

CITY OF CHASKA

State of Minnesota

2014 BUDGET

For the Fiscal Year Ending December 31, 2014

Adopted by Chaska City Council on:
December 16, 2013

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City of Chaska 2014 Budget

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City Administrator's Budget Message

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City of Chaska 2014 Budget



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2014 Annual Budget

To the Citizens of Chaska, Honorable Mayor, and Chaska City Council:

Submitted for your review is the proposed 2014 Annual Budget for the City of Chaska, along with a review of major issues and opportunities relating to the City's general operations. The budget, as proposed, I believe meets the needs for continuing to provide excellent municipal services, while at the same time meeting the City's objectives that we have established during the budgeting process.

2014 Revenue Discussion

Over the past 4 years, the City of Chaska, along with other municipalities across the Country, experienced significant revenue issues, as we saw the "Great Recession" decrease not only building activity in our City, but also decrease the value of existing properties and buildings located throughout the community. This was the first time we had seen this occur in recent history, posing significant issues with our revenue sources including property taxes and development revenue. From 2011-2013, we saw an average of 5.45% annual drop in property values, which had a direct impact on the property taxes generated from these existing properties. Given that the costs for providing our basic services had either stayed the same or increased, we needed to make several adjustments to our budget over the past 4 years to allow us to continue with a consistent service level in our community. It was not until the last two years that some of these issues started to be mitigated by an increase in Electric usage due to expanding businesses and some additional economic development activity, as this increase in electric usage positively impacted our Electric Franchise Fee coming into the General Fund to help support basic services.

As we look at 2014, we continue to see a positive trend occurring in the market, as we are seeing much more economic development activity occurring and planned for in the community, while also seeing our residential development start to rebound. This development activity has continued to positively impact both our Electric Franchise Fee to the General Fund and Building Permit revenue. It has also helped increase new market values in the community, in which we are able to derive additional tax resources to support our service levels without having a negative impact on existing properties in the community.

As the 2014 budget was put together, there were five major budget environmental factors we needed to consider, as it related to revenues:

- Market Values across the community increased by an average of 5.24%. This is the first time in 4 years, as they dropped 6.22% for taxes payable 2013, 4.14 in 2012 and over 6% in 2011
- Local Government Aid was restored to cities, with Chaska slated to receive just over \$450,000
- Both residential and commercial building permit activity has stabilized, becoming more predictable

- We are once again seeing an increase in population
- Our Electric Revenue has been up significantly, as we have seen a significant amount of Economic Development activity occur in the last two years, including Data Center development, driving up this usage. This has had a positive impact on the Electric Franchise Fee coming back to our General Fund

For the 2013 General Fund budget, as we also saw in 2012, the City had over \$500,000 in revenue shortfall compared to our 5-year forecast number that we projected earlier. In 2012, this budget addressed the issue mainly through deferment of some planned expenditures. In 2013, we were able to start to address this shortfall through positive economic development activity, which increased both our building permit and electric franchise fee revenues to the General Fund over what we had originally anticipated while putting together our previous 5-year financial forecasts. Over the last 12 months, Development activity has continued to pick up significantly, with both residential and commercial/industrial projects moving forward.

With this growth, the 2014 budget once again is able to look at some of those areas we have had to defer in the past, which we feel will be critical to meet our budgeting objectives over the next 5 years. As you will see in this document, we both look at some differing budget objectives than we have had in the past, as we focus a significant amount of emphasis into our new Capital Improvement Program, which really focuses on how to properly maintain the assets we have already invested into, and have a responsibility to keep in good condition moving into the future. There is also a reexamination of our policy for how to establish our tax levy, focusing more on what the actual driving factors in setting our tax levy are, including actual new growth in our population and inflationary factors, and moving away from our past policy which only focused on keeping a constant tax rate. Staff feels that the budget document for this year takes a more comprehensive look at not just our current operations, but also the future costs of properly maintaining our assets. We also think that it creates a more logical link between how we set revenues and the actual changes we see in the community causing us to increase our resources to keep our service levels constant.

Budget Objectives

As with all of budgeting process, the first place that we start is to look at the objectives we are trying to accomplish in our budget document. While many of these objectives stay consistent from year to year, readers will notice some significant differences from our 2013 budget objectives as it relates specifically to how we set our tax levy. Below is the list of those objectives that were used in both the 5-year financial forecast process and the goals that were used in the establishment of the 2014 budget you see before you now:

- 1) Maintain high quality service levels*
- 2) Limit tax levy growth to capture only new growth and inflation*
- 3) Fully fund scheduled maintenance and replacement of equipment/property*
- 4) Increase levy additionally only if new service levels or assets are being added*
- 5) Reincorporate Local Government Aid into our budget, assuming non-reliance on it as a source of revenue*

- 6) *Budget utilizing a plan that avoids draw-down of the City's General Fund reserve*
- 7) *Fully levy to support our adopted Street Reconstruction Program*

Based on the objectives above, and our new tax levy policy, which will be explained in more detail below, Staff is recommending a 3.5% increase in our tax levy.

New Tax Levy Policy

For nearly 30 years, the City of Chaska has had a policy of establishing our annual tax levy based on keeping a constant tax rate. Based on this policy, the tax levy would go up by the amount of increase we saw annually in our tax capacity within the City, which is directly related to the amount of market value growth we saw in the City. For instance, if market values increased in the community by 6%, you could increase your levy by 6% and have no impact on the tax rate in the community. This would mean that if someone's property did not change in taxable market value from one year to the next, that their City taxes would not see any increase.

While this policy worked very well for several years, over the past 10 years we did start to experience some of the practical limitations of this policy. The first practical issue experienced is that not all market value increase is associated with the construction of new buildings. Some of the market value increase also occurs on existing properties as well. So while the tax rate would not change, and a resident's taxes would not change if their values stayed the same, this often was not the practical reality, as we saw a significant amount of growth in property values in existing properties from 2000-2008.

The other issue that we experienced over the past 4 years is the impact of decreasing market values in the community. As with increasing market values, the same can be said for decreasing market values when trying to keep a constant tax rate. If the market values go down, the tax levy also need to decrease accordingly to keep the tax rate constant. With an objective of keeping our service levels constant, this was a significant issue the City faced when market values did start to decline, which led to the City modifying its tax levy policy to state that the tax levy would be set to keep the tax rate constant, unless that forced the actual levy to decrease, in which case the tax levy would stay the same. Based on this change, and the decrease in market values in 2010-2013, the City of Chaska's tax levy saw a 0% increase during each of those 4 years, staying at an amount of \$4,880,354.

As we move into the new budget year, Staff is recommending we make a permanent change to our tax levy establishment policy to learn from the issues that have popped up over the past 10 years. The new tax levy policy would focus specifically on looking at the two items that create pressure on our General Fund, if our desire is to keep a constant level of services in the community:

- New construction in the community
- Inflationary increases in the market.

If the City desires to keep services constant, it costs more money to provide the same services to new users in the community. Also, market inflation impacts the cost of providing our services, regardless if we make any changes or not. In order to make

sure we take these into account, our new tax levy policy would state that we would set our increase in levy based on the percentage market value attributed to new growth, in addition to whatever the inflation rate is running in any given year. In that way, we are able to make sure that all new users are paying their fair share of service costs in the community, and that we take into account that costs go up on an annual basis because of inflation no matter what policy decisions we make. The new policy would go on to say that we would only increase the levy beyond this point if we were adding new services, and that the actual cost of providing those new services would determine the amount of additional increase we would need in the levy.

Key Factors in Revenue Forecast

Key factors which impact both the cost of providing services and the City's revenue resources are changes in Chaska's population and households. As the number of households in the community increases, there are increased demands for street maintenance, snow plowing, park usage, recreation, police calls, utility bills, etc. Population and household levels also impact expected revenues from utilities, building permits and property tax levies.

A significant trend that occurred in the early part of this decade was the increased rate of residential development in the City. In the 1990s, Chaska's residential development remained relatively stable, with an average of 200 new living units per year.

During that time period Chaska's population increased from 11,339 to 17,450. From 2001 to 2005, in excess of 2400 new living units were approved within new residential subdivisions. In addition, the type of developer shifted from local developers to large national firms. As a result of both increased demand and supply of residential dwellings, a significant increase in new residential dwelling construction activity occurred in the 2003-2005 time period. This large amount of growth resulted in a 35% increase in our population from 2000-2010, with our official population being 23,770. This compared to the 8% average increase in population that was experienced across the rest of the Twin Cities Metropolitan Area, making Chaska and the Southwest Metro Area one of the fastest growing areas in the entire Twin Cities. This growth resulted in an increase demand for service over the last decade.

Since 2008 however, residential development in the metro area decreased significantly as a result of both over-building and a general downturn in the economy. At the same time, the supply of new available lots within the Chaska area decreased, resulting in a significant downturn in building activity. This resulted in a period of very stagnant residential growth from 2008-early 2012.

However, as mentioned previously, this trend has started to change for the positive, with a number of new residential developments approved in 2012 and 2013. In 2013, this included the approvals for several new additions of the Chevalle and Nickel Creek developments, the addition of two multi-family projects in downtown Chaska, with the 51 unit Landing, and 41 unit Creeks Run developments, as well as the first residential developments in the Southwest Chaska Development Area, Traditions and Founders Ridge, which together will add over an additional 200 lots to our community's inventory. We also saw the addition of several C/I developments in 2013 with the addition to the

212 Medical Center, two new data centers in West Creek Corporate Center and in the old Entegris headquarters building, the new Lakeview Medical Building, the addition to Jonathan Montessori and the addition of Park Dental in the Hazeltine Commons area. We expect to see this level of development activity continue into the 2014 budget year, including the expected addition of 200 new residential properties in the community. Below is a chart illustrating past population growth and the growth Staff anticipates over the 5-year period.

Year	# of Housholds	# of New	Est. Pop.
2000	6,979	445	17,449
2001	7,394	415	17,746
2002	7,909	515	18,982
2003	8,378	469	20,107
2004	8,854	476	21,250
2005	9,122	268	21,893
2006	9,323	201	22,375
2007	9,553	230	22,927
2008	9,743	190	23,383
2009	9,767	24	23,441
2010	9,832	65	23,652
2011	9,907	75	23,777
2012	10,039	132	24,094
2013	10,214	175	24,514
2014	10,414	200	24,994
2015	10,614	200	25,474
2016	10,814	200	25,954
2017	11,014	200	26,434
2018	11,214	200	26,914

An analysis of General Fund revenues by major fund source:

Total revenues anticipated to finance the 2014 General Fund operating budget are \$11,679,057, which is an increase of 9.8% from the 2013 budget of \$10,639,744. The majority of the increase in revenues is coming from our growing Electric Franchise Fee, as well as additional building permit activity, both of which are driven by our economic development activities. Another area that we are showing growth in the 2014 budget is in Administrative Fees from our other Enterprise Funds. These numbers are being increased to more accurately reflect some of the Administrative Services the General Fund is providing for our Enterprise Fund (i.e. Payroll, Finance, IT, General Administration, ect...), to ensure that we are not having our General Fund subsidize any of these services for our own Enterprise Funds and have to shoulder too much of the burden. The other three areas of increase we plan to see in 2014 would include an increase in our tax levy revenues of 3.5%, based on our new policy, and increase of over \$450,000 in Local Government Aid due to a reinstatement of this program by the State Legislature, and the addition of a Gas Franchise Fee to help support our new

Capital Improvement Program, which will be discussed in more detail later in this document.

General Fund Revenues						
	2011	2012	2013	2014		
	Actual	Actual	Budget	Budget	Increase	%Increase
<i>Property Tax</i>	\$3,930,028	\$4,023,779	\$4,175,754	\$3,540,203	(\$635,551)	-15.2%
<i>Elec/GasFranchise Fees</i>	2,702,870	2,988,410	3,135,000	3,705,000	\$570,000	18.2%
<i>Other Franchise Fees</i>	231,531	237,411	228,380	250,000	\$21,620	9.5%
<i>License and Permits</i>	1,275,511	989,763	882,202	1,062,743	\$180,541	20.5%
<i>Other Revenues</i>	1,378,599	716,924	1,123,587	1,582,131	\$458,544	40.8%
<i>Admin Charges to Funds</i>	899,354	1,026,392	1,094,821	1,538,980	\$444,159	40.6%
Total Revenue	\$10,417,893	\$9,982,679	\$10,639,744	\$11,679,057	\$1,039,313	9.8%

Capital Improvement Program

A main focus of our 2014 budget document is the implementation of our new Capital Improvement Program. A main objective of this program we focused on for 2014 is to make sure that we have the proper resources in place to fund the necessary replacement and maintenance of the assets we have already invested into, and to make sure that we are ready, from an infrastructure perspective, for the new growth that will come into the community over the next several years.

As we build and bring on new assets into our community, a critical function we have as a local government unit is the proper maintenance and replacement of these assets to always keep them in good working order. This is a responsibility the City takes on if it is to truly be good stewards of our resources and make sure our assets are as good for future generations as they are for us now.

As the City looked at this objective over the past 12 months, it was determined that we are approximately \$1 million short annually in properly funding both replacement and maintenance of our existing assets, but also preparing properly for future development. This is one large reason we have been able to keep our taxes so low is by not adequately funding these items.

Recognizing this as a significant issue, the Council decided to take on the task of funding the unmet needs of our Capital Improvement Program over a 4 year period, adding \$250,000 in revenue each year. This will help assure that we have the funds to do proper maintenance to our roads such as sealcoats and overlays, that we properly maintain and replace things like playgrounds in our parks, and that we reinvest properly back into our many City buildings. These are all items that have not been adequately addressed in the past, and will cause long-term issues if not addressed in the near term.

Over the course of these 4 years, the \$1 million increase will come both from the addition of \$400,000 in a gas franchise fee, which will impact the average residential property by \$2.50 per month, with the rest representing an increase in our tax levy to support this CIP program. The use of the gas franchise fee, while it is a form of tax, will ensure that not just taxable properties in the community contribute to our overall

asset maintenance and replacement, but that non-taxable properties also fund an equitable share of this need, as they are also users of the assets in our community. It should be noted that while this will increase revenues by \$1 million over a 4 year period, Chaska will still remain one of the lowest taxed City's in the entire Metro Area.

Property Taxes:

For 2014 the General Fund, Mt Pleasant and Equipment Acquisition Fund budgets requires a total levy of \$5,051,410, which represents an increase of 3.5% from the 2013 tax levy. As noted previously, this will be the first time there has been any increase in our tax levy since 2009, as the tax levy has stayed at \$4,880,354 for 4 years.

It should be noted, that when the total levy is certified, it will show an additional amount of \$94,456. This additional amount represents the second year of tax abatement that was provided to the West Creek Corporate Center Development for development of infrastructure. While we are required to officially levy this assistance, the City is essence is a "pass-through" for these funds, with the same amount coming in from the project that goes out for the tax abatement assistance. It does not have a negative effect on other tax payers in the community.

The total levy will include:

- Continuation of dollars added in 2010 to re-institute the Street Reconstruction Program
- \$6,000 for the Mt. Pleasant Cemetery levy
- \$3,540,203 which is the general tax levy that supports the operations of the General Fund. It should be noted that the total tax levy (minus the tax abatement levy) is \$5,051,410. The difference between what goes in the General Fund Operations and the total tax levy represents the amount going to our Equipment Acquisition Fund, which supports not only cash purchases of scheduled equipment, but also debt service for our past Equipment Certificates and our Street Reconstruction Program
- \$50,000 of the tax levy amount above is included to go towards the new CIP program(\$200,000 of this year's \$250,000 increase to support the CIP will come from the addition of the Gas Franchise Fee)

The following table summarizes Chaska's actual tax levies for 2011, 2012, and 2013 along with the proposed 2014 levy, by each of these funds.

	2011	2012	2013	2014	Increase	%
General	\$ 3,930,028	\$ 4,077,064	\$ 4,175,754	\$ 3,540,203	\$ (635,551)	-15.2%
Equipment Acq	\$ 684,326	\$ 537,290	\$ 438,600	\$ 1,245,207	\$ 806,607	183.9%
Mt Pleasant	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	0.0%
Special Levy (Street Program)	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ -	0.0%
Total Operating and Special Levy	\$ 4,880,354	\$ 4,880,354	\$ 4,880,354	\$ 5,051,510	\$ 171,156	3.5%

Impact of Tax Levy on Property Owners

To understand the impact of the tax levy on individual taxpayers, four factors must be analyzed:

- Market Value Changes
- Any changes in the Tax Capacity Formulas Established by the State
- The City's Tax Levy

Overall, Chaska's market values, excluding tax-exempt property, increased by \$105,450,500 to \$2,118,268,100, an overall increase of 5.24%. The largest increase that we saw in 2013 was in residential properties, with a 5.28% overall increase. 2.01% of that was coming from new construction. The other major area of increase we saw was in apartment buildings, with a 4.45% increase in market values. None of this change came through the addition of new units. Below is a summary of the Market Values for taxes payable 2014 (assessed 2013) as established by the County Assessors office:

Chaska 2013 Assessment					
	Residential	Commercial/Industrial	Apartment	Other	Total
2013 EMV	\$1,560,044,700	\$375,451,500	\$101,653,100	\$81,118,800	\$2,118,268,100
2012 EMV	\$1,446,353,700	\$380,352,300	\$97,132,800	\$88,978,800	\$2,012,817,600
Total Value Change	\$113,691,000	(\$4,900,800)	\$4,520,300	(\$7,860,000)	\$105,450,500
New Construction	\$31,291,800	\$1,478,100	\$0	\$0	\$32,769,900
Market Change	\$82,399,200	(\$6,378,900)	\$4,520,300	(\$7,860,000)	\$72,680,600
% New Construction	2.01%	0.39%	0.00%	0.00%	1.55%
% Market Change	5.28%	-1.70%	4.45%	-9.69%	3.43%
2013 Total % Increase	7.86%	-1.29%	4.65%	-8.83%	5.24%

Using the 2013 market values and the classification formulas established by the State, the County Auditor has calculated Chaska's 2013 (for taxes payable 2014) gross tax capacity to be 23,775,598, an increase of 7.45%. To calculate the net tax capacity used for determining Chaska's tax rate, a reduction must be made for captured tax increment and fiscal disparity contributions. Our current captured TIF value is \$4,480,947 with Chaska's fiscal disparities contribution for 2014 being \$2,756,798 resulting in a net tax capacity of \$16,537,853, an increase of 7.45%.

