	66,700	57,900
Depreciation	32,093	42,872	45,212	58,712	72,912	79,412	93,312	103,812	110,312	128,812	137,312	144,812
<i>Subtotal Fixed Expenses</i>	<i>348,504</i>	<i>413,785</i>	<i>455,550</i>	<i>481,360</i>	<i>564,872</i>	<i>582,842</i>	<i>608,731</i>	<i>658,752</i>	<i>675,517</i>	<i>704,540</i>	<i>760,035</i>	<i>775,416</i>
<i>Variable Expenses</i>												
Supplies	3,856	5,132	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Meters	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Professional services and other expense	58,653	84,596	101,397	104,439	107,572	110,799	114,123	117,547	121,073	124,706	128,447	132,300
Bond issuance cost	-	-	-	15,000	-	-	15,000	-	-	20,000	-	5,000
<i>Subtotal Variable Expenses</i>	<i>62,509</i>	<i>89,728</i>	<i>104,397</i>	<i>122,529</i>	<i>110,755</i>	<i>114,077</i>	<i>132,500</i>	<i>121,025</i>	<i>124,655</i>	<i>148,395</i>	<i>132,247</i>	<i>141,214</i>
Total Expenses	411,013	503,513	559,947	603,889	675,627	696,920	741,231	779,777	800,172	852,935	892,282	916,630
Change in Net Position	728,931	217,623	276,315	216,449	184,263	200,788	196,327	198,882	221,897	213,910	221,852	246,281
Ending net position	1,640,105	1,857,728	2,134,044	2,350,493	2,534,756	2,735,544	2,931,872	3,130,753	3,352,651	3,566,560	3,788,412	4,034,693

Financial Plans X-E-01

Table 15
Storm Fund

City of Hastings
Ending Cash Balance
Storm Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Budget	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Use of Cash										
Operations & Maintenance	505,647	520,816	566,774	583,777	601,291	619,330	637,909	657,047	676,758	697,061
Capital Acquisition and Cost of Issuance of Bonds	117,000	690,000	710,000	325,000	710,000	525,000	325,000	945,000	425,000	380,000
Other Interfund Transfers	9,088	9,361	9,641	9,931	10,229	10,535	10,852	11,177	11,512	11,858
Debt Service (includes transfers for debt)	-	-	91,300	83,800	81,400	171,100	166,100	170,900	281,700	282,900
Total Use of Cash	631,735	1,220,177	1,377,716	1,002,508	1,402,919	1,325,965	1,139,861	1,784,124	1,394,970	1,371,819
Source of Cash										
Revenue from Service Charges	836,262	820,338	859,890	897,708	937,558	978,658	1,022,070	1,066,845	1,114,134	1,162,911
Revenue from Connection and Availability Charges	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	690,000	-	-	710,000	-	-	945,000	-	305,000
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Source of Cash	836,262	1,510,338	859,890	897,708	1,647,558	978,658	1,022,070	2,011,845	1,114,134	1,467,911
Net Change in Other Assets and Liabilities	95,972	9,500	9,775	10,058	10,350	10,650	10,959	11,277	11,605	11,942
Change in Cash Balance	300,499	299,661	(508,050)	(94,742)	254,989	(336,657)	(106,832)	238,999	(269,232)	108,035
Beginning Cash Balance	1,096,269	1,396,768	1,696,429	1,188,379	1,093,637	1,348,625	1,011,968	905,136	1,144,135	874,903
Total Projected Ending Cash	1,396,768	1,696,429	1,188,379	1,093,637	1,348,625	1,011,968	905,136	1,144,135	874,903	982,938
Ending Cash by Purpose										
For future capital improvements	1,266,564	753,435	633,634	861,914	497,693	361,391	569,974	268,245	342,738	183,045
For following year pay-go capital	-	775,000	325,000	-	525,000	325,000	-	425,000	75,000	300,000
For 3-months of operating cash	130,204	141,694	145,944	150,323	154,832	159,477	164,262	169,190	174,265	179,493
For following year debt service	-	26,300	83,800	81,400	171,100	166,100	170,900	281,700	282,900	320,400
Total Projected Ending Cash	1,396,768	1,696,429	1,188,379	1,093,637	1,348,625	1,011,968	905,136	1,144,135	874,903	982,938

Note: Cash balances include cash and investments.