	2013	2014	Increase	%
Gross Tax Capacity	\$22,743,379	\$23,775,598	\$1,032,219	4.54%
TIF	-\$4,567,003	-\$4,480,947	\$86,056	-1.88%
Fiscal Disparities	-\$2,765,382	-\$2,756,798	\$8,584	-0.31%
Other	-\$20,000	\$0	\$20,000	-100.00%
Net Tax Capacity	\$15,390,994	\$16,537,853	\$1,146,859	7.45%

Based on these estimates, Chaska's 2014 tax rate is forecast to be 26.53% (including the HRA/EDA levy and the special levy for the West Creek Tax Abatement). This is actually a decrease of 5.5% from 2013, when our tax rate was 28.08%. While our tax levy will increase by 3.5% in 2014, because the tax rate drops by this amount, most residential properties in the community will actually see taxes stay the same or go down. This is a reflection of our new tax levy policy which really only looks at capturing new growth and inflation in the community instead of all market value increases like our previous tax levy policy.

As you will see in the Market Value Chart above, the existing residential property in the City went up by 5.28% in value for taxes payable 2014. With our tax rate going down by 5.5%, which is more than what the average home went up, this means that the average resident will see a decrease in City Taxes for 2014. In Chaska, this means that the average home valued at \$227,800 in 2013 would increase to \$239,828 in 2014 because of the average increase in existing property values of 5.28% in 2014. With the lowering of our tax rate by 5.5%, this example house in 2013 would have paid \$640 in City property taxes and in 2014 would pay \$636, or a reduction of \$4 from last year. The actual impact City taxes paid on a home compared to 2013 comes down to exactly what occurs with an individual properties change in market value. However, for the average home, they will see the Chaska City portion of their tax bill stay the same or go down for 2014.

While Chaska tax levy will go up by 3.5% in 2014, Chaska will continue to maintain one of the lowest City tax levies per capita of any City in the metropolitan area, ranking third lowest in the entire Metro Area. It also remains the lowest of any City in Carver County as well.

A major concern of property taxpayers is the level of property taxes necessary to fund City services. In considering property taxes in Chaska, three points should be highlighted. First, property taxes account for less than 45% of Chaska's general fund and Equipment Acquisition operating revenues. Secondly, Chaska has always ranked extremely low amongst other metropolitan cities when it comes to total City property tax levels. In the latest Minnesota Citizen's League Survey looking at 2013 City tax data, out of 91 local units of government looked at in the metropolitan area, Chaska

ranked 89th lowest in City taxes per capita. Even if we included our Electric Franchise Fee and new Gas Franchise Fee revenue in this statistic, and considered it part of the overall City tax levy, Chaska would still rank 68th lowest in the entire Metro Area in City tax levies per capita. At the same time, Chaska has kept its General Fund expenditure down, with Chaska spending \$569 per capita, compared to the \$578 per capita for other cities our size across the State. In this sense, Chaska has continued to perform very well when comparing our City property tax level compared to all of communities in the metropolitan area. It has allowed the City to keep a competitive edge when it relates to other municipalities in the metropolitan area and Carver County.

Ranking	City	City Taxes	Population	Levy Per Capita
1	Wayzata	3,696,790	3,720	\$993.76
2	Oak Park Heights	4,228,062	4,593	\$920.54
3	Golden Valley	16,410,340	20,427	\$803.37
4	Lilydale	498,006	631	\$789.23
5	Mendota	151,860	204	\$744.41
6	Tonka Bay	1,048,605	1,477	\$709.96
7	Minneapolis	267,868,718	387,873	\$690.61
8	Newport	2,311,000	3,449	\$670.05
9	Shorewood	4,763,439	7,312	\$651.46
10	Dayton	3,018,413	4,743	\$636.39

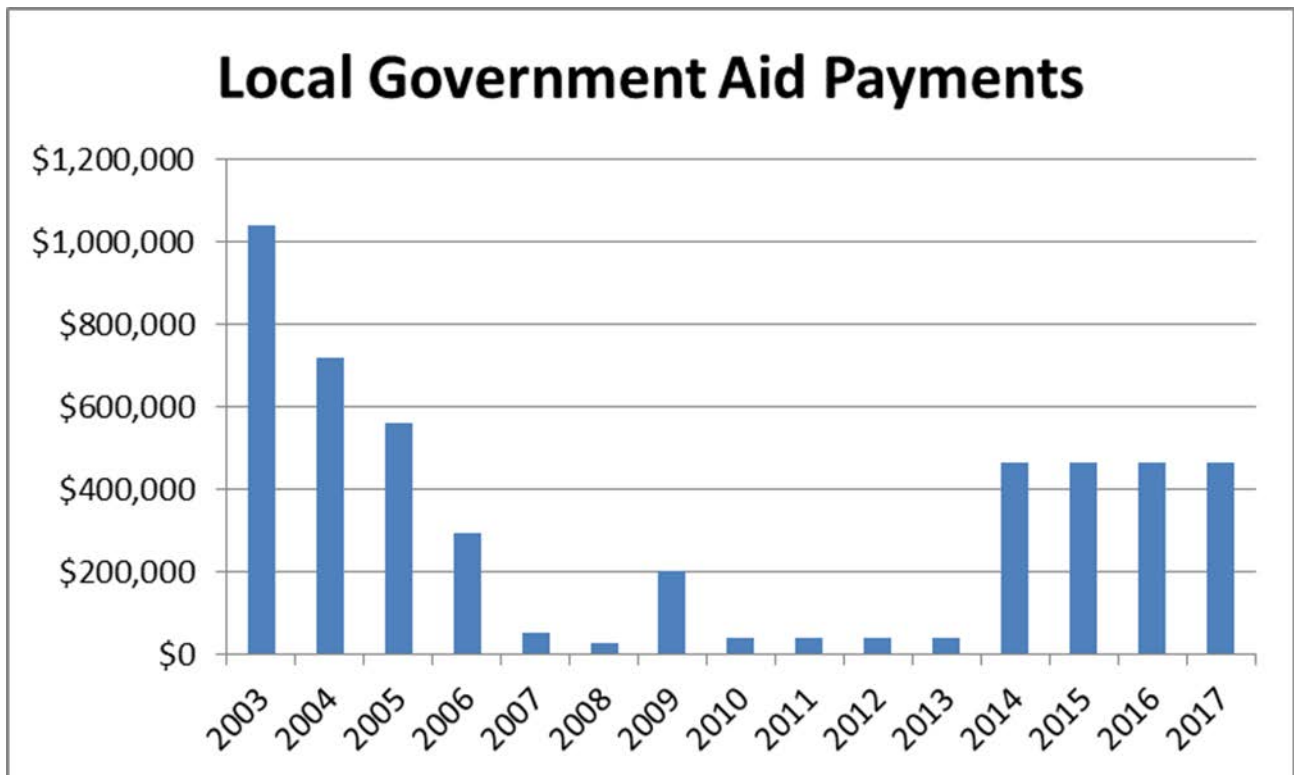
49	Chanhasen	9,802,043	23,247	\$421.65
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82	Champlin	7,239,634	23,223	\$311.74
83	Vadnais Heights	3,534,365	12,393	\$285.19
84	Ham Lake	4,227,520	15,374	\$274.98
85	Little Canada	2,660,454	9,839	\$270.40
86	North Oaks	1,213,459	4,539	\$267.34
87	North St Paul	2,902,453	11,485	\$252.72
88	Lauderdale	598,152	2,398	\$249.44
89	Chaska	5,051,410	24,002	\$210.46
90	White Bear Lake	4,665,427	23,820	\$195.86
91	Falcon Heights	1,017,945	5,385	\$189.03

Intergovernmental Revenues:

One of the major changes we will see in 2014, which we have not seen for several years, is the reintroduction of Local Government Aid. In 2003, the City of Chaska receive approximately \$1 million on LGA from the State on an annual basis. By last year, that number was very close to \$0. While this was a very significant hit to the City's revenues, representing approximately 10% of our overall revenues, we were able to spend the past several years developing a non-dependence on this State Aid,

although much of this was through deferment of expenses into the future. In 2014, the City is now scheduled to receive just over \$462,000 in LGA. In addition, purchases in our General Government services will no longer be charged a State Sales tax, which will eliminate an expense of approximately \$100,000 in our General Fund. While this budget does utilize some of these reinstated dollars coming back into our budget, we have been careful not to utilize all of them, as we have had a history of unallotment of these dollars in the past in the middle of a budget year. We have built these dollars into the budget, but tried to do this in a way that we are not completely reliant on these dollars as we move through the year, should any portion of them get unallotted. Below is a chart of our experience for local government aid, and what we expect to see in LGA over the next 5 year period.

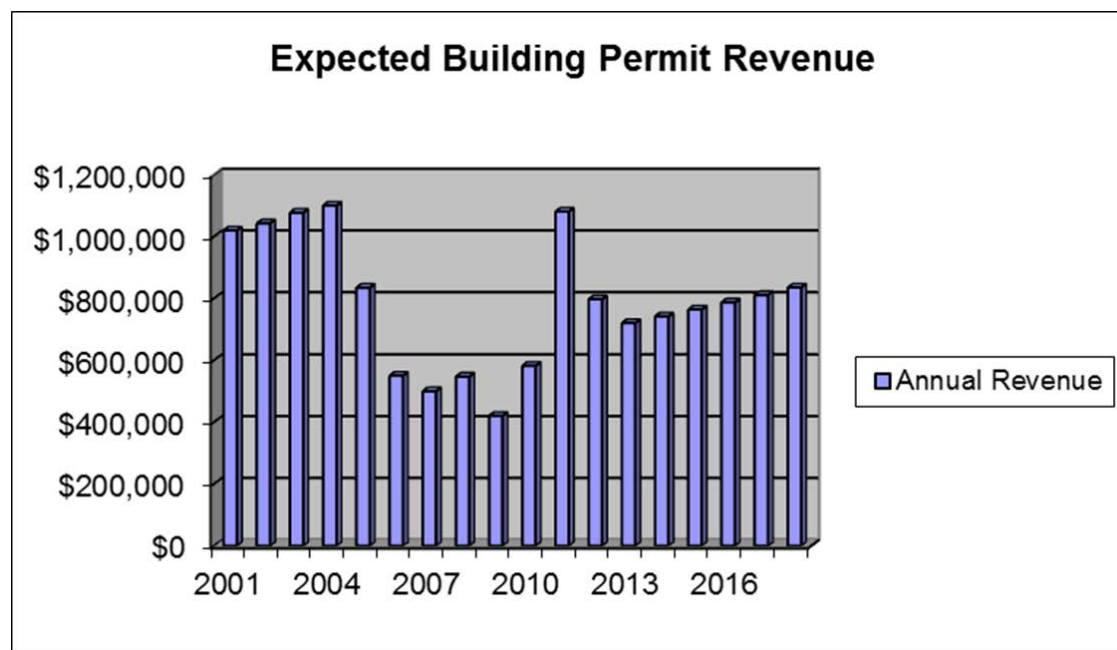


Licenses and Permits

From 2008-2011, Chaska and the rest of the metropolitan area experienced a dramatic slowdown in not only residential development, but development in all sectors of the market. As a result of the downturn, building permit revenues dropped significantly. Up through 2005, this revenue source was over \$1 million per year, and in 2010 brought in approximately \$500,000. In mid-2011, we did start to see this change as some larger Commercial/Industrial development activity did start to occur, and we ended 2011 with over \$1 million in permit revenue. While we have continued to see good activity during 2012 and have seen positive movement in 2013 with our revenue currently at about \$850,000, the consistency and predictability of this revenue stream still has some volatility to it, although we do expect to see significantly more activity than we did from 2008-2010.

This positive turn in the market is anticipated to continue into 2014, with Staff anticipating that we will see approximately \$860,000 in permits, based on the growth we can anticipate at this point. This growth will likely come through the addition of new residential sub-divisions in our SW Chaska Growth area, and through additional Economic Development activity, like we expect to see in Opus' Chaska Creek Corporate Center at the southwest corner of the 212 and County Road 10 interchange.

Under our current building projections, our staffing levels will be sufficient to cover the anticipated workload, and be able to turn around building permits in a timely fashion, given the reintroduction of the Community Development Technician in 2013.

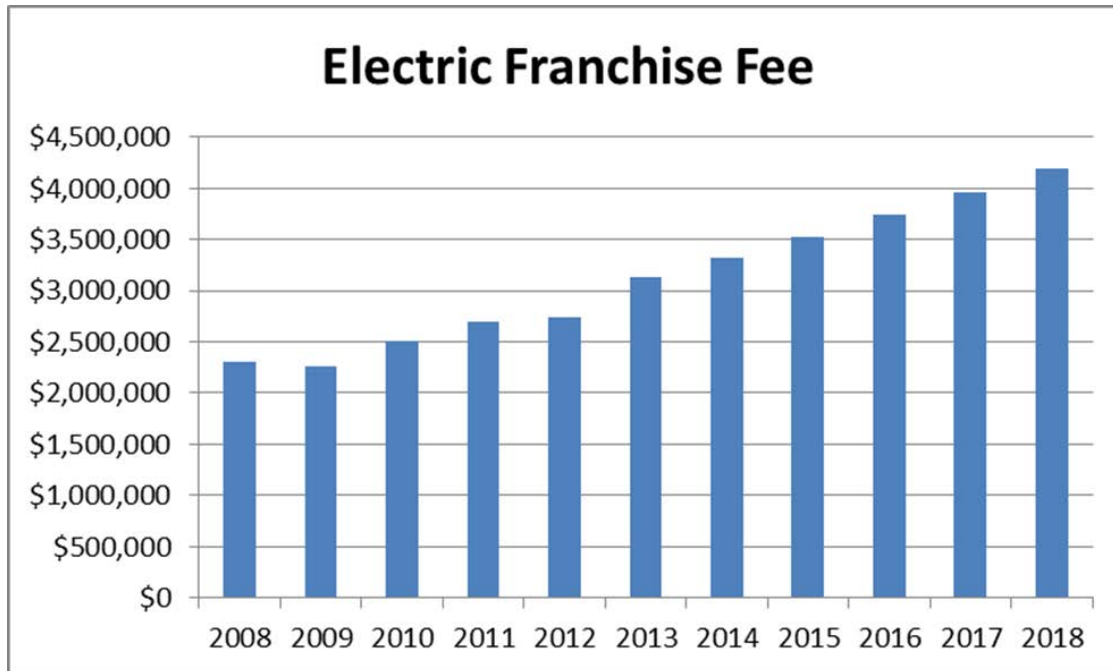


Electric Fund Transfers

The City has a formal policy of charging electric distribution suppliers, including itself, a per kilowatt-hour franchise fee, which is roughly equivalent to 10% of the total electric rate of the electric utility. For 2014 the franchise fee is anticipated to generate revenues to the general fund of \$3,410,000. This is approximately \$275,000 more than in 2013, which represents the increase in usage by our existing customers, but also reflects the positive impacts we are seeing through the addition of large economic development projects such as increasing usage of our Data Centers, additional commercial uses in town. In addition to this, we have also programmed in \$45,000 to come from Minnesota Valley Electric Cooperative for their franchise fee in 2014, with development expected to start in their territory at the Southwest corner of the intersection of 212 and Engler Boulevard. There is a significant amount of development that will occur in the future in MVEC's territory, with most of the job growth in the Southwest Chaska Master Plan falling within their territory. Because of this, we expect this number to increase significantly as we move into the future and we see this

development occur. This Franchise Fee revenue represents over 30% of the General Fund's total revenues.

Besides the Franchise Fee, the Electric Fund also contributes to the General Fund for administrative expenses, and the equipment acquisition fund of \$150,000 to help reduce the overall tax burden to our residents. These dollars became possible to utilize for funding the General Fund following the addition of Power Plant #2 Gas Turbine, which became operational in 2001.



Charges for Services:

Charges for services are those revenues, which support City services that are derived from charges to individual users for services, other governmental agencies, or inter-fund charges for administrative services. These would include payroll, finance, administration and Human Resources. For 2014, charges for services are programmed to be \$1,538,980, as compared to \$1,094,821 in 2013. This increase in charges for services is occurring to help us keep up with the actual cost of service the General Fund is providing to our other Enterprise Funds, and also represents a contribution to the general fund for our new Software as a Service function that we now have with our new financial system, which is housed within our General Fund. As mentioned previously, we want to make sure that the Enterprise Funds are contributing an equitable share to the shared services the General Fund provides to ensure that the General Fund is not bearing an undue burden for these services and subsidizing our Enterprise funds for Administrative Services. The following is a breakdown of the charges to the various departments.

- Economic Development: \$170,230
- Utilities: \$1,106,882
- Community Center: \$96,514

- Golf: \$104,721
- Municipal Services (MSB): \$60,000

Interest Earnings:

In 2014 we are anticipating that interest rates will continue to stay at very low levels and that average interest rate earnings will be similar to that in 2013. This will result in interest rate revenues forecast at \$14,000 for the General Fund in 2014.

General Fund Expenditures:

General fund operating expenditures are forecast to be \$11,679,057, which is an increase of 9.8% over the 2013 Operating Budget. In preparing the 2014 budget the following general assumptions were used for the operating budget:

- *Utilize new set of budgeting objectives developed*
- *Increase in the tax levy from 2013 to 2014 of 3.5%, utilizing new tax levy policy*
- *Begin first year of implementation of Priorities 1 and 2 of Capital Improvement Program, which will add \$250,000 of additional revenue in 2014, and start implanting \$250,000 of expenditures in the CIP Program*
- *Implement a Gas Franchise Fee in 2014 of 5% of total sales. This would not be implemented until half way through 2014, bringing in \$200,000 in additional revenue that will dedicated to funding the CIP.*
- *Remove Sales tax expenditures for purchases of equipment and supplies starting in 2014, which will have the impact of reducing General Fund expenditures by approximately \$100,000 annually*
- *Reimplementation, but non-reliance, on Local Government Aid*
- *Operational costs up 1% in 2014*
- *Personnel salaries up 2%, with employer benefit contribution increases of 6.5%*
- *Addition of Accountant position in Finance Department (only fund 25% of position in 2014, as it will be hired in Fall)*
- *Move Customer Service Representative positions out of the General Fund, with them being fully funded out of the Utility Funds, as this is where they dedicate the majority of their time*
- *Move 50% of existing IS Technician position out of Chaska.net fund and into General Fund to more accurately represent where position is dedicating time*
- *Addition of two additional IS Technician positions in General Fund at \$80,500 per position. One position would be funded by Enterprise Funds, where work would be dedicated and is needed with added technology in these funds. The second position would allow the City to eliminate approximately \$120,000 from work that currently is contracted out in IS to complete, thus saving the City nearly \$40,000 by funding internally (both of these positions would be funded at 50% level in 2014 as they would not be hired until mid-year)*
- *Fund street sealcoat/overlay program at \$300,000 (this is the first year of funding it at the full recommended level in our Streets program-this is due to implementation of CIP Program)*

- 2014 scheduled equipment replacement already financed through Equipment Certificate Bonds sold in 2013
- Assume no draw-down on General Fund reserves

The following is a summary for 2014 expenditures by department.

Department	2011 Actual	2012 Actual	2013 Budget	2014 Budget	Increase	%Increase
Council	\$94,401	\$126,227	\$97,065	\$97,655	\$590	0.61%
Administration	\$287,241	\$365,731	\$444,916	\$456,816	\$11,900	2.67%
Administrative Services	\$885,846	\$939,736	\$979,014	\$1,133,153	\$154,139	15.74%
Data Processing	\$272,641	\$336,237	\$403,396	\$625,225	\$221,829	54.99%
Legal	\$170,665	\$120,993	\$124,356	\$125,599	\$1,243	1.00%
Community Development	\$862,774	\$955,464	\$791,167	\$836,346	\$45,179	5.71%
Engineering	\$264,494	\$219,611	\$236,532	\$243,259	\$6,727	2.84%
Elections	\$481	\$28,852	\$5,000	\$28,742	\$23,742	474.84%
Police	\$3,127,960	\$3,209,207	\$3,122,147	\$3,320,885	\$198,738	6.37%
Fire	\$728,373	\$858,850	\$974,029	\$1,106,362	\$132,333	13.59%
Government Buildings	\$240,669	\$207,587	\$212,726	\$216,504	\$3,778	1.78%
Public Works	\$2,387,009	\$2,440,195	\$2,528,335	\$2,691,377	\$163,042	6.45%
Recreation	\$454,399	\$455,362	\$517,863	\$540,847	\$22,984	4.44%
Communication	\$124,089	\$126,802	\$154,198	\$156,287	\$2,089	1.35%
Unallocated	\$4,677	\$327	\$49,000	\$100,000	\$51,000	104.08%
Total	\$ 9,905,719	\$ 10,391,181	\$ 10,639,744	\$ 11,679,057	\$ 1,039,313	9.77%

As can be seen in the chart above, the overall increase in expenditures for 2014 is budgeted to be 9.8%, or \$1,039,313 above the budget for 2013. The major changes you can see are mainly related both to the implementation of the first year of our new CIP program, which is planned to fund \$1 million in replacement/maintenance expenses on existing assets over the next 4 years. The other major changes are in staffing in our Administrative Services Department, both with the addition of an Accountant position, but also with the addition of two new IS Technician positions (this is reflected in our Administrative Services and Data Processing line items). Unlike other departments within the General Fund, the Administrative Services Department not only provides its services to those departments within the General Fund, but also provides its services to all of our Enterprise Funds, which together make up 75% of the total activity in our organization. Providing account, payroll, administration and IS services, the Administrative Services Department is set up centrally in the General Fund to centralize these services, increasing efficiencies in our operation, with the Enterprise Funds contributing financially to the General Fund to support this system. This keeps the costs down for both our Enterprise Funds and the General Fund. The Account position has been needed for the last 4 years, with the addition of new GASB 34 financial accounting standards, which significantly increases the amount of work within our Finance Division, but was not filled during those years due to needing to deal with other budgetary issues. This is a position that was able to be deferred for a short time to deal with budgetary issues, but is not feasible to leave unfilled for a long period of time. This position is also supported by additional Administrative Fees coming from our Enterprise Funds.

The two new IS positions are needed to support the additional technology we have added within the City over the past several years, and are supported both through contributions from the Enterprise Funds for one position, as it is primarily needed to

support these fund's operations, and through the reduction in outsourcing we have done in the past for needed IS services. With the addition of the second new position at just over \$80,000, we feel that we can fund this and save an additional \$30,000-\$40,000 annually in reduction of these contractual services, thus helping us save money by bringing this in-house in the long-term.

A few other notes from expenditures include larger increases Fire, Public Works and Unallocated. The Fire increases have to do with the changes we have seen in our Fire Department over the last 9 months with a new full-time Fire Chief. As the Fire Chief's first department budget was put together, there were changes that needed to be included in this year's budget to more accurately reflect where service costs have been. With the continuity of a Full time Chief in place, we would expect to see more consistency from year to year on both budgeting and actual expenditures in the department. From the Public Works department, the major change that we show is the increased funding for the CIP Program, which is first being targeted to help fund our Street Maintenance Program at a level of full funding. In 2014, this will include work to overlay both Kassel Drive and Insbruck drive just off of Bavaria Road and north of 212. Finally, the increase in unallocated is trying to utilize some of the new Local Government Aid that the City will see in 2014, without utilizing all of it, as it has not been uncommon in the past to see portions of this unallocated. This helps us meet our budgeting objective to utilize LGA that comes to us, but to not become reliant on it.

Finally, Staff did included an increased amount of dollars in the Police Department for uncompensated absences (Comp. Time that is banked and cashed at a future date) to help make sure that we are funding this at proper levels. In the past, because this number is hard to predict from year to year, we funded this out of Fund Balance. In this budget, we budgeted a number that represents an average of what cash out we have seen on an annual basis to help our year end actual and budget numbers be more closely matched in all areas of the Police Department.

The level of expenditures would allow us to meet our budget and service objectives set for the 2014 budget process.

Specific Department 2013 Activities

Administrative Services

As mentioned previously, the Staffing changes that we are budgeting for in 2014 would come all within our Administrative Services Department, both with the funding of an additional Account position in our Finance Division for just over \$80,000 annually, and with the movement of 50% of an existing IS Technician position out of the Chaska.net fund, and bringing it into the General Fund, and the addition of two new IS Technician Positions. The new IS Technician positions would be funded at a 50% level in 2014 as they would be hired in the Summer of 2014, and the Accountant position would be funded at a 25% level, as it would not be filled until the Fall of 2014. All positions would be funded from either a decrease in the cost of contracting out for services,

being cheaper to bring the service in-house, or through increases in contributions from our Utility Funds, who have created the majority of the work necessitating these additions in Staff. Besides these new positions, this budget also reassigns 4 part-time Customer Service Representative positions we currently have, and funds them out of the Utility Funds (split between all of our Utilities), as this is where the majority of their work time currently goes. This is simply a move to get positions reflected in the functional area in which they dedicate the majority of the time in their position.

Community Development

As indicated previously, we do anticipate continuing to see an increase in the amount of building activity in the community in 2014, as we saw in both late 2011 and through 2013. In 2010, we saw building permit revenue at only \$500,000 annually, which was down from our past peak of over \$1 million that we had seen each of the years through the mid-part of last decade. In 2014, we anticipate seeing over \$860,000 of building permit activity, which will include both residential and Commercial/Industrial building. Some projects will include projects in our new Southwest Chaska area, including the Traditions and Founder's Ridge residential developments, and Opus' Chaska Creek Corporate Center development at the southwest corner of the intersection of 212 and Engler Boulevard.

The moves we made in 2013's budget to reintroduce our Community Development Technician position, and one of the two Building Inspector positions we eliminated during the economic downturn, have brought us up to a sustainable staffing level for this workload. Therefore, we are recommending no staffing changes in this department for 2014.

Although over the past several years the City has experienced a significant increase in infrastructure improvements, as well as stormwater maintenance requirements imposed by the State, the current engineering staffing level of full time engineer and an Assistant Engineer are recommended to remain constant. In 2013, we increased funding in this division to fund the hiring of an Assistant Engineer instead of an Engineering Technician position. This was done both to address work load, but to also start succession planning for when our current City Engineer retires. This has been a good change that has met all of our expectations. As in the past, any additional workload in this department will be picked up by the City's consulting engineering firm, with costs funded directly by projects.

Police

Some years ago, the City Council established a staffing guideline in the Police Department of one officer per one thousand residents. Although this level is slightly less than the average of 1.2 officers per 1000, for similar sized communities, in the Twin Cities, it was felt to be appropriate for Chaska's needs. Currently, the Department has 24 licensed officers, which is close to our target given our projected population numbers for 2014 estimated to be 24,994 residents. This staffing includes our sworn officers who fill administrative roles. Often cities do not count these officers towards

their overall numbers as they do not provide patrol services. We have not planned for the addition of any new staff in this department for 2014.

Through the five-year program, we do anticipate that growth in new residents is going to be moderate. Given that, we do anticipate adding an additional police officer position during the 5-year period in 2015, based on our staffing level policy. The timing of this start would be contingent upon what actually occurs with our population numbers, which we will be watching over the next year. We will also be looking more closely at our staffing levels compared to other similar departments to make sure that our staffing levels are appropriate for a community of our size.

Fire Department

Currently, the Fire Department has an authorized staffing level of 44 paid-on-call staff, although because of retirements on the department, the actual staffing level is currently at 38 firefighters, with a full-time Fire Chief and Fire Marshal. The staffing level cap of 44 is scheduled to remain unchanged for 2014, although we do not anticipate that we will have it staffed at that level.

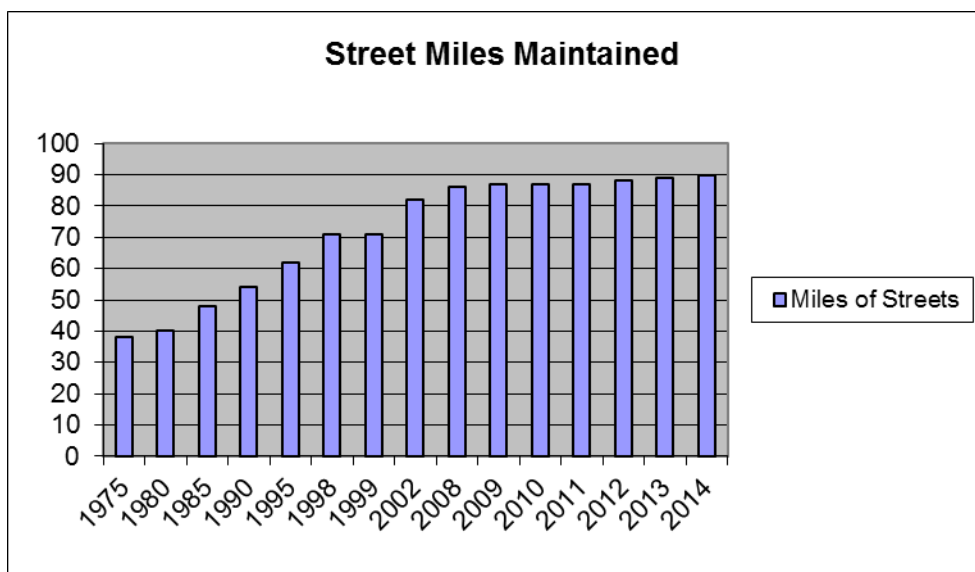
To preserve our volunteer base of firefighters for the long-term, the City added a Fire Chief position in 2013 both to provide continuity in leadership to our fire personnel, but to also be able to take on the growing administrative load of running a department such as this. It was the plan that making this move now would be a cost savings to the Fire Department over time, so as to avoid large staffing expenses in the future if we were unable to attract volunteers for these critical positions. This position was hired in February of 2013 and has been a very good addition to our Fire Department model.

In 1997 the City completed construction of the new fire station, which was financed through the sale of EDA revenue debt. The City now has an annual debt service payment for the new facility in the amount of \$300,000 per year. The approved financing plan anticipates that the annual debt service would continue to be funded from a transfer from the Electric Fund and consequently, the \$300,000 Electric Fund transfer is maintained for 2014. This debt transfer from the Electric Fund is programmed to continue through 2015.

Public Works

Chaska's Public Works activities are anticipated to increase as the community grows. Two factors that continue to place pressure on the Public Works service levels are growth in the City's street mileage and expansion of maintenance activities for parks and other City open spaces and trails. One additional factor that has become much more of a factor over the past several years is storm water maintenance. With new Federal and State requirements on storm water, the City moved in 2009 to create a separate Storm Water Utility Fund, staffed by Public Works personnel, to complete maintenance on our extensive system in the community. All Staff time from Public Works put towards Storm Water activities is charged out to the Storm Water Fund to relieve the General Fund of this liability.

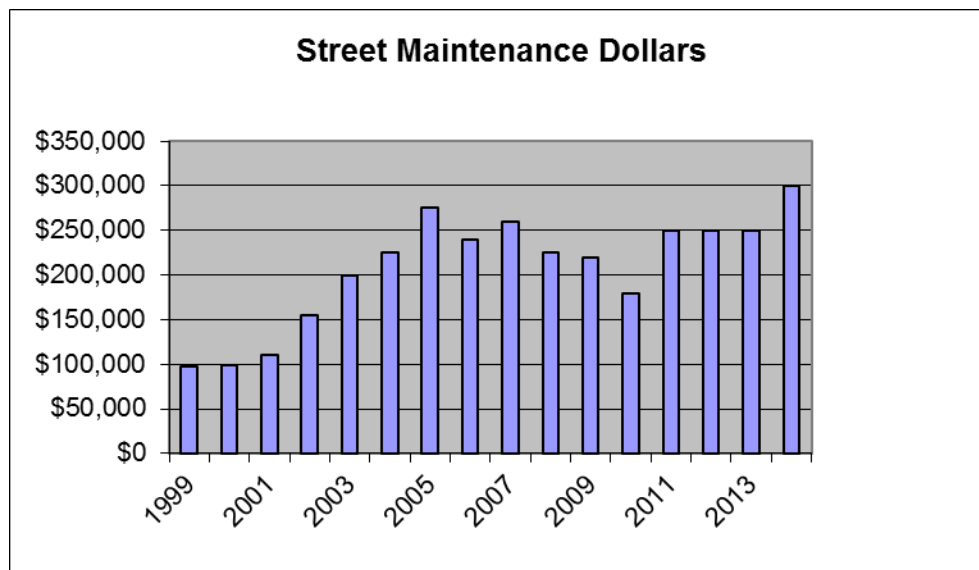
Over the past five years we have been able to maintain a high level of street maintenance and snow plowing activities by better utilization of staff (using utility and golf personnel for snow removal) and upgrades in the versatility and efficiency of our equipment. To meet the growing need, we did add a fulltime position in 2002, and added a second new maintenance worker in 2004. We have not seen the large growth in either the miles of streets maintained or parks over the past 5 years, but do expect that to change over the next 5 years as we start to see Southwest Chaska begin to develop. In the short-term, the additional workload we will see from the Southwest Chaska Area developing is being able to maintain the additional roads in the winter months in a timely manner. To address this, and to address changes that have come with the introduction of the Affordable Care Act, which will require us to purchase benefits for any employees over 29 hours per week, we are proposing to move our last 9 month employee in the Chaska Town Course to a 12 month position, which would allow one additional employee to be added to the rotation for plowing in the winter, as the other employees in the Chaska Town Course Maintenance currently do. This will meet our short-term needs in the Public Works Department at no additional cost to the General Fund, while also adding very little incremental costs additions to the Town Course, as we would have had the expense of both unemployment and health insurance in the 3 months this position had over the winter. The next new position dedicated to this department will not likely be considered until the addition of significant development in the Southwest Chaska Area, as the Town Course employees will meet our short-term needs.



In 2001, Staff reviewed with the City Council, a pavement management program. The purpose of this program is to preserve and reconstruct Chaska's residential streets over the upcoming 15-year period. The program consists of three general elements: seal coating, overlaying, and total reconstruction. Our target for the amount of dollars that we have put towards the maintenance activities (seal coating and overlays) has been \$300,000, but as you can see from the chart below, we have never been able to meet that objective. For 2009, we spent approximately \$220,000 on overlay/seal coat

activities, and in 2010 we spent \$180,000 that went towards the overlay of Hundertmark Road, the Sandy Acres neighborhood, and Valley View Road. In 2013, we programmed \$250,000 to continue with being able to complete more of the seal coating in our program that we were unable to afford for several years. 2013 brought the sealcoat of a majority of the streets in the Clover Ridge neighborhood, along with the overlay of Geske and Village Roads.