Table 16
Storm Fund

City of Hastings

**Customers and Charges for Sales and Development Revenue
Storm Fund**

	2	3	4	5	6	7	8	9	10	11	12	13
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj

CUSTOMER DATA

Average Annual REU Units (Customers)

Residential	7,056	7,164	7,232	7,364	7,437	7,473	7,508	7,543	7,578	7,613	7,648	7,683
Commercial	334	332	333	333	333	333	334	334	335	335	336	336
Non-Profit	-	-	-	-	-	-	-	-	-	-	-	-
Governmental	-	-	-	-	-	-	-	-	-	-	-	-
Other	108	115	115	115	115	115	115	115	115	115	115	115
Total Customers	7,498	7,611	7,680	7,812	7,885	7,921	7,957	7,992	8,028	8,063	8,099	8,134

REVENUE

Revenue - REU Charge

Residential	\$562,202	\$593,732	\$623,377	\$660,145	\$693,357	\$724,582	\$757,095	\$791,050	\$826,509	\$863,540	\$902,210	\$942,593
Commercial	\$127,599	\$132,003	\$137,702	\$143,210	\$148,939	\$154,896	\$161,576	\$168,039	\$175,284	\$182,295	\$190,153	\$197,759
Non-Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Governmental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$8,605	\$9,510	\$9,891	\$10,287	\$10,699	\$11,127	\$11,572	\$12,034	\$12,516	\$13,016	\$13,537	\$14,079
Irrigation												
Total Revenue	\$698,407	\$735,245	\$770,970	\$813,643	\$852,995	\$890,605	\$930,242	\$971,123	\$1,014,308	\$1,058,851	\$1,105,900	\$1,154,430

Access Charge

Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Governmental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other

Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Total Unadjusted Revenue	\$698,407	\$735,245	\$770,970	\$813,643	\$852,995	\$890,605	\$930,242	\$971,123	\$1,014,308	\$1,058,851	\$1,105,900	\$1,154,430
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Adjustments / other changes ¹	\$62,728	\$67,264	\$58,792									
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Total Revenue Calculated	\$761,135	\$802,509	\$829,762	\$813,643	\$852,995	\$890,605	\$930,242	\$971,123	\$1,014,308	\$1,058,851	\$1,105,900	\$1,154,430
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Total Revenue from Service Charges	\$698,407	\$735,245	\$770,970	\$813,643	\$852,995	\$890,605	\$930,242	\$971,123	\$1,014,308	\$1,058,851	\$1,105,900	\$1,154,430
Total Revenue Other / Adjustments	\$62,728	\$67,264	\$58,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Connection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Availability Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$761,135	\$802,509	\$829,762	\$813,643	\$852,995	\$890,605	\$930,242	\$971,123	\$1,014,308	\$1,058,851	\$1,105,900	\$1,154,430

APPENDIXES

Appendix A
PFAS Scenario Comparison Memo



City of Hastings, MN
Utility Study
Finance Plan Development for Water Fund

Presentation of Potential Scenarios to City Staff
As of August 4, 2023

Prepared by Northland Public Finance



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INTRODUCTION

The City of Hastings engaged Northland to aid the city with a study of the municipal utility funds for development of the scenarios for funding future planned capital improvements, including related debt service on planned bond issuance to support the planned capital improvements. The aims of the study, which in process, are as follows:

- *Revenue Sufficiency* – For the Enterprise Funds, develop and populate a forecasting model to decide the level of revenue needed to fund planned operations, capital improvements, and debt service while maintaining adequate reserves for future services and capital needs.
- *Rate Calculations* - Model projected future utility fees and charges for revenue sufficiency.

The study includes planned future capital improvements for years 2023-2033. Estimates were made by the city for capital improvement project costs and the timing of projects. While the specific timing and costs of future improvements is uncertain, awareness of the projects and the funding needed for each project are important when considering utility fees and charges and level of reserves.

Future development of property within the city will supply increased utility revenue from charges for services. The rate of future development and addition of new utility customers is a significant variable for the study. Future development will affect the projected service demands and revenues included in the study.

The purpose of this document is to supply preliminary information to the city on three different scenarios specific to the Water Fund. Northland will update the study and final report based on the city's direction to Northland on which of the three scenarios should be incorporated into the final "Financial Management Plan For Water Fund, Sewer Fund, and Storm Water Fund (Utility Study)".

SCENARIOS

There are three scenarios presented for review and discussion with city staff, as outlined below.

Scenario A

Scenario A is presented as the "base" scenario. The results and key assumptions and parameters for this scenario are as follows:

RESULTS

1. Total average annual change in utility bills for water services for all users, including high volume, medium volume, and low volume, over the planning period (10 years) does not exceed 3.5%.
2. Annual ending cash balances for the Water Fund between 2023-2033 are projected to be sufficient to cover at a minimum the following: three months of operating expense; following year planned pay-go capital improvements; and following year debt service. Cash balance is projected above minimum amounts for future capital improvements.

ASSUMPTIONS

1. City will issue debt as needed to spread the financial impact of capital improvements over multiple years to achieve the parameters for average annual change in water utility bills, as listed in item 1 above. Total bonds issued between years 2024 and 2028 is \$9.945 million; and no bonds issued between 2029-2033. Debt issuance is assumed as follows:
 - \$2.55 million in 2025

- \$3.825 million in 2027
 - \$3.57 million in 2028
2. City will structure amortization of debt to achieve the parameters for average annual change in water utility bills as listed in items 1 above.
 3. City will implement its plans for personnel increases, including positions and wage adjustments as planned and salary and wages, personnel costs are assumed to increase by approximately 3.0% annually.
 4. Non-personnel operating expenses are assumed to increase by an average of approximately 3.0% annually.
 5. City will annually adjust fees for water services at amounts needed to achieve revenue sufficiency for the Water Fund. This includes annual increases for fees for meters, usage, and water availability charge (WAC).