In 2014, with the implementation of the first year of our Capital Improvement Program, the first priority area we are targeting for this program is to fully-fund our Street maintenance operations. Therefore, in 2014, we do have the full \$300,000 of Street Maintenance operation dollars budgeted, with these dollars being targeted towards the overlay of the Kassel and Inbruck Drive neighborhoods. Fully funding this Street Maintenance operation is a significant improvement in our maintenance operations and a real benefit to implementing our CIP.



The second element of our street maintenance program is the reconstruction of deteriorated streets. The program calls for the reconstruction of roads over a 10-year period, with payback being over a 25-year period. In the 2010 budget, the Council committed the necessary levy resources with a \$260,000 special levy, to restart our Street Reconstruction Program. In 2011, the Street Reconstruction included the reconstruction of Spruce, Locust and West 3rd Streets in downtown Chaska. In 2012, it included the reconstruction of all north/south streets throughout the downtown from 2nd Street down to 1st Street. In 2013, the program included reconstructing both 2nd and 3rd Streets east of Walnut Street, along with the north/south road in-between. Based on our plan, we assess for 25% of the total project costs on the reconstruction project. 2014 would bring the reconstruction of the next downtown streets, with the plan to reconstruct roads getting into our Downtown Commercial District, including the construction of a new 40-50 stall parking lot on the East side of Highway 41 between 2nd and 3rd Streets both to create additional parking in our downtown commercial

district, but to also provide a spot of mitigation of parking loss during the summer of 2015 when the 2nd Street portion of our Downtown Commercial District is reconstructed, and current on-street parking stalls are lost during this construction period. The downtown portion of our street program includes the replacement of all utilities and the addition of storm water infrastructure, which currently does not exist in our streets in the downtown area. The entire Street Reconstruction Program is estimated to be approximately \$26 million, with it scheduled to be completed in 2018. It should be noted that as a part of this program, in 2015, we will need to increase our tax contribution to the Streets Reconstruction Program significantly, but this will be offset by the decommissioning of our TIF District #4, which means it should not have any financial impact on existing properties in the community.

Recreation

Although functionally, the Recreation Department and Community Center are in essence combined, Recreation Administration and Programming are separate General Fund activities. The General Fund currently funds three fulltime positions; Parks and Recreation Director, Assistant Director, and Departmental Secretary. While not budgeted as part of the General Fund's recreation department, the Cable Coordinator position is supervised by the Park and Recreation Director, and is functionally a part of the Park and Recreation staff. In 2008, a change that we did see was that our Cable Coordinator was hired on as our Ice Arena Manager in the Community Center. As part of this change, he did keep his Cable Coordinator position, with half of his time funded from the CCC and the other half in Cable funded through the General Fund. This has, in effect, brought the Cable Coordinator position to half funding through the General Fund. This is proposed to be staffed this way in 2014, as well. In addition, as mentioned previously, we have combined all of our current resources across the City for communications/marketing, and brought it under one person to be funded out of the General Fund. This position in 2014 will begin to focus most of their efforts towards general City communications and maintenance of our dynamic communication tools, such as the web site, as the Community Center will have a position specifically dedicated to marketing activity for that facility, as well as some for the Chaska Town Course as well. There are no other changes proposed in the Recreation Department within the General Fund.

Community Center Budget

For the Chaska Community Center, 2014 will be its 24th year of operation. As the Center has evolved, we are confident that it is addressing its mission *of being Chaska's community gathering place, while providing an opportunity to run into people you know*. The objectives of the Center are:

1. *To promote community gathering and interaction.*
2. *To provide family and individual recreation with an emphasis on fun.*
3. *To enhance Chaska's pride and identity.*
4. *To be financially self-supporting with no property tax support.*
5. *To reinvest back into the facility to keep it quality for future generations*
6. *To build a cash-balance in the CCC Fund to be able to accommodate all of the maintenance and improvement needs on this aging facility*

The Community Center has traditionally done a very good job of accomplishing the first four objectives listed above. Not only has it served as a central gathering place in the community, providing opportunities for family and individual recreation in Chaska, but has also been able to manage its day-to-day operations in a financially self-supporting way. In this respect, it is one of the few community centers in the State of this size that is able to offer the services it does, and not utilize tax levy to support these services. It has also had the affect of keeping the General Fund Park and Recreation services that we provide through the rest of the City at very low expenditure levels compared to cities comparable in size, as the Community Center helps fund our general recreation services through sharing of staff. This is a large reason we are able to have such a low overall tax levy in the City of Chaska.

Community Center Capital Improvement Program

One objective that the Community Center, up until recently, had not been able to accomplish at levels that are needed, has been the building up of cash-reserves in the fund to address capital replacements in the building. With the facility being 23 years old, and many of the systems in the building, including the mechanical systems for the pool and the ice rinks, being original equipment that was at, or past, its useful life, the City needed to start taking into consideration the capital replacement costs of equipment that we had in the building, if we wanted this to continue being a quality facility.

Since 1991, when the original section of the Community Center was built, the City has invested \$22.5 million in construction of all the sections of the building. If we were to translate that into today's replacement value, it would be over \$43,000,000 in investment into this facility. With this type of investment, and the age of the facility, addressing the capital reinvestment into the Community Center was a necessity.

To address the aging of the facility, and meet our 5th objective listed above, in 2012 we did include in the budget for the first time a 10-year Capital Improvement Program. The purpose of this program is to develop a comprehensive list of the major capital replacement items we will have over the next 10 years, identify the cost for completing

this work, identify funding sources to support these improvements, and to identify ways to finance the improvements that need to be made. As part of this CIP program, \$4.3 million in capital replacements were identified over the next 10 years. The major expenses identified in this program include major mechanical work in the Pool area, and replacement of our entire ice system, which is mandated as part of new environmental laws dictating the type of cooling materials we can use in ice production. Other items in the plan included items such as carpet replacement, curtain replacement in the theater, major work to the entries in the building, and regular replacement of our fitness equipment. While many of the scheduled replacements will be largely unnoticed by the general public, they are essential to keeping a high-quality and functioning facility.

In 2012, the City did move forward with implementation of the first phase of the program, with complete replacement of the Pool HVAC system and deck. Since this time, we have also completed a significant amount of additional work that was identified as part of the original CIP plan. Below are the CIP items that have been completed since 2012:

- May 2012: Pool Mechanical/HVAC System Replacement, along with upgrade of pool decking system: \$755,226
- Fall 2012: New Ice Mechanical Room Addition: \$195,892
- Winter 2013: Replacement of Recreation Software-Costs offset by savings from current Safari System (also included new website for CCC)
- Summer 2013: Ice Arena Improvements, including all new mechanical and ice making systems: \$3,005,602
 - Total of all CIP Improvements: \$3,956,720

To financially address the needs of this CIP program, it was determined that the Community Center would need to accommodate approximately \$275,000 of additional expenses each year to pay for the debt service that would finance each of these improvements. This past year, we did go through the process of selling debt for these improvements, with the annual debt service payments being very close to the original \$275,000 estimate. To meet this financial need, while at the same time meeting our objective of not relying on tax levy to support the operations of the Community Center facility, the CIP program would generate additional funds from the following sources:

- Increased contribution from the Electric Fund: \$75,000 annually
- Increase in Membership/Admissions (10.5% additional spread over 2-years): \$87,500
- Increase in Ice Rates (7% additional spread over 3 years): \$40,052 annually
- Additional from CCC Fund: \$75,000 annually (is being redirected from the \$75,000 annual contribution made from the Electric Fund into The Lodge Debt Service, which is no longer needed by that debt service in 2014)

As we have gone through implementation of the CIP program, we have kept a close eye on how our assumptions have played out with the generation of these dollars. In 2013, we did complete the final rate increases to Membership, Admissions and the Ice Rink Rates that support the assumptions listed above. We feel confident, especially with

Memberships and Admissions, that we were able to do this while still keeping us very competitive within the market. With our Ice Rates, we are now at the top end of where we think rates can be brought at this time, and would not recommend going any higher for the near future. With all of these rate changes already occurring, we would plan on keeping the rates in all three of these areas the same throughout the 2014 budget year.

It should be noted that for the first time in 2014, the actual debt service payments for the CIP Program expenses are reflected in the budget, at a cost of just under \$275,000 in 2014 for principal and interest payments.

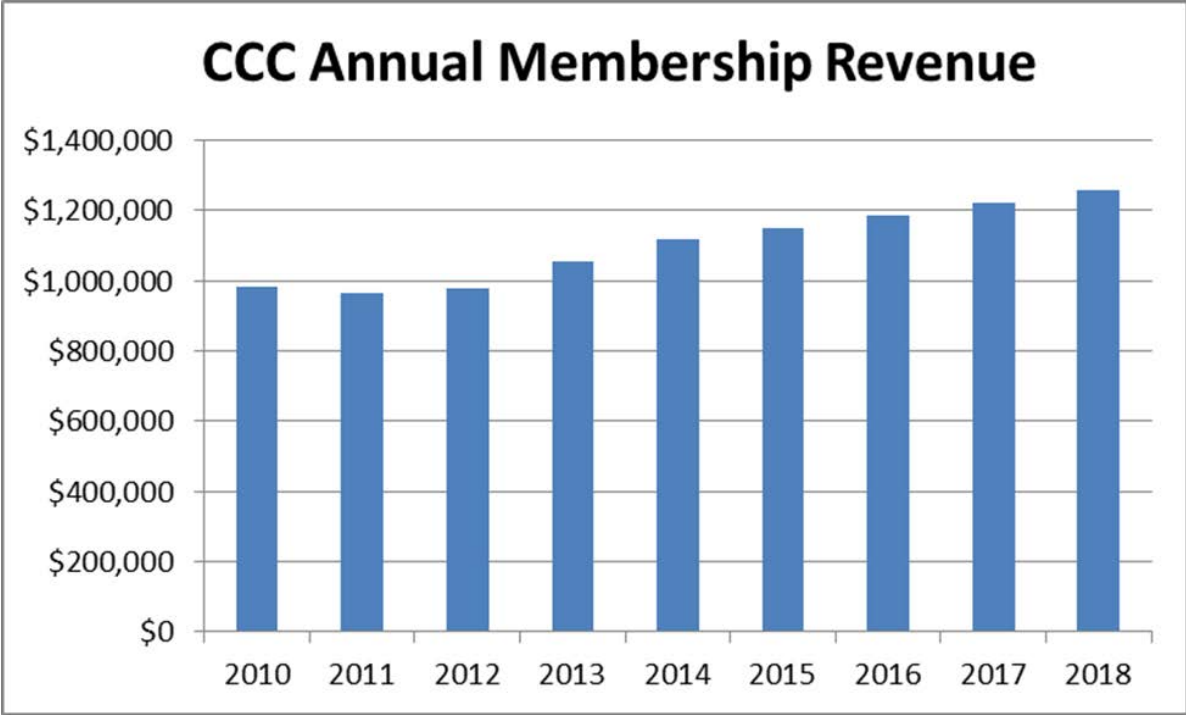
Community Center Revenues

For 2014, we are projecting that the Community Center will generate total operating revenues of \$3,567,219 or an increase of approximately 6.4% over the budget from 2013, due mainly to the addition of revenues coming in for funding of the new CIP program, but also because of additions we have seen to the Community Center with uses such as Breakaway Academy and Breakaway Ice, who are users in the Community Center which not only rent space within the building, but also have increased our demand for off-peak ice rentals. This includes daytime ice for Breakaway Academy School, which in the past has been difficult time to rent.

While we have seen a decrease in the number of daily admissions that we see come into the CCC over the past several years, the number of people purchasing memberships has increased significantly over the past several years. In 2010, for the first time, the CCC achieved approximately \$1 million in annual membership sales, which is an increase of nearly \$400,000 annually since 2005. This has come both from aggressive membership campaigns, and the addition of health membership programs that help offset some of the costs to patrons to have a membership at the Community Center. The chart on the next page assumes the growth in our membership revenue that was generated with the changes in rate structure made because of the CIP program in late 2013, but also includes some general growth for the growth in the number of memberships we sell at the CCC. The general growth rate that we assume for membership revenues in 2014 and throughout our 5-year period, is 3% annually.

As mentioned previously, memberships have increased significantly since 2005. This significant increase has occurred we believe as a result of:

- Addition of Fitness Center
- Agreement for incentives with health insurance providers
- Increase in number of area households
- Enhanced quality marketing efforts by CCC Staff
- Addition of The Lodge with the Treks and Trails Preschool
- Continued quality programming of activities in the CCC
- A commitment to reinvest back into the facility to continue to provide a quality place to gather



Each year we conduct a survey of area community centers to help determine the appropriateness of what the Chaska Community Center charges for memberships and daily admissions. As part of the CIP program, since 2012, membership rates have gone up by 10.5%, with the last rate change going into effect in the early fall of 2013. We also saw a similar increase in admission rates.

Historically we have attempted to charge less than the average for both membership and daily admissions for both Chaska residents and non-residents. Those facilities that we survey are public facilities, including Shoreview, Maplewood, Eden Prairie, and Waconia, although much of our competition comes from Lifetime Fitness and Dakota, both of which are private health clubs and charge significantly more than our annual individual or family membership. As you will see in the charts below, although we have had to increase our rates to help make improvements through our Capital Improvement Program, we are still very competitive for both when we look at our defined market:

Resident Membership Comparison			
	Youth	Adult	Family
Average Membership Rate	\$287.50	\$380.50	\$692.95
Recommended Chaska Rate	\$249.00	\$338.00	\$533.00
% of Average	87%	89%	77%

Non Resident Membership Comparison			
	Youth	Adult	Family
Average Membership Rate	\$379.00	\$467.00	\$823.75
Recommended Chaska Rate	\$324.00	\$482.00	\$720.00
% of Average	85%	103%	87%

Beyond just the municipal community center comparisons, we are significantly lower than the private health clubs such as Lifetime Fitness and Dakota, which often ends up being a main competitor for attracting new memberships.

The second major revenue source for the Center is daily admissions, which is budgeted for \$176,005 in 2014 compared to \$166,434 in 2013. Admission revenues have not grown as quickly in recent years while membership has revenue has increased significantly. This may be a sign that the Center is maturing with customers recognizing its ongoing value, and also because of the significant discounts that users can get from their Health Providers for use of their membership incentive programs. Below are the results of the survey showing how we compare to the same public-sector community centers listed above for both resident and non-resident daily admission rates. As you can see in both charts, we are very comparable on daily admission rates to our other public-sector market comparisons.

Resident Daily Admission Comparison			
	Youth	Adult	Family
Average Daily Admission	\$7.13	\$8.13	\$23.25
Recommended Chaska Rate	\$5.50	\$6.75	\$20.00
% of Average	77%	83%	86%

Non Resident Daily Admission Comparison		
	Youth	Adult
Average Daily Admission	\$8.63	\$9.63
Recommended Chaska Rate	\$7.50	\$8.75
% of Average	87%	91%

Below is a chart showing the major sources of revenue within the Community Center Fund:

REVENUES	Actual	Actual	Budget	Budget	Change	%
	2011	2012	2013	2014		
<i>Admissions</i>	\$156,271	\$159,312	\$166,434	\$176,005	\$9,571	5%
<i>Membership</i>	\$963,585	\$977,221	\$1,055,105	\$1,118,258	\$63,153	6%
<i>Gymnasium</i>	\$74,710	\$69,059	\$63,435	\$66,130	\$2,695	4%
<i>Racquetball</i>	\$17,454	\$16,186	\$13,182	\$14,109	\$927	7%
<i>Swimming lessons</i>	\$109,697	\$126,504	\$100,000	\$123,000	\$23,000	19%
<i>Fitness area</i>	\$145,356	\$164,283	\$154,750	\$141,270	(\$13,480)	-10%
<i>Arena</i>	\$620,744	\$686,428	\$646,115	\$765,843	\$119,728	16%
<i>Community Room</i>	\$18,682	\$15,294	\$20,400	\$20,400	\$0	0%
<i>Snior Center</i>	\$32,001	\$36,809	\$27,040	\$29,250	\$2,210	8%
<i>Craft rooms</i>	\$39,876	\$30,258	\$38,198	\$37,200	(\$998)	-3%
<i>Tot time</i>	\$10,319	\$9,604	\$11,500	\$10,230	(\$1,270)	-12%
<i>St. Francis/Breakaway rental</i>	\$183,178	\$188,673	\$152,439	\$188,009	\$35,570	19%
<i>IDS #112</i>	\$37,999	\$39,139	\$40,300	\$41,500	\$1,200	3%
<i>Theater</i>	\$71,015	\$73,299	\$70,818	\$71,141	\$323	0%
<i>Center Cafe</i>	\$2,804	\$772	\$2,040	\$0	(\$2,040)	
<i>Birthday Party Room</i>	\$32,047	\$34,049	\$37,900	\$36,400	(\$1,500)	-4%
<i>Day care/ indoor playground</i>	\$29,997	\$26,957	\$31,920	\$26,920	(\$5,000)	-19%
<i>Trek and Trails pre school</i>	\$82,535	\$94,614	\$85,000	\$86,000	\$1,000	1%
<i>Adventure Prog/Club Extreme</i>	\$79,803	\$82,522	\$79,000	\$80,000	\$1,000	1%
<i>Vending</i>	\$29,977	\$38,615	\$41,616	\$33,759	(\$7,857)	-23%
<i>Misc.</i>	\$93,026	\$130,152	\$85,056	\$68,795	(\$16,261)	-24%
Total Operating Revenues	\$2,831,076	\$2,999,750	\$2,922,248	\$3,134,219	\$211,971	7%
Non-operating						
<i>Equipment Acquisition/Interest</i>	\$1,689	\$949	\$3,700	\$1,000	(\$2,700)	-270%
<i>The Lodge Debt Trans</i>	\$113,005	\$112,000	\$253,000	\$182,000	(\$71,000)	-39%
<i>Electric fund transfer</i>	\$100,000	\$175,000	\$175,000	\$250,000	\$75,000	30%
Total Non operating	\$214,694	\$288,700	\$431,700	\$433,000	\$1,300	0%
TOTAL REVENUES	\$3,045,770	\$3,288,450	\$3,353,948	\$3,567,219	\$213,271	6%

Gym fees relate to activities directly attributable to a class paying for usage of the Community Center's gymnasium, with the revenues in this category forecast to be \$66,130. In 2013, this number was \$63,435. We did see this number drop from 2012 to 2013 by about \$10,000 with the addition of Southwest Christian High School in the community. Prior to the School being built, they did rent space in the CCC for their High School sports. We are starting to see this revenue go back up again as we find uses to replace their loss at the CCC.

Swimming pool fees, which relate to lessons offered at the Center, are projected to be \$123,000 for 2014. This is up from the \$100,000 we budgeted for 2013, and is due mainly to the success we have seen with our Swimming Lesson programs. From 2012 to 2013, we increased our budget from \$85,000 to \$100,000 due to the success we have seen. We expect to see this continue.

Relative to the two sheets of ice within the arena element of the facility, we are forecasting total revenues for 2014 of \$765,843. As mentioned earlier, a major component of our CIP program will be improvements made to our two ice arenas. This work was just completed this past October. This work not only helped to replace equipment that needed replacement, but also helped us meet changes in regulations that dictate what type of coolant can now utilize in ice arenas. It should be noted that the significant increase in revenue that we are projecting in 2014 is due mainly to the increase in usage from both Breakaway Ice and Breakaway Academy. Both uses have increased the amount of usage of our ice. With Breakaway Academy being a new school focusing on hockey within the CCC, this adds a significant amount of daytime

usage in our rink, a time that was very difficult to sell in the past. This has been a significant improvement to our facility from a use perspective, but also a revenue perspective.

Under our agreement with the Chaska School District, the District will again be paying \$42,768 for use of space in the Center. This is due mainly to Middle School East not having the proper physical education spaces within their building, and needing to use the CCC to supplement what they currently have. This daytime school use agreement was extended in 2011, and is now extended through 2014, with there being an automatic inflationary increaser in this fee on an annual basis. It should be noted that this fee does not include the ice time that is used by the School District for extra-curricular activities.

In 1999, St. Francis began operation of their physical therapy and fitness center under lease for space at the Center. The total annual lease payments for the main facility and the lower level space used for pediatric physical therapy has been approximately \$185,000. In 2013, a change we saw is St. Francis consolidating their Capable Kids space in the basement with their physical rehab center at ground level. With this consolidation, Ridgeview put in approximately \$700,000 of improvements into the CCC, and created a space that is very user friendly for customers utilizing this service. One initial downfall of this consolidation was the loss of approximately \$50,000 in rent to lease the lower level space where Capable Kids was located. However, since that time, Breakaway Academy, which is a school with an emphasis on great education coupled with high-level hockey training, leased this vacant space, rehabilitated it, and provided us with the revenue stream to offset the loss of Capable Kids in the basement space. The net change with this new use in the building is very close to \$0 loss, as both leases together now make up what the one lease used to cover.

The Wellness Addition was completed in 2005, and as a result the fitness programs that the City offers were expanded significantly. For 2014 these activities are anticipated to generate \$141,270. This is compared to \$154,750 budgeted in 2013.

Finally, with the completion of the senior center addition, two new program areas were added to the Community Center. The Lodge is budgeted to generate \$29,250 in revenue in 2014. The other major component of the new addition to the Community Center was the addition of the Treks and Trails Preschool area in the lower level of this addition. The Treks and Trails program is budgeted to generate \$86,000 in revenue in 2014 as it did in 2013, and is a very popular part of our Community Center facility.

In deciding to proceed with construction of the Center, the Council committed to transferring \$100,000 annually to generate a cumulative capital for future improvements at the Center with the understanding that no property taxes would be used to support the facility. Since the Center's opening, a total of \$2.3 million has been transferred from the Electric Fund to create the ongoing cash replacement fund. This transfer is scheduled to occur again in 2014.

Expenditures

From an expenditure perspective, there are three areas that are new in the 2014 budget. The first is the addition of \$275,000 to go towards principal and interest debt service payments for the CIP improvements. While we had generally planned this in the past, we have now sold the debt and have the actual debt service numbers built into this budget.

The second change has to do with reconfiguring a position that currently exists within the CCC. From the start of the CCC operations in 1991, we have relied on our Maintenance Staff to be the "Shift Lead People" when the Parks and Recreation Offices were closed. While this worked for many years, we are seeing one Maintenance Staff member retire, and feel that this is the right time to add the position of Facility Coordinator, who would be in charge of the facility during off-office hours, providing some continuity to leadership in the many hours the CCC is open when the office is closed. This is a position that most community center facilities have, and is recommended for the Chaska Community Center. This would be an incremental increase in cost from the maintenance position we already have budgeted for the facility, with the incremental increase in cost being \$14,350. This would bring the total costs for the position to \$85,000.

The other two positions that are included in this budget are a Marketing Staff member, at a cost of \$88,000, and a .5 time Membership Coordinator position, at a cost of \$30,000. The Marketing position is one that is being budgeted to be paid 75% through the CCC and 25% through our Chaska Town Course. The financial health of both facilities relies on us to be able to not only attract new members and patrons to our facilities, but to also be able to backfill for natural attrition we see in the loss of membership or patrons on an annual basis. With both of these services being ones that do compete with private sector services in the market such as private health clubs and other public golf courses, and with both of these enterprises relying financially on drawing patrons from outside of the community, where there may be more choices for these potential patrons, it is important that we have concerted efforts to put towards marketing to keep on attracting new patrons. It is these efforts that will allow us to continue to grow both the CCC and the Chaska Town Course, which will allow them to be financially strong and vibrant in the future. Our goal of this position would be to at least make it revenue/expense neutral, by being able to add to our membership base by the marketing efforts that we can now pursue.

Once a member is a member, it is important that we retain the patrons we have as long-term members. That is where we feel the 0.5 FTE Membership Coordinator position is critical. Through our Active.net conversion process over the last year, it illustrated the importance of this position, and some of the issues we had in our old system by not having someone dedicated to managing these accounts. With our new system in place, we want to make sure that we are properly managing these membership accounts, both so that we provide the best service to our patrons, and so that we make sure we are maximizing revenues for the accounts that we have. In the long run, we think this will make for stronger CCC operations.

Other than the Staff changes mentioned above, no additional major expenditure items are anticipated in the Community Center operating costs for 2014. With the changes to Staffing discussed, total personnel costs budgeted will be \$1,761,313 increasing by 9.61% from 2013.

Again, the major addition to expenses we will see for 2014 is the addition of the debt service expenses from the CIP program now that we have bonds sold on these projects. The 2014 expenses for this is approximately \$275,000, and would continue into the future.

The following is a summary of all expenses in the Community Center Fund for 2014:

EXPENSES	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Increase	Increase %
<i>Personnel services</i>	\$ 1,575,988	\$ 1,599,747	\$ 1,606,847	\$ 1,761,313	\$ 154,466	9.61%
<i>Other services</i>	\$ 2,159,271	\$ 1,910,056	\$ 1,253,712	\$ 1,205,539	\$ (48,173)	-3.84%
<i>CIP Debt Service</i>	\$ 5,552	\$ 197,500	\$ 137,500	\$ 271,895	\$ 134,395	97.74%
<i>Lodge Debt</i>	\$ 127,419	\$ 124,175	\$ 264,175	\$ 263,575	\$ (600)	-0.23%
<i>St. Francis debt</i>	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<i>Capital replacements</i>	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0.00%
Total expenses	\$ 3,918,230	\$ 3,881,478	\$ 3,312,234	\$ 3,552,322	\$ 240,088	7.25%

In addition to the debt service dollars for the CIP program, a total of \$50,000 is budgeted for general capital improvements in the Community Center. These are more of the regular improvements we need to make to the Community Center on an annual basis to keep the facility looking and function good. Over the past several years, we have put about \$50,000 of these type of improvements into the Community Center on an annual basis.

Based on our forecasted revenues and expenditures for 2014, we are estimating that the facility will have \$14,897 to add to the Fund Balance at the end of the year..

Town Course Budget

The mission of the Chaska Town Course is to develop and operate a quality municipal golf course serving as a community recreational resource, and as a community gathering place that generates an annual profit that may be used to support other "community building" opportunities.

In developing the course's annual budget our objective is to provide adequate resources to meet this mission by maintaining a high quality golfing experience from both a maintenance and customer service perspective. An objective during our budgeting process has also been to position the Town Course in such a way that when its debt service for initial capital construction costs has expired, that we both have generated enough profit to have reserves to keep up with our necessary capital replacement program at the Town Course to keep it running as a high end course.

As we look into the future, this will be the largest single challenge of the course as it has been self-sufficient from an operational standpoint, but has had much more difficulty being able to generate a sufficient amount of reserves to cover all future depreciation costs. This has been true industry wide, as the number of U.S. golfers peaked in 2003 at 30.6 million and dropped to 25.7 million in 2011, according to the National Golf Foundation. With this drop in play, and competition from a large number of golf courses in the area, it has made it more difficult over the years to meet our budgeting objectives beyond making sure that the facility is operationally self-supporting.

With the refinancing of our TIF District #4 in 2008, we did put the Town Course in a better position to accumulate cash reserves, as it does not have to directly support the remaining years of debt service for the course any more. In 1997, resources from TIF District #4 were the main financial resource that allowed us to construct the course and have contributed towards our debt service on the course ever since. It was planned that the refinancing of this District in 2008, and once again in 2011, would provide us with sufficient resources to pay off the initial capital construction cost debt at the Town Course from the TIF funds, thus allowing the Town Course to take any annual profits and accumulate reserves in this Enterprise Fund. With TIF District #4 being decertified in 2014, and all debt associated with the golf course being paid off, we were able to make sure that this initial debt for construction of the course was paid off.

While these resources have taken the need away from the Town Course to contribute directly towards its annual debt service, the Town Course has continued to meet the annual operational needs of the course but has struggled to generate significant reserves to go towards if future capital replacement needs. As we are currently doing with the Community Center Fund with its Capital Improvement Program, this is an issue that we will continue to be looking at to determine the best way to move forward with generating the reserves necessary to support these future capital replacement needs without having to contribute any property tax subsidy. As we look at this, we will have to be cognizant of the market of other golf courses in the area, that our greens fees do not make it difficult to compete with these other courses. We will not be able to

address this issue only through rate increases, as too large of an increase could actually have the effect of dropping rounds played and making revenues drop, as golf patrons are sensitive to prices changes and do have a number of choices in the area of where to take their business.

For 2014, we are forecasting total revenues of \$1,912,482. This compares to the budgeted revenues we had for 2013, which were \$1,865,172. For 2014, we are budgeting based on 28,000 paid rounds throughout the season. Our 5-year average has been around 27,500. 2013, while it was a great summer season which was very busy and the course conditions were excellent, was a difficult year as weather precluded any play until the beginning of May, and halted play in the middle of October. With the difficult weather, our rounds were reduced to approximately 25,000. This was the first year since the CTC opened where we did not have one round played in the month of April.

Based on our assumptions, the total revenues are derived from the following sources:

<i>Revenues</i>	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Change	% Change
Green fees	\$ 1,018,193	\$ 1,135,736	\$ 1,120,000	\$ 1,163,000	\$ 43,000	3.84%
Driving range	\$ 69,875	\$ 80,218	\$ 84,900	\$ 87,447	\$ 2,547	3.00%
Member fees	\$ 33,028	\$ 52,172	\$ 48,900	\$ 50,367	\$ 1,467	3.00%
Sale of supplies	\$ 144,836	\$ 176,538	\$ 157,272	\$ 161,990	\$ 4,718	3.00%
Concessions	\$ 50,891	\$ 42,477	\$ 60,600	\$ 56,453	\$ (4,147)	-6.84%
Cart rental	\$ 216,490	\$ 248,064	\$ 256,800	\$ 264,504	\$ 7,704	3.00%
Misc	\$ 111,787	\$ 156,182	\$ 136,700	\$ 128,721	\$ (7,979)	-5.84%
Total revenues	\$ 1,645,100	\$ 1,891,387	\$ 1,865,172	\$ 1,912,482	\$ 47,310	2.54%

Revenues

The major revenue source of the Golf Course is green fees paid by patrons, with this revenue source accounting for 59% of total revenues at the facility.

As mentioned previously, for 2014 we are anticipating that 28,000 rounds will be played at the facility. In preparing the revenue estimate we are assuming that the resident/non-resident split will be 55% residents/45% non-residents, which reflects a significant increase in resident play from past budget forecasts, but a relatively steady split from the past five years. When the course first opened, we saw about 70% of play from non-residents. While this change has been great from a mission perspective, in that it has been viewed as a premier community gathering location for Chaska residents, it has created revenue challenges that we continue to have to monitor closely, as resident rounds are approximately \$23 less per round than a typical non-resident round.

A key revenue assumption for the CTC is the green fees schedule, as the greens fees do generate close to 60% of our revenue. Our strategy has been to have green fees for non-residents consistent with the market for other high-end public courses, while at the same time offering a course for our residents of higher quality and challenge compared to any other area course, at a price that is at or below what these area courses may charge.

In 2013 the average metro high-end golf course green fee including cart on weekends was \$94.29, ranging from \$63 for Edinburgh USA to \$128 for Rush Creek. Chaska's weekend non-resident rate in 2013 of \$83.60, including cart, was well within this range. As you will see in the following chart, in 2014 it is recommended that the non-resident fees see no increase, with no increase proposed for cart rental as well. We feel that with the competitiveness of the Twin Cities Golf market that not seeing this rate increase on an annual basis would be a better strategy, instead focusing on where we need to be over the 5-year period. This will allow us over the 5-year to keep up with our annual increases in costs associated with the Town Course, but at the same time keep the increases less regular to recognize where some competitor courses have gone with prices over the past few years, reducing them to get more play. As you will see in the chart, our proposed rate increases meets our pricing objectives for non-resident rates:

Course	Greens Fees	
	Weekday 18 holes	Weekend 18 holes
Edinburgh USA	\$60	\$63
Stoneridge	\$90	\$100
Rush Creek	\$98	\$128
The Legends	\$89	\$89
Troy Burne	\$99	\$99
Meadows at Mystic Lake	\$85	\$85
The Wilds	\$96	\$96
Average	\$88.14	\$94.29
Chaska-Current	\$77.60	\$83.60
Chaska 2014 Proposed	\$77.60	\$83.60
Chaska Resident 2014	\$55.30	\$60.30

As part of Chaska's mission, our goal is to have the facility both accessible and affordable to Chaska residents. Over the past three years one of the positive trends relative to this element of the mission, was the percent play from resident golfers increasing from 28% in 2003 to 47% in 2013. Although the higher resident participation is positive from a mission standpoint, a negative impact in this trend is the reduction in total revenues, given the significant differential between resident and non-resident rates.

For 2014, we are recommending that resident rates see no increase. Again, this would include no proposed increase for cart rental. As with our non-resident rates, it is recommended that some rate increase is necessary to keep up with the increased costs of operating the course over a 5-year period, but that we do not need to necessarily see this on an annual basis, as we can experience "rate fatigue" with our patrons.

This change would result in our rates in 2014 being very competitive to all of the area courses, as it was in 2014. Based on these assumptions, 2014 green fee revenue is projected to be \$1,163,000.

Course	Greens Fees	
	Weekday	Weekend
	18 Hole	18 Hole
Dalgreen	\$49	\$51
Bluff Creek	\$51.50	\$57.50
Ridges at Sand Creek	\$54	\$59
Deer Run	\$57	\$69
Stonebrook	\$68	\$75.50
Average	\$55.90	\$62.40
Town Course Current	\$55.30	\$60.30
Town Course 2014	\$55.30	\$60.30

It should be noted with our pricing structure that residents are able to play a top-tier golf course at the Chaska Town Course, while paying less than the average of courses that are not ranked in the top-tier. In this respect, Chaska residents are getting a great value for the golf that they play at the CTC.

For the first several years the Town Course was open, we averaged cart rental revenues in the range of \$150,000 to \$175,000, with 22% to 24% of golfers renting carts. In 2006 we modified our cart policy to permit carts off the cart path. Also at that time, we purchased a new set of carts equipped with a GPS system. The system was implemented in 2006 and increased cart revenues to \$212,000.

In 2012, we purchased a replacement fleet of carts, and included enhanced GIS features, including larger screens and remote ordering of food from the clubhouse, to

help keep up with our demand for services on the carts. For 2014 we are anticipating that 40% of patrons will continue to utilize a cart, as we have seen over the past several years, bringing in total revenue of \$264,504. As in 2013, we are proposing no increase in rental fees for carts. We did make a change in 2011 to bring us closer to the market for golf courses in the Twin Cities, and have seen little change in the market since.

Through our sixteen years of operation, the driving range has been a popular element of the facility. One particular attraction to our driving range is the size of the practice facility, being one of the larger driving ranges on golf courses in the area. For projection purposes, we have assumed that 20% of golfers will use the range before playing and an additional 40 persons per day would come to the facility merely to use the practice complex. Range revenues were budgeted for \$84,900 in 2013. For 2014 the range is estimated to generate \$87,477 as we expect little change in its use.

Pro Shop sales were \$139,303 in 2008, \$141,676 in 2009, and \$143,926 in 2010. In 2012 we had this budgeted \$152,691, and came in at \$176,538. Our pro-shop sales have continued to be very popular and outperform our budget objectives by focusing on selling items that our patrons request. The budget for 2014 assumes merchandise sales of \$161,990 to conservatively project for the sales in the clubhouse.