Scenario B

Scenario B is based on the same assumptions as Scenario A, except Scenario B includes future capital improvements for water treatment facility improvements and issuance of bonds to finance the improvements.

RESULTS

Because Scenario B includes spending for water treatment facility improvements and issuance of bonds to finance these improvements, Scenario B does not achieve the same results as Scenario A. The results for Scenario B are as follows:

1. Total average annual change in utility bills for water services, for all users including high volume, medium volume, and low volume, over the planning period (10 years) will average 14.5%. This scenario includes larger increases between years 2024-2028, with a five-year average annual increase of 26.4%.
2. Total average annual change for City Water Availability Charge (WAC) will average 4.0%.
3. Ending cash balances for the Water Fund is projected to be sufficient to cover at a minimum the following: three months of operating expense; following year planned pay-go capital improvements; and following year debt service. Cash balance is projected above minimum amounts for future capital improvements.

ASSUMPTIONS

Same assumptions as Scenario A, except Scenario B includes project costs and bonding for water treatment facilities, as noted above.

1. No external funding is assumed to be available for the water treatment facility improvements. Scenario B assumes the project costs are funded entirely from customers of the water utility, and from fees and charges collected and deposited by the city into the Water Fund.
2. Water revenue bonds are structured with relatively level annual debt service over terms ranging from 10-25 years. The treatment facility improvements are structured over the longer 25-year term, bonds for other projects are structured over a 10 year terms. Total bonds issued between years 2024 and 2028 is \$80.23 million; and no issuance between 2029-2033. Debt issuance is assumed as follows:

- a. \$21.05 million in 2024
- b. \$29.775 million in 2025
- c. \$22.01 million in 2027
- d. \$3.57 million in 2028

Scenario C

Scenario C is based on the same assumptions as Scenario A, except Scenario C includes \$850,000 for costs related to planning for construction of future water treatment facilities. Only the planning dollars are included in Scenario C and not the construction costs.

Results

The results for Scenario C are as follows:

1. Total average annual change in utility bills for water services, for all users including high volume, medium volume, and low volume, over the planning period (10 years) will average 3.8%. This scenario includes slightly larger increases than Scenario A to supply funds related to planning for future treatment facility improvements.
2. Ending cash balances for the Water Fund is projected to be sufficient to cover at a minimum the following: three months of operating expense; following year planned pay-go capital improvements; and following year debt service. Cash balance is projected above minimum amounts for future capital improvements.

ASSUMPTIONS

Same assumptions as Scenario A, except Scenario C includes spending for capital improvement planning, as noted above.

1. Water revenue bonds are structured with relatively level annual debt service over term of 25 years. Total bonds issued between years 2024 and 2028 is \$80.23 million; and no issuance between 2029-2033. Debt issuance is assumed as follows:
 - a. \$2.55 million in 2025
 - b. \$1.42 million in 2026
 - c. \$3.825 million in 2027
 - d. \$3.57 million in 2028
 - e. \$415,000 in 2032

PRESENTATION AND COMPARISON OF SCENARIOS

Exhibit A includes charts to graphically present the results for the three scenarios based on the assumptions outlined above. The charts include the following information that is intended to summarize the data in the more detailed information included in the other exhibits that follow:

Chart 1: City Quarterly Utility Bill for Water Services

Chart 2: Five Year Average Annual % Increase in Quarterly Water Utility Bill

Chart 3: Bonds Issued to Finance Improvements Supported by Water Revenues

Chart 4: Total Principal Amount of Bonds Outstanding Supported by Water Revenues

Chart 5: Total Debt Service Paid from Water Revenues

Chart 6: Amortization of Bonds Supported by Water Revenues

COMPARISON OF WATER UTILITY BILLS TO OTHER CITIES

Exhibit B includes a comparison of water utility bills to other cities. A comparison to the City of Hastings' water bills is provided for current year bills (year 2023) and future estimated Hastings' water bills under Scenarios A, B, and C, for year 2028. Year 2028 is used for comparison purposes to account for the phasing of fee increases between years 2024-2028 under Scenario B and Scenario C.

COMPARISON OF SCENARIOS

Exhibit C includes a summary report with key financial data for each of the three scenarios.

SCENARIO FINANCIAL RESULTS

Exhibit D, Exhibit E, and Exhibit F includes reports for Scenario A, Scenario B, and Scenario C, respectively.