A key service element of the facility is the provision of a quality food and beverage operation, while at the same time assuring that this element does not become a financial drain on the operation. In 2008, we changed vendors. Staff has heard very positive comments on this change as it offers more menu variety for patrons, and weekend meal options that have brought non-golfers to the clubhouse for dinner, while not having a negative impact on serving our golf patrons. In 2010, the vendor added one more beverage cart on the course to meet patron demands, as this is one area we could see the need for improved service. This is an area that we will continue to work on as we move into 2014. They also added machines to accept credit cards on the beverage carts. An addition onto the new GPS system in 2012 also now offers opportunities for those making the turn on hole #9 to place an order on-line and have it ready for pickup before the 10th tee box. Under the terms of the lease with our vendor, the City receives a payment of 6% of gross revenues, which for 2014 is budgeted at \$56,453. It should be noted that last year we did extend the lease out on Charlie's to 2015. This will allow for stability with this service that we provide.

Operating Expenses

For the Chaska Town Course to be considered a high-end public facility, the turf maintenance needs to be a very high priority. During the 2014 Golf Season, we had some of the best turf conditions since our course opened. This issue has been confirmed in feedback we've received from golfers over the years, and helped drive patrons to our course during the summer of 2014 as other high-end courses had a significant amount of winter kill to deal with.

To accomplish this objective we have attempted to establish a maintenance budget that will permit adequate resources for above average maintenance. The key, though, to

achieving this objective is attracting and retaining high quality dedicated personnel. It is imperative that our full-time personnel not only have the technical capabilities to maintain a high-level facility, but also (and possibly more important), have a true ownership in the course and a commitment to the facility's quality.

The maintenance staffing anticipates staffing levels similar to 2013, with five full-time Greenskeepers, plus a Superintendent who is responsible for the maintenance of the Chaska Town Course facility as well as the Par 30. The only difference in 2014 will be to take one of those full-time employees who was a 9-month benefited employee and transition them over to a 12 month employee. The reason for this change is because of the expense of both unemployment in those 3 months, as well as now needing to keep this individual on benefits during the 3 months they are off due to changes with the Affordable Care Act. With these two expenses mandatory, it no longer made sense to have this position be a 9 month employee. By bring the position to 12 months, this position will now get rotated into the Public Works Department in the winter for snow plowing, which will delay for us the addition of a new Maintenance Worker as we continue to add miles of street in the community with new development.

As in the past these full-time positions will be supplemented by eight, six month and six four-month seasonal employees. The following is a summary our estimated costs for each of these categories:

	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Change	% Change
Personnel Services	\$829,309	\$863,382	\$862,711	\$931,628	\$68,917	7.99%
Operating Supplies	\$232,605	\$233,114	\$242,327	\$249,597	\$7,270	3.00%
Other Services/Charges	\$986,255	\$1,037,143	\$433,289	\$438,152	\$4,863	1.12%
Capital Replacements	\$0	\$0	\$239,800	\$160,000	-\$79,800	-33.28%
Transfers Out/Debt Service	\$0	\$0	\$86,000	\$86,000	\$0	0.00%
Total Expenses	\$2,048,169	\$2,133,639	\$1,864,127	\$1,865,377	\$1,250	0.07%

The second cost component of the golf course operation is the Clubhouse and its related activities. Our objective is to differentiate the Town Course and Clubhouse operation from other courses through a noticeable difference in its commitment to customer service. Achieving this objective will be significantly affected by the quality, skill and personality of personnel hired to staff the complex. The overall responsibility of the Clubhouse operation is the responsibility of the Club Pro. For 2013, the total Clubhouse expenses were budgeted to be \$684,720. In 2014, we are budgeting this number to go to \$718,879.

In 2013, we sold Equipment Certificate Bonds to purchase of the equipment needing replacement on our Equipment Acquisition schedule. The proceeds from that sale will also go to purchase our needed equipment replacement for 2014. In 2013, before we sold these Equipment Certificates, we did extend out the life of our equipment at the Town Course, both because the equipment is better quality than in the past, but also to help reduce the long-term costs of paying for maintenance of equipment over the years. This is one of the strategies we have employed to try to get more dollars accumulated in our Town Course Fund balance for future major capital expenses at the Town Course. At the same time, we have made sure that we replace this equipment in a timely manner, as quality of the course is key to our success at the CTC. With the

sale of the Equipment Certificates, we do have the debt service payments to support for this, which in 2014 will be \$86,000.

Finally, from an expenditure perspective, one addition we are budgeting in 2014 for the CTC is 25% of the Marketing position that we have added at the Community Center. As with the CCC, the Chaska Town Course needs to actively and effectively market our services, as patrons have choices of other courses to go in the Metro area for their golf. In order to keep play and our revenues up, we need to always be looking at how to attract new golfers to our course. Staff feels that the most cost-effective way to do this is to tie additional marketing efforts to this position at the Community Center, and potentially look at doing some cross-marketing between the facilities.

Besides these changes, we still budget \$15,000 for course improvements in 2014, and \$12,000 to our cart-path replacement program. Over the past few years, we have had our Public Works crew provide the service to do replacement of the paths on one hole at a time. This has been a successful program, and has ensured that we are reinvesting back into this as an important elements of our course.

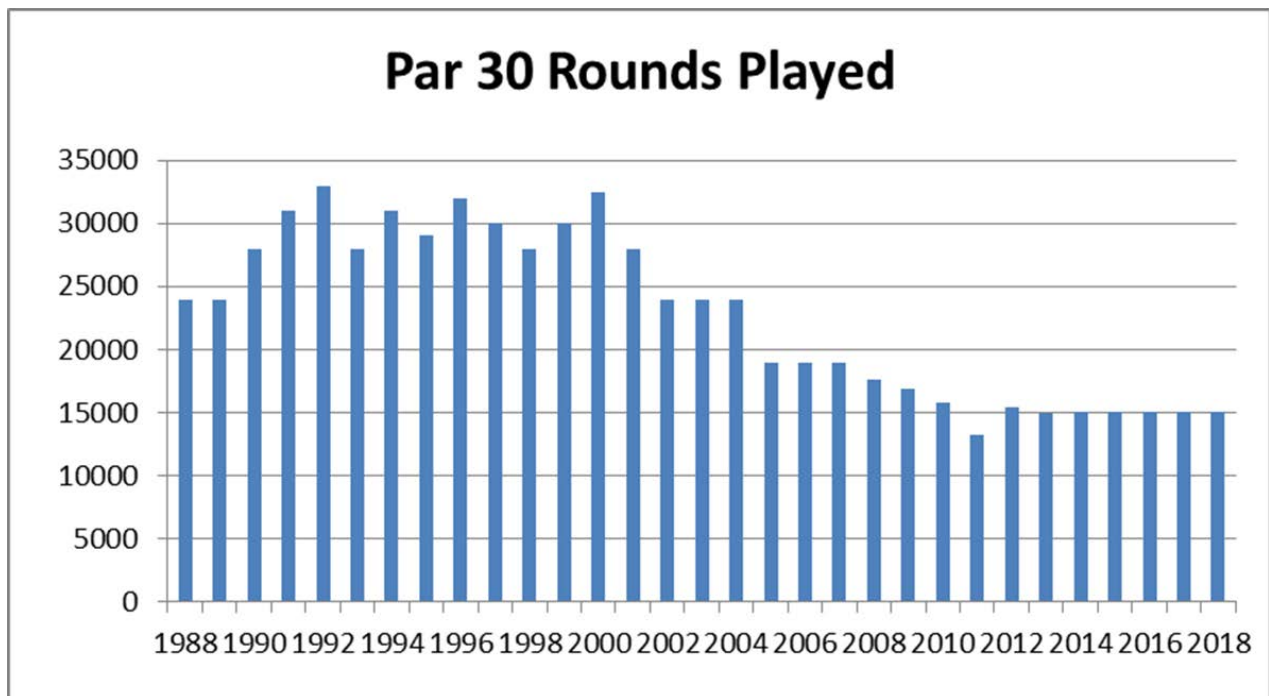
Total budgeted expenses for the golf course operation in 2014 are \$1,865,377 which would result in the facility making a net profit in 2014 of \$47,105.

Par 30 Budget

In establishing the 2014 Par 30 Budget, the following objectives were used:

- ◆ *Provide the necessary resources for the Par 30 to ensure continuation of quality course maintenance and upkeep.*
- ◆ *Maintain rates competitive with other comparable executive courses in the Twin Cities.*
- ◆ *Minimize drastic changes in rates while at the same time maintaining adequate cash reserves for emergencies.*
- ◆ *Allow the Par 30 to be a Self-Supporting Recreational Program*

In determining golf course revenues, two factors directly impact green fees: the number of rounds and rate per round. The following graph depicts the number of annual rounds played at the Par 30 over the past several years.



Over the decade we have seen a decrease in the number of total rounds at the Par 30. While rounds of play averaged around 25,000 rounds per year in the beginning part of this decade, over the last 5 years, we have seen that drop to approximately 15,000 rounds per year. We believe this has been due both to the increase of competition with the addition of other executive courses such as Halla Greens in the area, and with some shift to the Town Course we have seen with allowing carts on the Fairways, thus making it easier for seniors to play the longer course.

Just as we saw at the Chaska Town Course, 2013 was a difficult year for golf courses, as the weather did not allow any play on the course during the month of April, and also saw the golf season cut somewhat short in the fall, with the weather turning colder in the middle of October. This did have the effect of decreasing the number of rounds we saw at the Par 30, with us seeing just over 14,900 rounds in 2013, compared to a

budgeted projection of 15,100 rounds. While this was less, the season was significantly shorter in 2013 because of weather conditions, which means that we saw a higher than average use of the Par 30 during the times it was open, which is good news for this course. The 5-year average we have had for Par 30 has been approximately 15,000 rounds, which is why we are budgeting that we keep the number of rounds in the budget unchanged at 15,100 from 2013.

The second factor in determining green fee revenues is the actual rate charged per round. In 2011, we changed our rate structure based on trying to be much more conscientious of the pricing structures at area Executive Courses, structuring our pricing to be more competitive than our main competitors such as Halla Greens. We structured our pricing to be very attractive for our main users, who are our Seniors and Juniors, while at the same time providing a true price differentiation from our main competitors for our Adult golfers who may be most likely to go to another competitor’s course out of town.

For 2014, it is being recommended that our rates increase by \$0.50 for each category of golfer. This will help us make sure we are able to accommodate any increases in costs to operate the course, but at the same time keep pricing competitive with other Executive Courses, and more importantly, Executive Courses in our area such as Halla Greens who is our main competitor. Below are the rates as they were in 2013 and as they are proposed to be in 2014, compared to the different categories of golfers at competing Executive Courses. As you will see in the chart below, we are \$2.50 lower than Halla Greens in all 3 categories of pricing, and close to average when looking at all area Executive Courses.

Course (9)	Junior (9)	Senior (9)	Adult (9)
Halla Greens	\$14.50	\$14.50	\$16.50
Braemar Executive	\$9.00	\$14.50	\$14.50
Waters Edge	\$9.00	\$9.00	\$13.00
Orono	\$9.00	\$9.00	\$13.25
Glen Lake	\$11.50	\$12.50	\$16.00
Average	\$10.60	\$11.90	\$14.65
Proposed Par 30	\$12.00	\$12.00	\$14.00
Par 30 vs Halla	-\$2.50	-\$2.50	-\$2.50

Based on this rate structure, we are forecasting green fee revenues for 2014 of \$167,000, compared to the 2013 budget of \$150,000.

Staffing levels are anticipated to remain unchanged for the coming year, continuing with keeping the number of part-time staff at lower levels to keep costs as low as possible. The staffing for both maintenance and clubhouse activities is provided through the hiring of part-time summer employees.

The budget anticipates that operating expenses in 2014 will be \$156,783. It should be noted that one item that we are still working on to reduce the overall expenditures to the Par 30 Course, is in eliminating the current fee of \$12,000 we have annually to rent parking spaces from the Hazeltine Gates Office Building. We would see that occurring when the Legends at Hazeltine Project moves forward, as our property is needed to handle storm water from this addition to the Hazeltine Gates office building, if this addition is to be maximized in square footage. Storm water improvements were made to the pond on the Par 30 in 2013 to accommodate this project when it moves forward, with the Goodman Group hoping to be able to move forward with construction of the project in 2014.

As we have done in past years, we are also continuing to budget \$6,000 toward the course to deal with any course improvements that need to be made over the course of 2014.

Based on our forecast of revenues and expenses, we are anticipating that the Par 30 operations will have a small profit of \$27,217. Below is a summary of the 2014 revenues/ expenditures:

	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Change	%Change
Green Fees	\$130,345	\$140,228	\$150,000	\$167,000	\$17,000	11.33%
Other Fees	\$14,382	\$18,153	\$18,300	\$17,000	-\$1,300	-7.10%
Total Revenue	\$144,727	\$158,381	\$168,300	\$184,000	\$15,700	9.33%
Personnel	\$105,803	\$119,516	\$97,897	\$99,754	\$1,857	1.90%
Supplies	\$11,915	\$14,926	\$18,906	\$18,561	-\$345	-1.82%
Services	\$19,586	\$20,727	\$19,211	\$19,355	\$144	0.75%
Other	\$35,596	\$33,093	\$31,971	\$19,113	-\$12,858	-40.22%
Transfers Out	\$0	\$0	\$0	\$0	\$0	0.00%
Total Expenses	\$172,900	\$188,262	\$167,985	\$156,783	-\$11,202	-6.67%
Net Income (loss)	-\$28,173	-\$29,881	\$315	\$27,217		

Utility Fund Overview

The Utility Fund Budgets are broken down into separate categories for the City's four utilities: water, sewer, electric and storm sewer. The total proposed budgets for these four utilities have been developed based on the following objectives:

- *Providing the necessary resources for each utility to assure continuation of quality services to our customers.*
- *Maintaining water/sewer/storm sewer rates competitive with comparable cities.*
- *Maintaining residential electric rates less than comparable rates charged by Xcel.*
- *Maintaining competitive industrial and commercial electric rates compared with Xcel, while also making sure we maintain a system that provides reliability to our customers.*
- *Minimizing drastic changes in utility rates while at the same time maintaining adequate cash reserves for each enterprise.*

As will be discussed in more detail in the breakdown of the Water Fund budget, the City of Chaska did move forward with making some significant changes to the Water Utility rates starting in 2010, as it was found through a comprehensive Water Rate Analysis that was completed in 2009 that the City's water rates were set significantly lower than what was needed both to fund the future maintenance activities of our existing system, and to fund a portion of the debt service on the new Water Treatment Plant. The study found that over the 10-year planning period, that our Water Fund would be \$7 million in debt if changes were not made to our rate structure in the short term. While this study did indicate that Water Rates did need to be increased to keep up with the costs of running our Water utility, because our rates were so low to begin with, the changes to our water rates were able to be made while still keeping our rates very low compared to other Cities in the area. The first half of the rate changes came in 2010, with the 2nd half of the rate adjustment coming in January of 2011. As was planned as part of this rate study, the three years following the rate change were to see 1% increases in Water rates in each of the three years, with us then doing a re-study of our rates after 2014 to make sure our initial assumptions materialized from our last study, and to give us direction of where to go for our next 5-year period if we are to both keep our rates competitive and keep a sustainable water system into the future. As you will see, this 1% rate increase is reflected in the proposed Water Fund budget for 2014.

From a sewer and electric perspective, our rates have remained very competitive over 2013, compared with other municipalities. From an electric fund perspective, our total rates in 2013, including the Energy Adjustment Clause, were over 8% lower than Xcel for residential customers. Compared to Mn Valley Electric Cooperative, we were approximately 4% lower. Xcel and Minnesota Valley is our main competitor. We do not see this relationship changing very much in 2014, as Xcel once again has a rate increase request into the State Public Utilities Commission now being considered, as they did just two years ago. Their rate increases are being driven by the major work they need to complete to renovate some of their old power producing plants in their generation stock.

With the proposed rate change of 1% in the Water Fund, Staff feels comfortable that Chaska will continue to be very competitive from a water rate perspective. From a sewer perspective, based on a 5.5% increase in treatment costs from Metro Waste, and increases in our own internal costs for providing services, the proposed rate increase in 2014 would be 5.36%. This is following a 5.4% increase in 2013. As Metro Waste provides treatment services for most surrounding cities, and that is the major cost of sewer service, our rates tend to be very similar from City to City, thus keeping us competitive with our surrounding communities. In Electric, in order to meet the needs of our system, and increases in wholesale power costs, we would need to increase rates 2%. As mentioned previously, while we are already very competitive in the market compared to Xcel and Minnesota Valley Electric Cooperative, averaging 8-9% lower in retail rates for our residential customers, we expect that this relationship to stay very competitive in the near future, as Xcel has once again requested a rate increase from the State of Minnesota as they did 2 years ago.

Finally, with the Storm Sewer Utility now being fully implemented, we are now better able to see what our base rates for residential should be set at to meet the needs of this utility, while also being competitive with other surrounding cities. Based on this analysis, in 2012, we did do an adjustment to our base Storm Sewer rates, increasing our monthly residential fee from \$3 per month to \$4.50 per month. With that base now re-established based on our actual needs in the Storm Water Utility Fund, we are now recommending a 6% increase in rates for 2014 to keep up with changing costs, which is approximately \$0.25 per month. With the average rate of surrounding cities being \$5.37 per month, and Chaska's going to \$5.04 per month, we still would be very competitive compared to the market.

Based on the changes that are being recommended, which will be discussed in more detail in following sections, below is a breakdown of what a typical resident can expect for rate increases in 2014:

	2012	2013	2014	Increase	Increase
Water	\$16.43	\$16.59	\$16.76	\$0.17	1.00%
Sewer	\$22.26	\$23.46	\$24.72	\$1.26	5.36%
Electric	\$84.23	\$85.91	\$87.63	\$1.72	2.00%
Storm Sewer	\$4.50	\$4.75	\$5.04	\$0.28	5.89%
Total	\$127.42	\$130.72	\$134.15	\$3.43	2.62%

Water Fund Budget

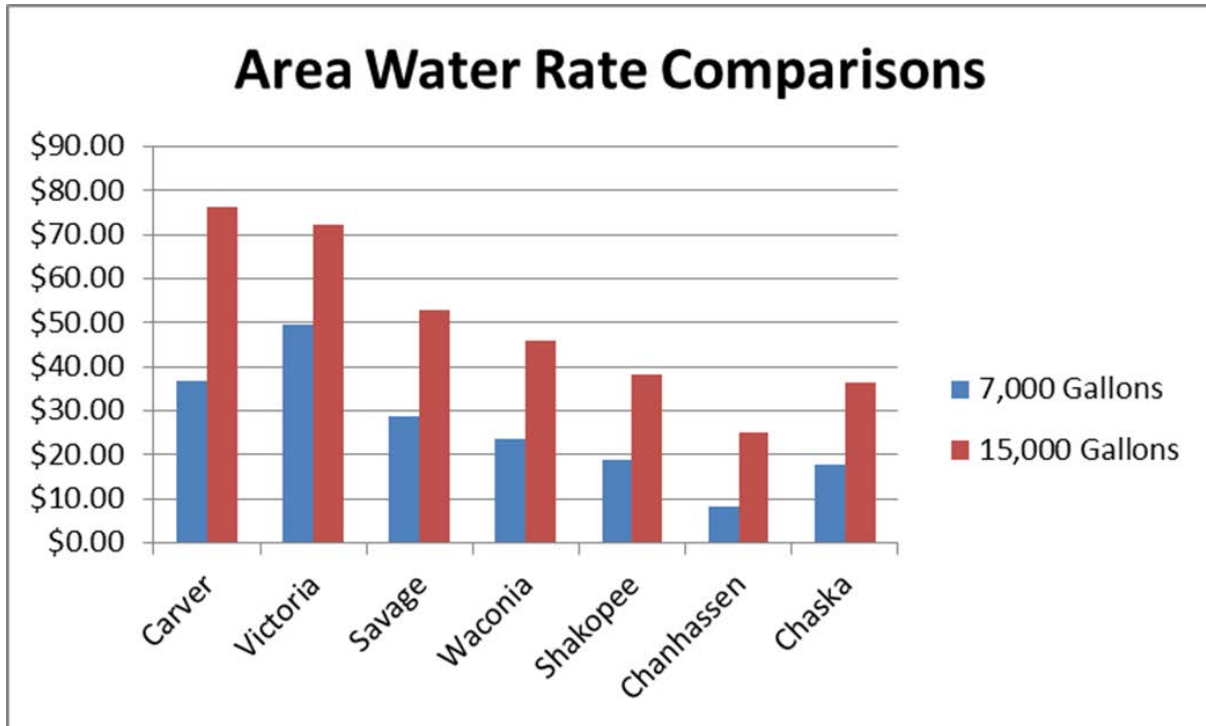
As was mentioned above, in 2009, the City of Chaska completed a comprehensive water rate analysis to look at the financial health of this fund. This water rate analysis was needed due to significant issues that were identified in our 5-year financial forecast and our CIP that indicated that the Water Fund would not be able to remain financially self-supporting if changes were not made. The objectives of this Water Rate Analysis included:

- Develop an inclining block rate that meets all of the DNR water conservation requirements that are required to be implemented by January 1, 2010
- Develop a base rate that meets all of our current operational and debt obligations, especially considering the significant decrease in development experienced at the time
- Develop a rate structure that is competitive with surrounding communities
- Develop an ongoing rate strategy that helps the City maintain a sustainable water system into the future to make sure our existing assets are not being consumed at a higher rate than we are financially replenishing our system

The results of this Water Rate Analysis quantified the issue our Water Fund would face if we continued with our strategy of implementing a 5% rate increase annually for the next 10-years without adjusting our base rate. What the study found was that if we continued with this strategy, that over a 10-year period, the Water Fund would be in deficit \$7 million, not allowing us to have any dollars built up to help support our existing system, nor being able to meet our current operational needs. This was mainly due to both the fact that our water rates were extremely low compared to other municipalities, and because the development slowdown would not allow the City to generate enough resources in Water Access Charges to pay for the debt service of our new Water Treatment Plant.

Based on the results of this study, in August of 2009, the City Council did move forward to implement an increase in Water Rate, which was completed in January of 2011. At the same time, the Council did implement the required DNR inclining block rate to promote water conservation, implemented a service charge of \$2.27 per month, and did refinance a portion of the Water Treatment Plant Debt to match up debt service payments more closely with when we feel development will restart. As was recommended in the Water Rate Study the City did implement a 1% increase in rates in 2012 to keep our rates current with inflationary increases in cost so we would not start to fall behind right after we made these significant changes. The Study showed that we should continue to have a 1% increase for each 2013 and 2014, to keep up with inflationary increases in costs, and then do a re-study again after 2014 to test the assumptions of the first study, see how the implemented changes were meeting the original objectives of the changes we initially made, and to give some direction for how to move with rates over the next 5-year period.

Staying consistent with these recommendations, it is recommended that a 1% increase in rates occur in 2014. With this change, you can see that Chaska's Water rates would still be very competitive compared to surrounding cities, still being on the low end of overall water rates. The chart below shows how Chaska would compare both in the Winter, where the average usage is 7,000 gallons per month for residential uses, and the average summer use is 15,000 gallons per month with the addition of lawn sprinkling. This chart illustrates Chaska's 1% increase and compares it to the other City's 2013 rates without taking into account any rate changes they may make:



2014 Budget

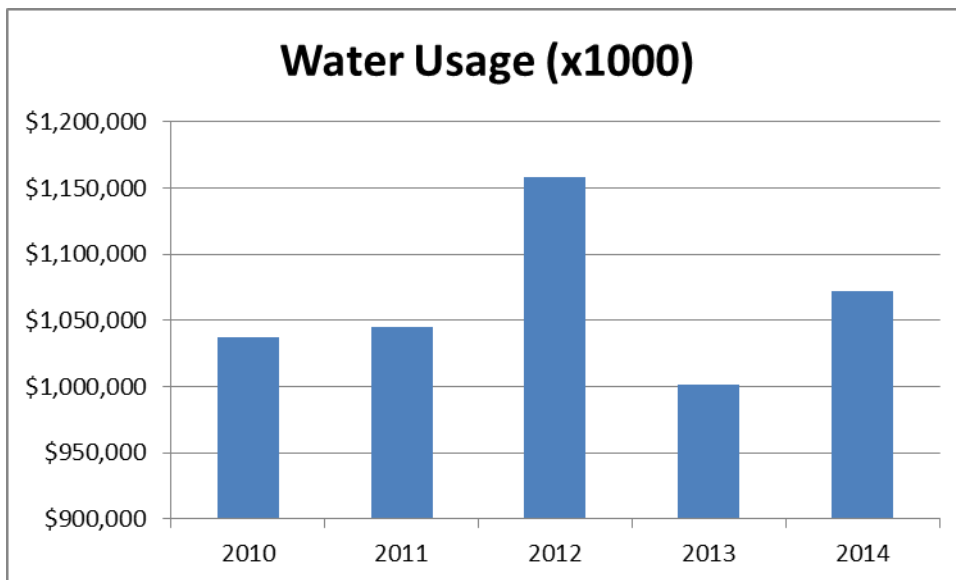
Based on the changes described above, Water Fund Revenues for 2014 are estimated to be \$3,176,170 compared to the 2013 Budget of \$3,105,270. 2013 ended up being a relatively low usage of water due especially to a very cool and wet spring. We are projecting a 7.07% increase in water usage for 2014, but this is based off of a weather-adjusted number from 2013, based on what we actually utilized during the year, compared to budget. Over the 5-year period, we are only projecting about a 1.10% increase in water usage each year, although we do anticipate some higher water users coming on-line early next year with the completion of some large Commercial/Industrial projects. Based on this, the revenue projections are meant to be somewhat conservative.

The major categories of revenues and expenses in the Water Fund as compared to past years are presented below:

	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Change	% Change
Revenues						
Metered	\$2,062,780	\$2,377,430	\$2,157,000	\$2,173,000	\$16,000	0.74%
Other	\$346,947	\$409,398	\$327,325	\$384,725	\$57,400	17.54%
Transfers In	\$623,795	\$265,000	\$620,945	\$618,445	-\$2,500	-0.40%
Total	\$3,033,522	\$3,051,828	\$3,105,270	\$3,176,170	\$70,900	2.28%
Expenses						
Pumping	\$188,530	\$262,121	\$515,302	\$495,323	-\$19,979	-3.88%
Treatment	\$239,196	\$236,220	\$243,821	\$264,741	\$20,920	8.58%
Distribution	\$509,434	\$539,241	\$886,169	\$1,459,518	\$573,349	64.70%
Administration	\$331,660	\$361,374	\$380,096	\$530,925	\$150,829	39.68%
Depreciation	\$704,737	\$756,277	\$0	\$0	\$0	0.00%
Debt Service	\$1,319,163	\$462,370	\$1,257,595	\$1,253,095	-\$4,500	-0.36%
Capital	\$662,600	\$0	\$0	\$5,000	\$5,000	
Transfers Out	\$54,500	\$50,000	\$54,804	\$50,000	-\$4,804	-8.77%
Other	\$0	\$0	\$0	\$0	\$0	0.00%
Total	\$3,347,218	\$2,667,603	\$3,337,779	\$4,058,602	\$720,823	21.60%

For 2014, we are projecting that we will generate \$2,173,000 in metered sales. This is up from the metered sales we budgeted in 2013 of \$2,157,000. The growth that we show is more due to the increased usage we see in the community from economic development activity that have brought more users into the community, as many of these new users will be coming on-line in early 2014. We do expect to see some additional economic development activity in 2014, along with a continued increase in residential activity, with the new housing starts in our Southwest Chaska Growth area.

For 2014, Water Sale revenues are based on the sale of 1,072,000,000 gallons of water. Below is a chart illustrating the number of gallons that we have pumped over the past several years, and what we anticipate for 2014:



Total water expenses for 2014 are programmed to be \$4,058,602. This compares with \$3,337,779 budgeted in 2013, increasing total expenditures in the fund by 21.60% from

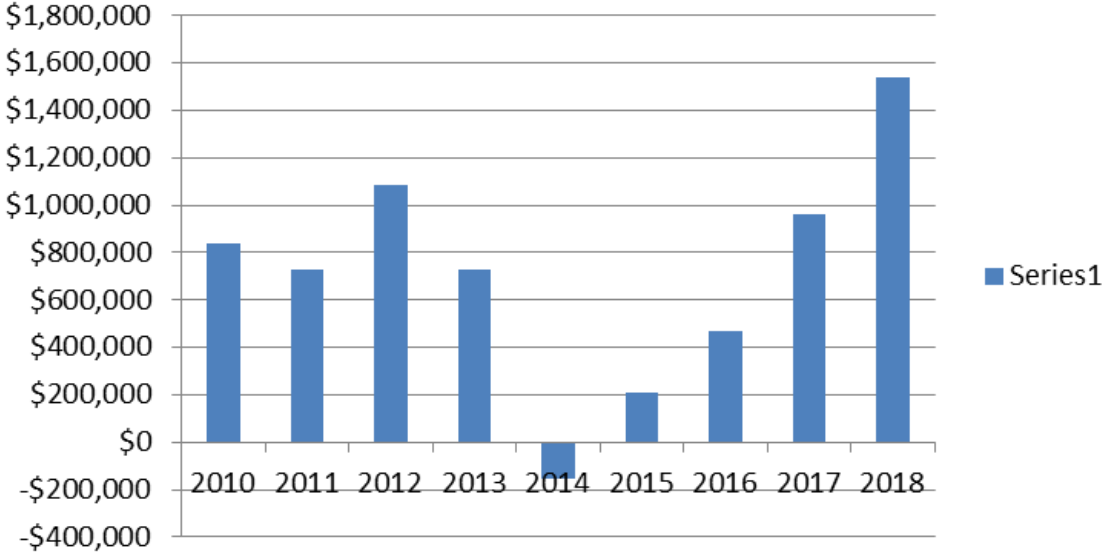
2013. The major difference in expenses in 2014 will come with the addition of our Automated Meter Reading Program installation, which is currently in the process of being implemented after the City entered into a contract for new meters this past July. For 2014 and 2015, \$880,000 are programmed to come from the Water Department to support the nearly \$3.8 million project that is being completed with the Sewer and Electric Department. In addition to this, our normal maintenance activities are being funded for 2014, including \$100,000 for Well #8 renovation, and \$60,000 towards scheduled maintenance on our pressure reduction stations and on our pipe corrosion program. One additional item that was added to the 2014 budget was \$150,000 to seek the purchase of a small parcel of land adjacent to Well #7. Well #7 is the only well that does not run into our Water Treatment Plant, but is a high production well. Staff is currently in the process of looking at the addition of a small treatment facility for just Well #7 to make sure that we take full advantage of this existing well and its production before we invest into a new well. This small parcel of land adjacent to Well #7 would be necessary if we were to take this route, and therefore the money is being budgeted should we determine that we should move in this direction. Finally, in 2011 the full cost of the Water Treatment Plant Debt service was accounted for through the Water Operating fund at a cost of \$1,263,445. 50% of this comes through our rate revenue with the other 50% coming through a transfer from our Water Trunk Funds, which are supported through development. This continues in 2014.

Personnel Services:

Currently the Water and Sewer staffing consists of the Superintendent, Foreman and six maintenance employees. The staffing level is recommended to remain unchanged for 2014.

Based on this budget we are budgeting a draw-down to the Water Fund in 2014 of approximately \$882,432 due to the Automated Meter Replacement Program. Once this program is implemented, we do see the Water Fund Reserves beginning to be restored again. Building up this Fund Balance was one of the primary objectives of our rate change so that we can afford future maintenance and upgrades necessary to keep a sustainable water system. Over the 5-year period, we do feel that we will be able to add to our fund reserves, and seek our target of have 35% reserves in the fund.

Water Fund Cash Balance



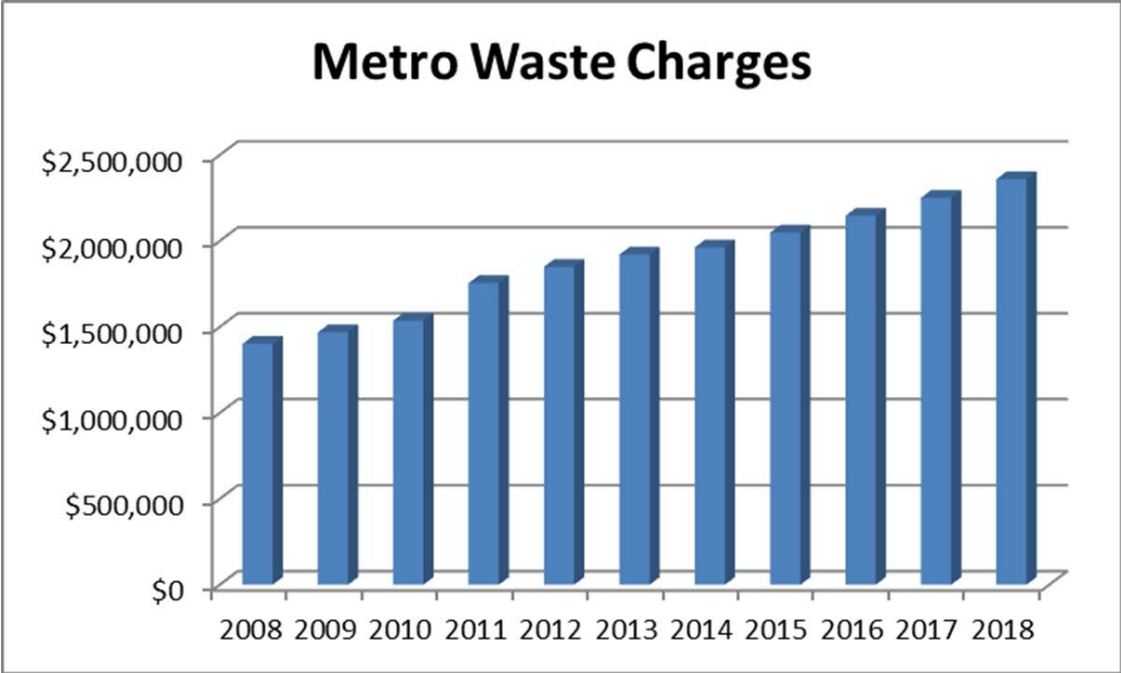
Sewer Fund

Sewer Fund revenues for 2014 are anticipated to be \$3,119,836, a 8% increase over the budget in 2013. This increase in revenue is due mainly to the increase in the number of large sewer customers we have added in our system over the past 2 years, such as Michael's Foods and 212 Medical Center. The following table is a summary of anticipated revenues and expenses for 2014 relative to past years.

	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Change	% Change
Revenues						
Metered Sales	\$2,759,460	\$2,747,852	\$2,834,300	\$3,062,500	\$228,200	8%
Other Revenues	\$67,764	\$66,903	\$60,303	\$57,336	-\$2,967	-5%
Total	\$2,827,224	\$2,814,755	\$2,894,603	\$3,119,836	\$225,233	8%
Expenses						
Pumping	\$10,632	\$8,318	\$21,916	\$23,101	\$1,185	5%
Treatment	\$1,754,911	\$1,849,732	\$1,920,448	\$1,962,513	\$42,065	2%
Collection	\$500,383	\$406,740	\$843,966	\$1,399,689	\$555,723	66%
Administration	\$371,542	\$385,055	\$408,541	\$560,208	\$151,667	37%
Transfers Out	\$114,400	\$110,000	\$114,800	\$115,000	\$200	0%
Other	\$83,625	\$80,255	\$0	\$0	\$0	0%
Total	\$2,835,493	\$2,840,100	\$3,309,671	\$4,060,511	\$750,840	23%

Sales revenue is based on seeing a 5.36% increase in retail rates for 2014. Unlike other utility services we provide, we do not know at the beginning of the year exactly what we will be charged by Metro Waste next year for treatment of our sewer, as it is a fixed cost based on past usage of the system. As in other years, any rate determination is based on looking at both our actual cost of treatment service from Metro Waste, which will be a 5.5% increase in 2014, and the increase we need in our own internal operations to meet our current and future operational needs. The major project that we are funding now in the Sewer Department, as in the Water and Electric Departments, is our Automated Meter Reading Program.