DRAFT

Exhibit A

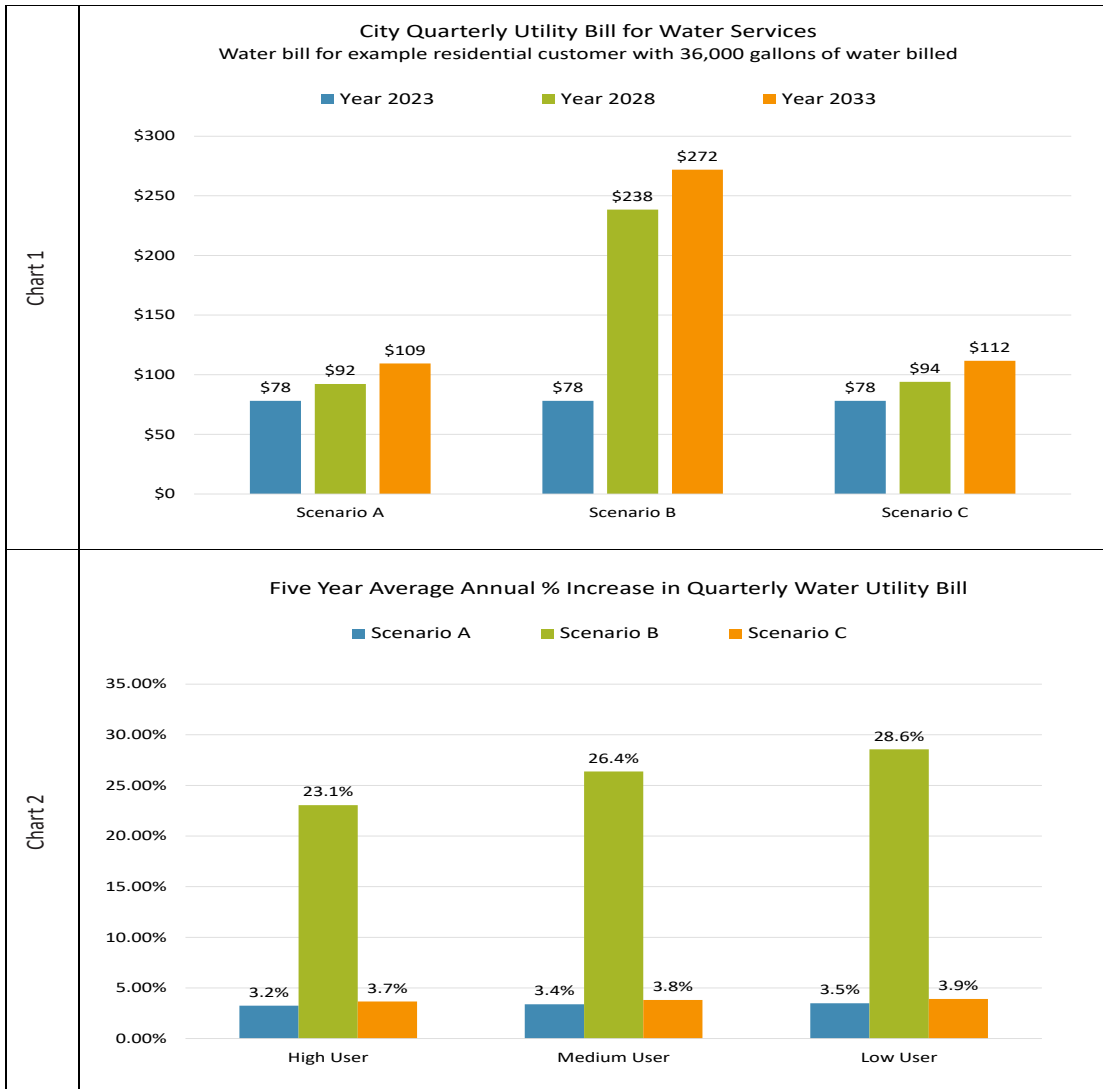


Exhibit A

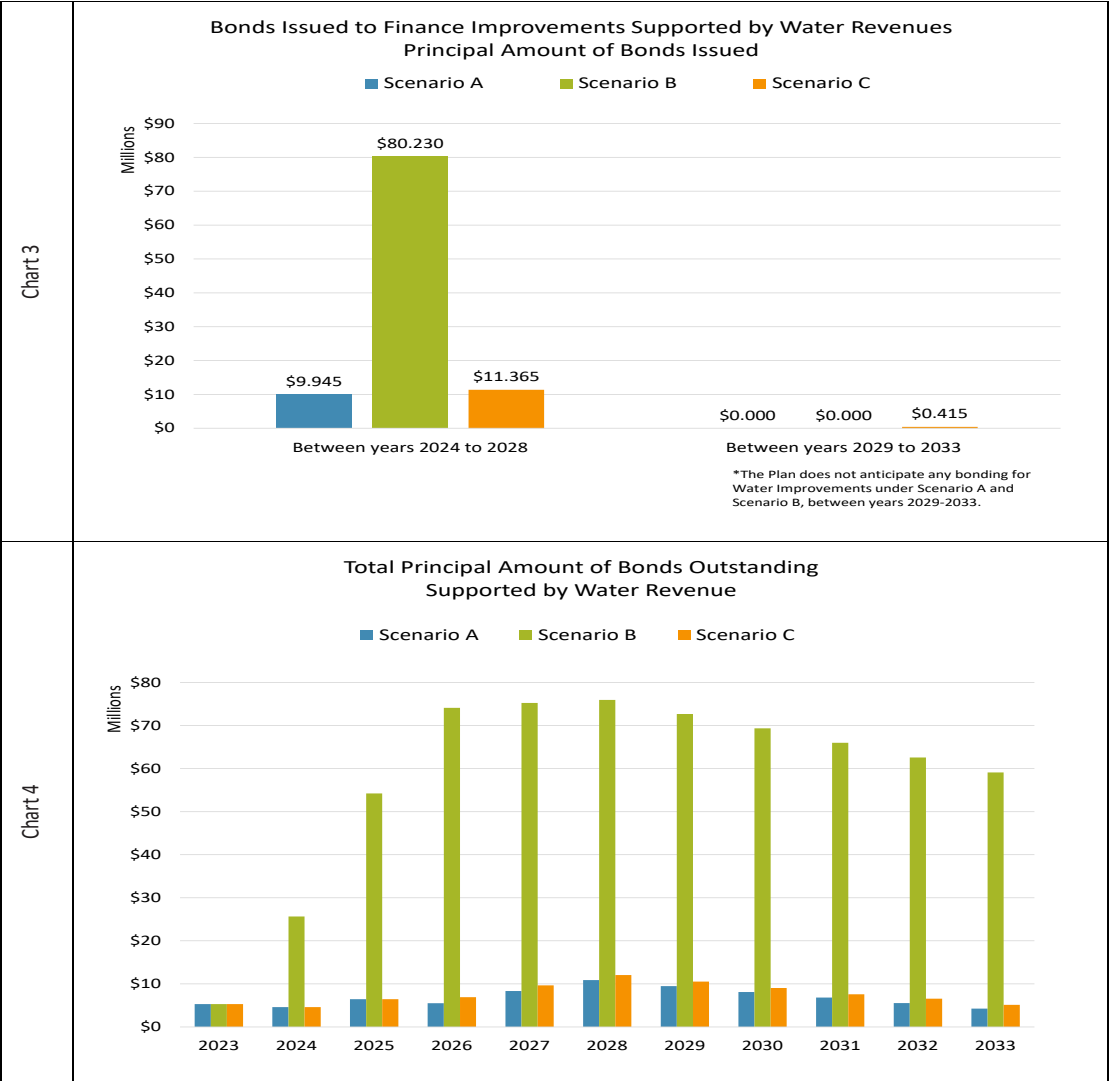


Exhibit A

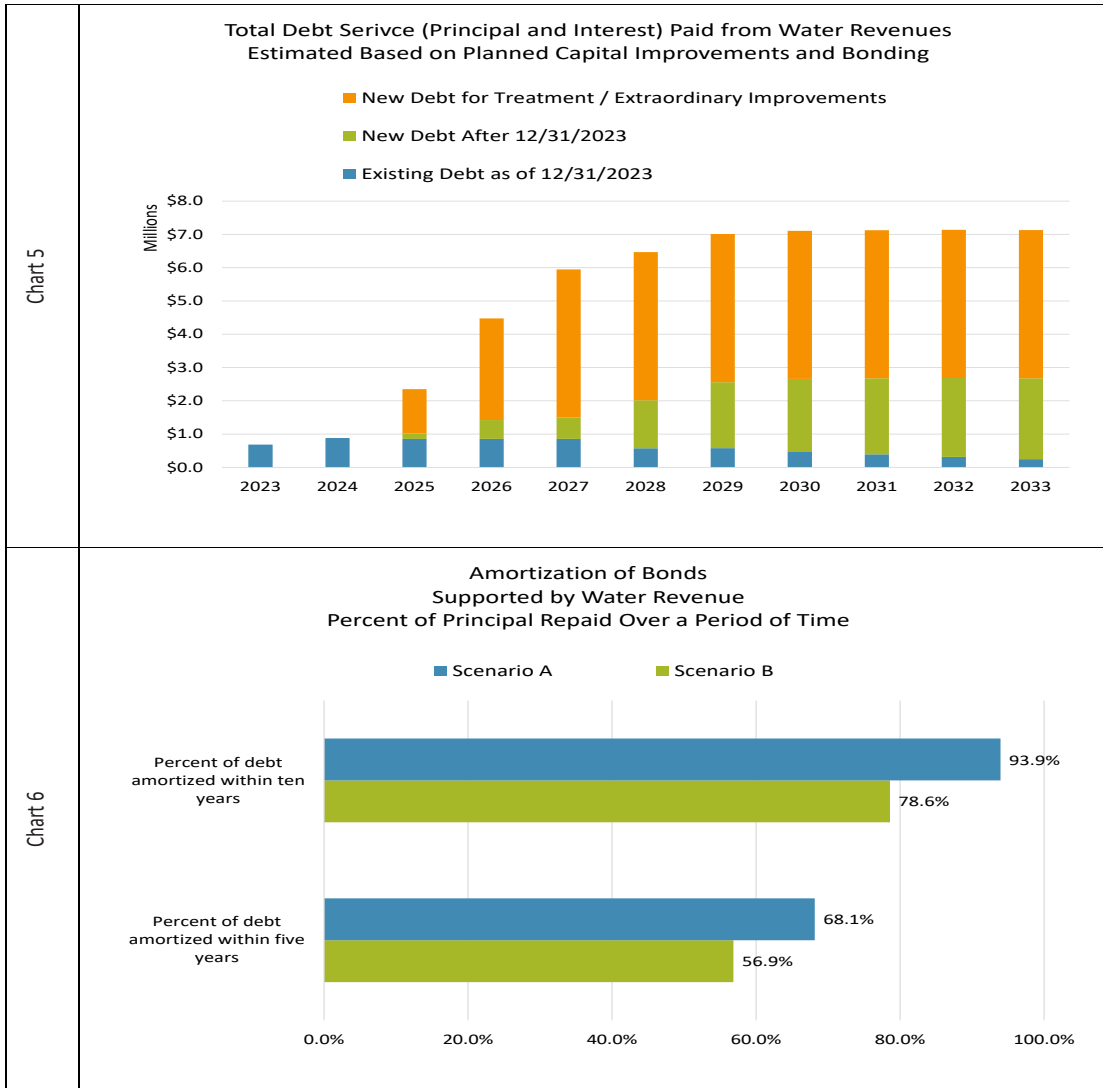
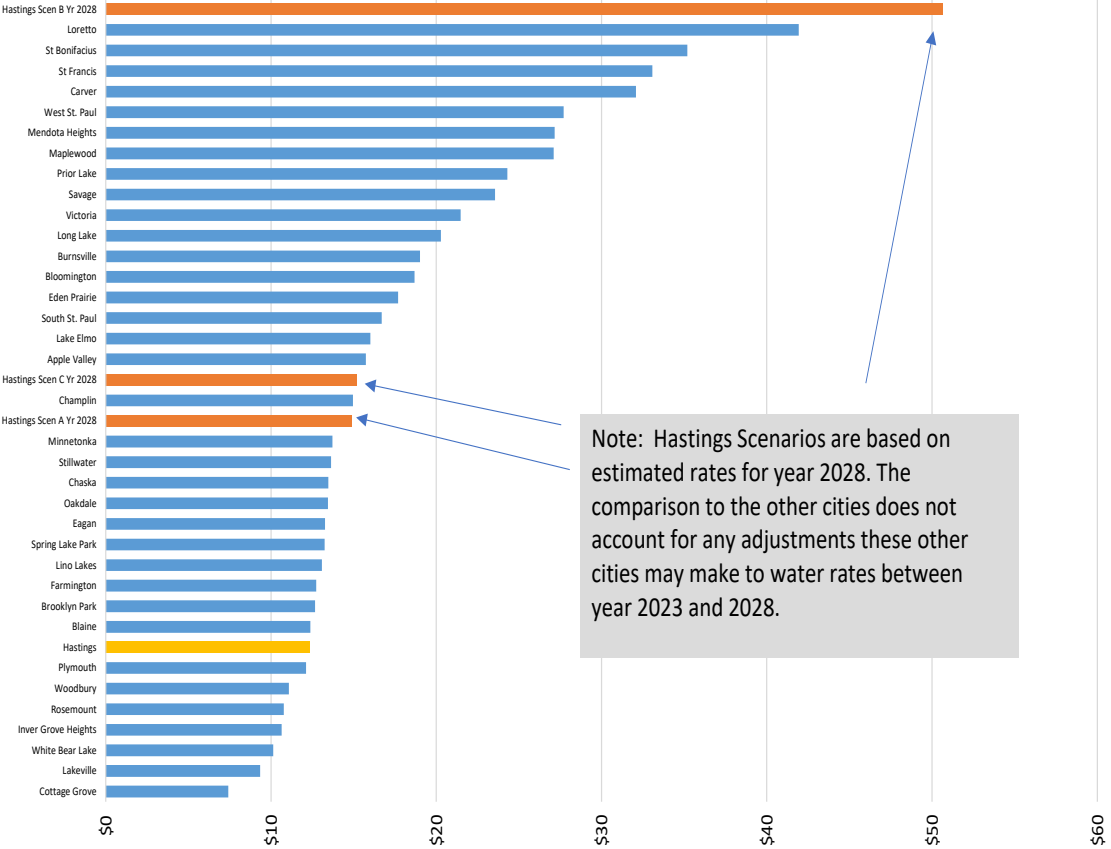


EXHIBIT B
Comparison of Water Utility Bills to Other Cities
Includes City of Hastings Current Rates for Year 2023 and Estimated Future Rates for Scenarios A, B, and C for Year 2028

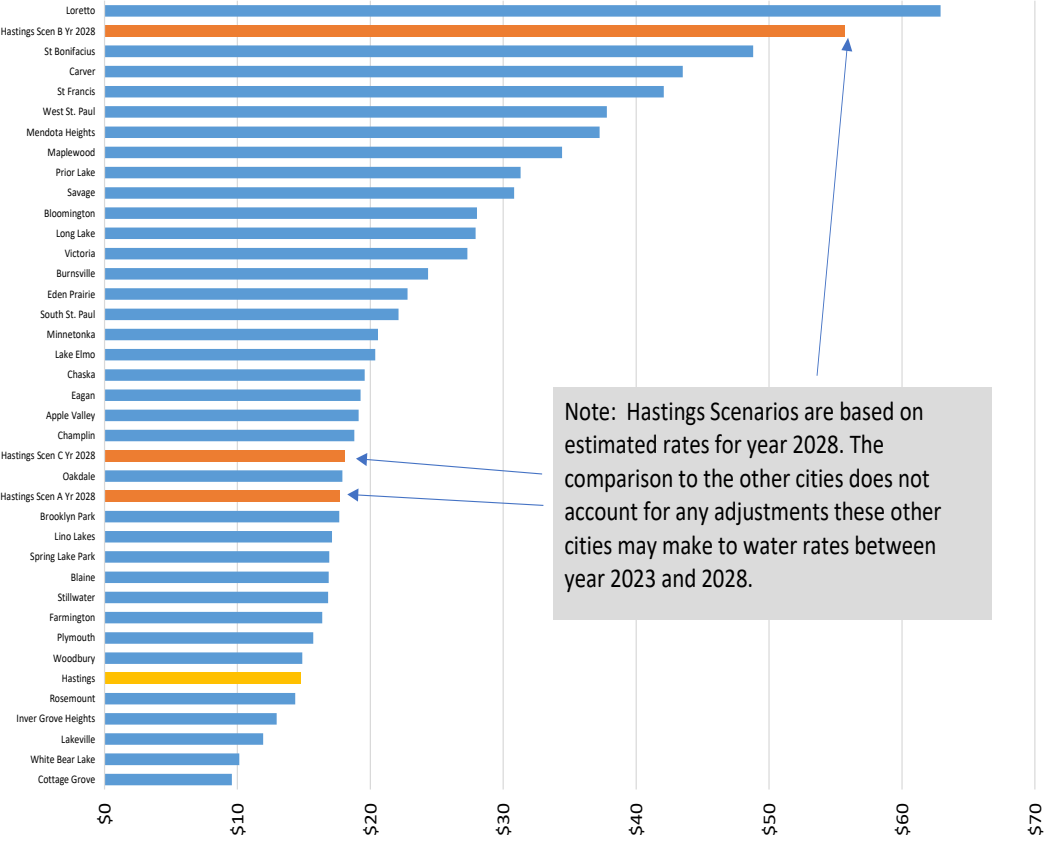
Water Bill for 3,000 Gallons Monthly Volume - Residential
Estimated Based on Published Rate Data and Interpretation of Fee Schedules
Cities have different billing cycles for comparison billing is shown as monthly equivalent bills



Note: Hastings Scenarios are based on estimated rates for year 2028. The comparison to the other cities does not account for any adjustments these other cities may make to water rates between year 2023 and 2028.

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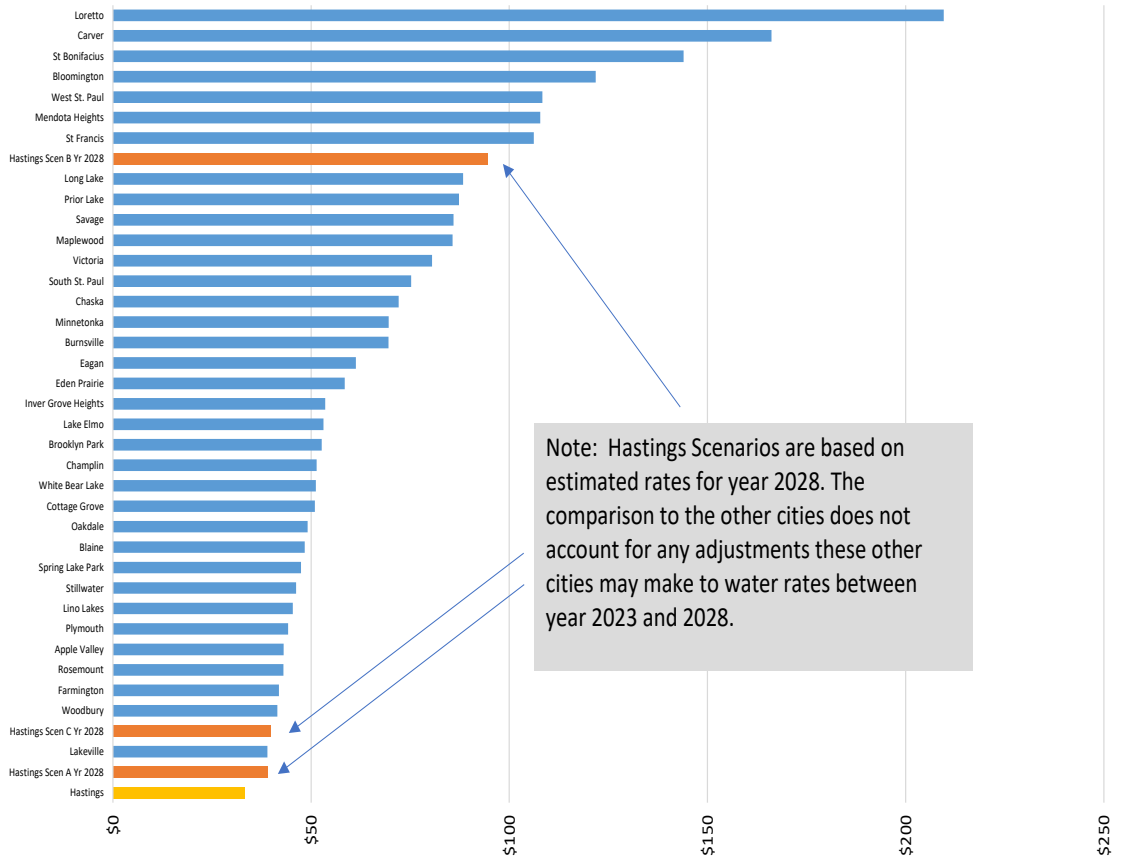
Water Bill for 6,000 Gallons Monthly Volume - Residential
Estimated Based on Published Rate Data and Interpretation of Fee Schedules
Cities have different billing cycles for comparison billing is shown as monthly equivalent bills



Note: Hastings Scenarios are based on estimated rates for year 2028. The comparison to the other cities does not account for any adjustments these other cities may make to water rates between year 2023 and 2028.

EXHIBIT B
Comparison of Water Utility Bills to Other Cities
Includes City of Hastings Current Rates for Year 2023 and Estimated Future Rates for Scenarios A, B, and C for Year 2028

Water Bill for 20,000 Gallons Monthly Volume - Residential
Estimated Based on Published Rate Data and Interpretation of Fee Schedules
Cities have different billing cycles for comparison billing is shown as monthly equivalent bills



Note: Hastings Scenarios are based on estimated rates for year 2028. The comparison to the other cities does not account for any adjustments these other cities may make to water rates between year 2023 and 2028.



Northland Securities, Inc.
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Minneapolis, MN 55402
Toll Free 1-800-851-2920 Main 612-851-5900
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RESOLUTION 09 - - 23

**A RESOLUTION ADOPTING THE PRELIMINARY
2024 CITY PROPERTY TAX LEVY, PRELIMINARY BUDGET,
AND SETTING TRUTH IN TAXATION HEARING DATE**

WHEREAS, the City must annually prepare a budget that is responsive, responsible, and in alignment with our CORE values and strategic plan; and

WHEREAS, departments prepare requests with are discussed and reviewed as a team and with the Finance Committee of the Council (Folch*, Fox, Leifeld); and

WHEREAS, the Finance Committee and the City Council have met several times over the last few months to discuss the preliminary budget information; and

WHEREAS, the committee has directed the City Administrator and staff to prepare a preliminary 2024 tax levy and budget, a special levy, and set a truth in taxation hearing date; and

WHEREAS, provisions of the Minnesota Truth and Taxation Law require Cities to certify a Proposed Property Tax Levy and City Budget to the County Auditor by October 2, 2023; and

WHEREAS, City staff was directed to set the 2024 City Preliminary levy at \$18,649,930, the Preliminary Budget at \$38,898,627, and to schedule a truth in taxation public hearing date at 7:00 p.m. on Monday, December 4, 2023 in the City Council Chambers at Hastings City Hall, with a continuation date (if needed) of Monday, December 18, 2023; and

WHEREAS, the City has sufficient cash on hand to reduce the debt levy to \$2,162,338.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Hastings, Minnesota; that the preliminary Property Tax Levy of the City of Hastings, for the 2024 City Budget to be certified is hereby adopted.

Adopted this 18th day of September, 2023.

Attest:

Mary D. Fasbender, Mayor

Kelly Murtaugh, City Clerk

**CITY OF HASTINGS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION 09 - - 23

A RESOLUTION APPROVING A PROPOSED 2024 HEDRA-HRA SPECIAL TAX LEVY

WHEREAS, the Hastings Economic Development and Redevelopment Authority (the “Authority”) was created by the City Council of the City of Hastings (the “City”) pursuant to Minnesota Statutes, Sections 469.090 to 469.1081; and

WHEREAS, the Authority was granted all of the powers of a municipal housing and redevelopment authority under Minnesota Statutes, Sections 469-001 to 469-047 (the “Act”); and

WHEREAS, Section 469.033, Subdivision 6, of the Act, as amended, permits the Authority to levy and collect a special benefit tax of up to .0185 percent of taxable market value in the City upon all taxable property, real and personal, within the City; and

WHEREAS, the Authority desires to levy such tax based upon the limit of .0185 % of the taxable market value; and

WHEREAS, the levy of such a special benefit tax is subject to consent by Resolution of the City Council of the City of Hastings.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Hastings, Minnesota; that the City of Hastings HRA Special Levy be granted subject to the limit of .0185 percent of taxable market value as per Minnesota Statute.

Adopted this 18th day of September 2023.

Mary D. Fasbender, Mayor

Attest:

Kelly Murtaugh, City Clerk