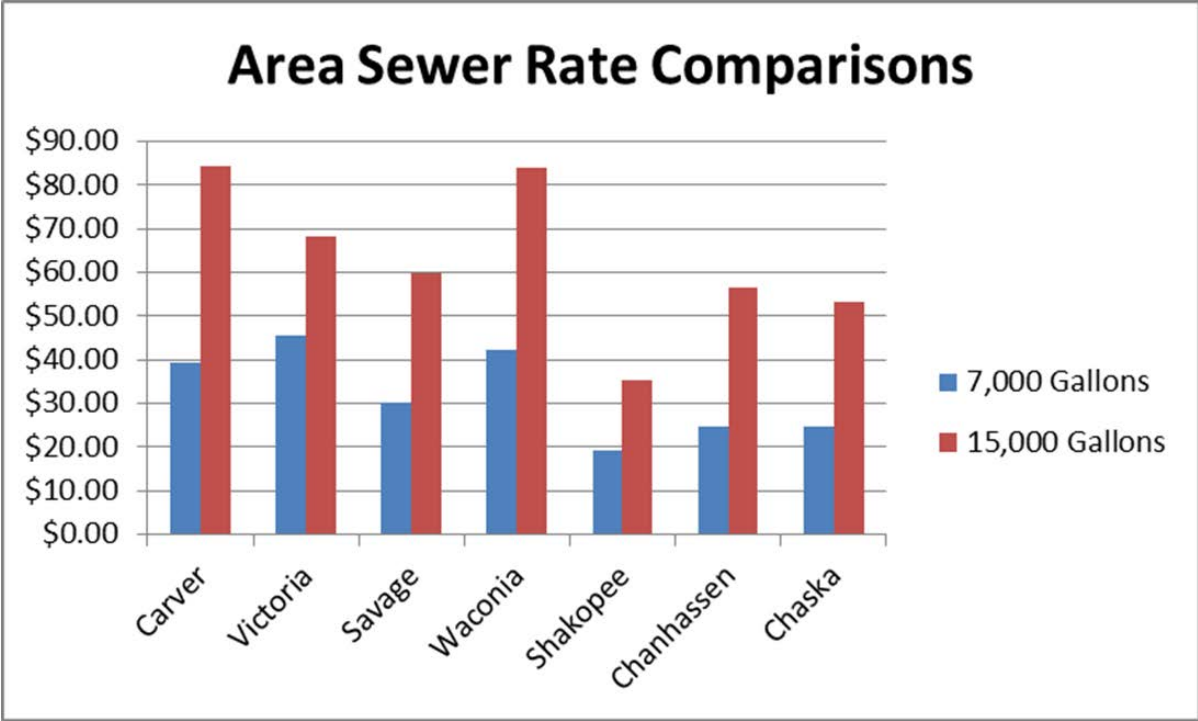
Metro Waste treats all of the sewage for not only Chaska, but each of the Cities in the Twin Cities Metropolitan Service Area. It should be noted that in 2010, we saw Metro Waste rates increasing by 12.91% to Chaska to accommodate for increases they needed to consider for reduced growth in the Metro Area, and the need for Metro Waste to cover existing debt service costs for infrastructure built within the last decade. In 2010, that increased our retail rates by 7.93%. 2011 rate increases from Metro Waste was much less, requiring a 1.61% increase in rates to accommodate the increase in costs we saw from Metro Waste. In 2012, we were able to keep a 0% increase in our Sewer Rates and still meet the financial obligations for the fund, and for 2013 we saw a 5.4% increase. Below is a chart illustrating the changes we have seen in costs coming from Metro Waste both because of growth in the community and changes in our rates to treat the sewage that our community generates.



Expenses:

Sewer expenses are anticipated to be \$4,060,511 for 2014, an increase of 23%. The main driver of the increase in expenses in 2014, beyond the rate increase from Metro Waste, will be the Automated Meter Reader Installation Program that is being done in conjunction with the Water and Electric Departments. As mentioned in the discussion of our Water Fund, the contracts for purchase of this nearly \$3.8 million system (between Electric, Water and Sewer) were executed in July, and Staff is now in the process of implementing this across the community. The actual physical replacement of these meters will occur in 2014, and will be a cost to the Sewer Fund of \$880,000. Sewer Fund Reserves are being used to pay for this installation program.

Currently, Chaska’s sanitary sewer rates are very comparable to other cities in the metropolitan area, and in the southwest metro area in particular. Metro City sewer rates tend to be very similar from City to City since a significant portion of the monthly bill is based on the Metro Council sewer charges, which are based on the same costs from City to City. Below is a comparison of Chaska sewer rates to other surrounding cities for both winter and summer usage averages:



Personnel Services:

Currently, the Water and Sewer staff consists of the Superintendent, Foreman, and six maintenance employees. These Staff members are the same as the Water Department, as they are utilized for both Water and Sewer functions. For 2014 it is recommended that the staffing levels remain unchanged. It should be noted that 50% of these personnel costs get charged to the water department, with the other 50% going to the sewer fund.

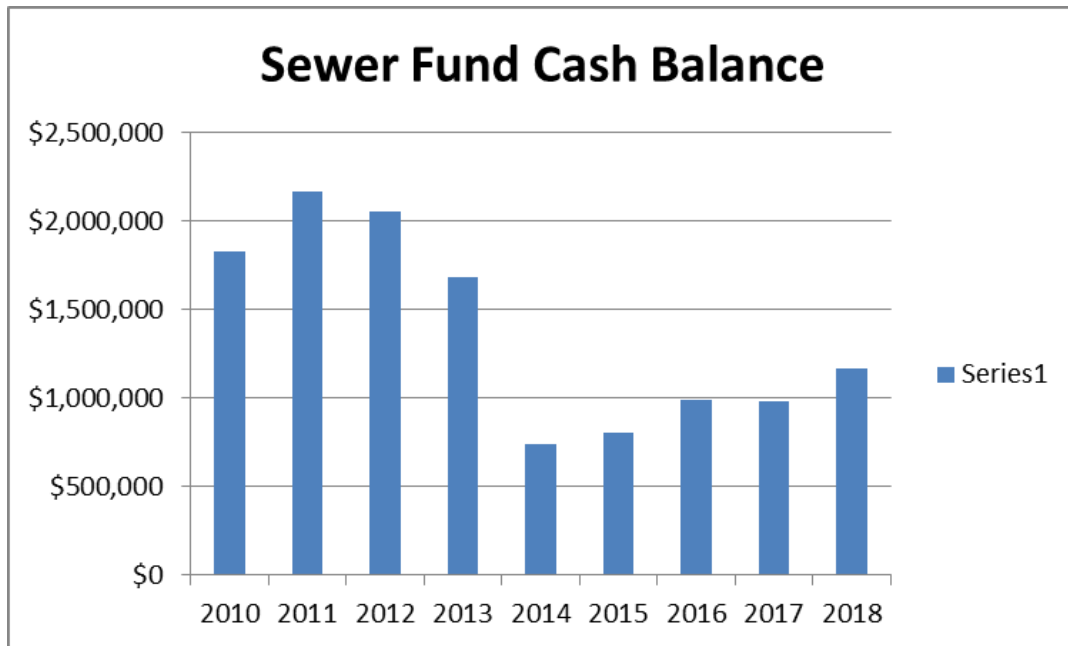
Equipment:

As mentioned previously, in 2014, the major initiative that we will start funding is our Automated Meter Reader Installation Program. In 2014, all of the meters in our community will be either switched out or retrofitted to work with an Automated Meter Reading Program. As in the Water Fund, this would require \$880,000 from the Sewer Fund to support. The funding of this program would require us to go into our reserves to fund. This is one of the reasons that we try to carry the proper amount of cash balance forward in our Utility Funds to be able to handle these capital reinvestment projects needed to keep our system functional into the future.

In 2013, we would also continue to have \$110,000 contribution to our Street Reconstruction Program to address necessary sewer replacement in our system, which will include the reconstruction of roads going into our downtown commercial district on both sides of Highway 41. The Sewer Department would continue in 2014 with its Sewer Lining Program for \$50,000, along with \$50,000 for the work on the Inflow and Infiltration Program to reduce clear water going into our Sewer System and being treated. We have also included \$25,000 in 2014 to address annual work on lift stations. This annual work fluctuates between \$25,000-\$45,000 annually, depending on the size

of the lift station being serviced. All of this work is done to be proactive on dealing with Sewer Maintenance before any one spot becomes an issue.

Based on our total expenditures and revenues, and a draw-down on our reserves to cover the expenses for the Automated Meter Reader Installation Program, we are budgeting that there is a decrease of \$940,675 in the Sewer Fund for 2014. We will see this decrease in Fund Balance reverse itself after 2014 when our large AMI project is complete.



Electric Fund Budget

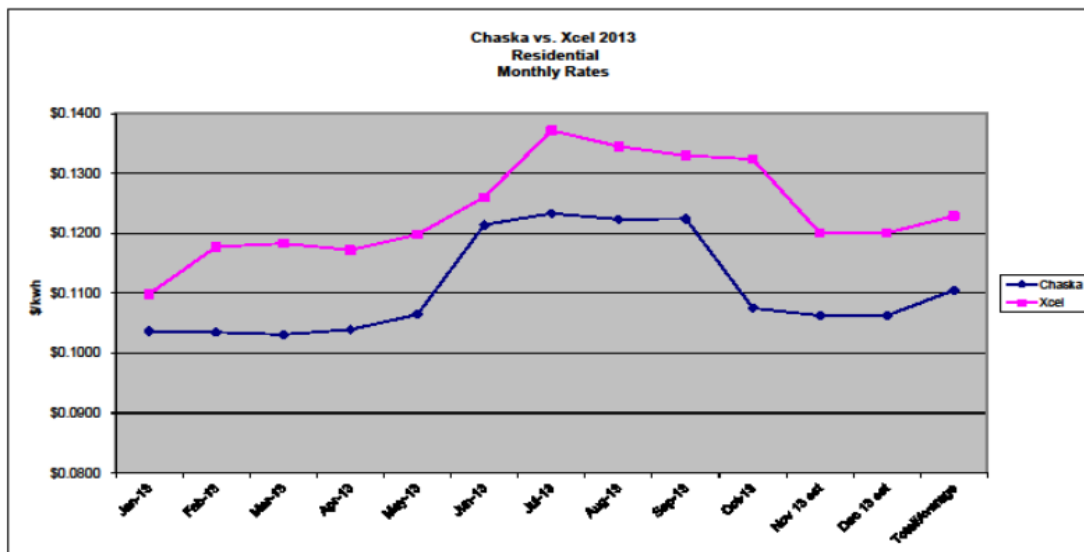
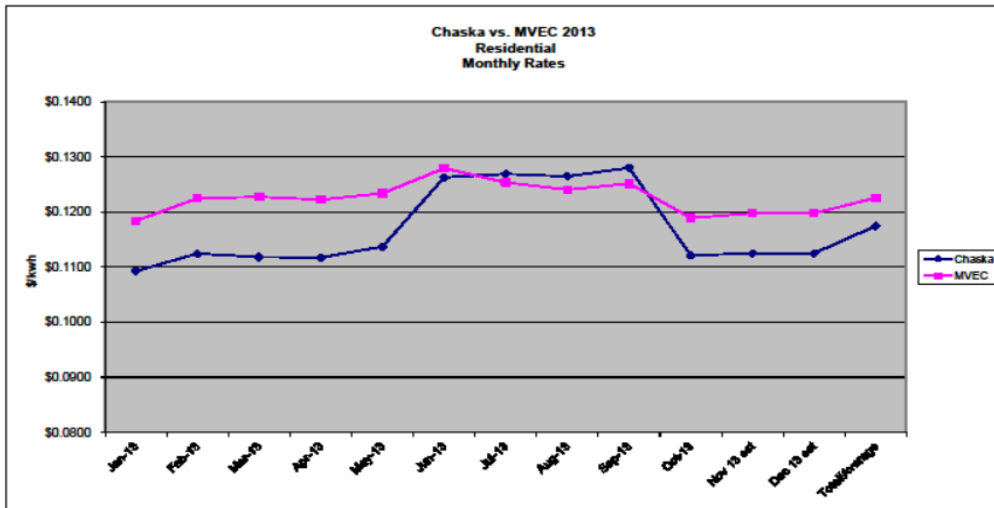
For 2014, Electric Fund revenues are anticipated to be \$31,129,100. This compares to the \$31,167,700 we had budgeted for revenue in 2013, a decrease of 0.12%. As part of the 2014 budget process, one of the items that Staff continued to look at is the affect that the new large users in our system will have on our overall electric sales, not only for 2014, but for the years included in our 5-year forecast. We will continue to see significant new growth in our commercial/industrial sales in 2014, as we will see many large projects now being constructed come on-line, including Stream Data Center, Viawest Data Center, the addition to the 212 Medical Center, the addition to Beckman Coulter, as well as many new residential products throughout the community. Below is a chart looking at our anticipated revenue for 2014.

	Actual 2010	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Change	% Change
Electric Sales	\$25,740,975	\$28,851,325	\$31,613,644	\$30,797,600	\$31,109,000	\$311,400	1.01%
Other Revenue	\$323,949	\$303,729	\$387,838	\$370,100	\$20,100	-\$350,000	-94.57%
Total Revenue	\$26,064,924	\$29,155,054	\$32,001,482	\$31,167,700	\$31,129,100	-\$38,600	-0.12%

To develop our 2014 revenue budget, we did utilize the following assumptions:

- Total rate revenue increases by 2% in 2014
- Just under a 1% increase in total sales to customers
- A total of 200 residential units added in the community over the year
- Continued Economic Development activity will drive our overall sales up
- Normal weather
- Increase in wholesale power cost of just over 1%
- Conservation Improvement Program run internally, which decreases the "other revenue" we used to have coming into the Electric Department from our Power Agency to address these CIP Programs

The City's objective is to maintain electric rates that are competitive to Xcel Energy. As we have seen over the past 12 months, Chaska's residential rates have fared well compared to the market. Looking at 2013, we did see total bills for residential users that averaged over 10.1% lower than Xcel, and close to 4% lower than Minnesota Valley Electrical Cooperative. Much of this can be attributed to a more stable Natural Gas market over the past few years, than what we saw in 2008, when our total bills were averaging very close to Xcel's overall bill. Our Power Agency, MMPA, currently has most of their assets that are Natural Gas burning, which has resulted in lower costs, and has been able to attain grant financing to support our required renewable energy projects such as Oak Glen Wind Farm and the Hometown Bioenergy Project in Le Sueur, which has the energy from these sources priced very competitively. Xcel recently requested yet another rate increase from the State for 2014, which will allow us to keep our rates competitive for the foreseeable future. Their rate increases can be attributed to a significant amount of work that they are having to complete in aging generation facilities. Below is a graph showing our total residential bill compared to Xcel and Minnesota Valley in 2013:



As mentioned previously, we continue to expect that our overall bills will continue to be lower than Xcel, especially for our residential customers. This is based on the fact that Xcel not only received rate increases over the past few years, but is currently being considered for another rate increase through the Public Utilities Commission at the State. This will have the effect of keeping our rates very competitive as we look at our main market competition.

Electric Fund expenses for 2014 are projected to be \$31,490,556 compared to \$30,482,875 in 2013, for a total increase of 3.31%. There are two primary factors driving expenses for 2014. The first primary cost factor in our electric utility is the purchase of wholesale power from the Minnesota Municipal Power Agency. For 2014 we are anticipating that the Agency's wholesale rate will go up 1.16%. Based on projected wholesale power rates, we are anticipating that our total wholesale power costs for 2014 will be \$21,638,000, compared to the budget of \$21,531,000 in 2013. The other major factor is the start of our Automated Meter Reading program installation, which the Electric Department is doing in conjunction with the changing of the meters for the Water and Sewer Departments. This program is now under contract and will be completed in 2014, with the Electric Department's share of the overall project at \$2 million.

As the electric industry becomes more competitive, it is imperative that the City works closely with the power agency to assure that we are purchasing wholesale power at competitive rates. As we are seeing with the need for Xcel to raise their base rates again, and with their aging infrastructure that will need to be replaced in the future, it does appear that the agency will be well positioned to meet the needs of the City in the foreseeable future, while at the same time maintaining competitive rates. At the same time, the Agency is positioning itself well to address the State's Renewable Energy Requirements initiatives, which will require us to have 25% of our energy generated from renewable sources by 2025. The Agency opened its Oak Glen Wind Farm in November of 2011, in South Central Minnesota, helping us to meet these initial requirements. This is a 42 MW generation facility, and will help us meet the 2012 requirements of the State mandates in renewable energy. The Agency is also in the process of commissioning its Hometown Bioenergy Park in Le Sueur, MN, with this facility generating 8 MW of electricity using silage decomposition to support the generation of electricity. Both of these projects were assisted through Federal Grants, helping keep the price of electricity generated from these plants competitive in the market.

Personnel:

Currently we have ten line workers, along with the Electric Director, Assistant Electric Director, and Foreman, serving this division. It is recommended that we not change the number of full-time crew in the Electric Department for 2014.

A transfer of \$100,000 is programmed from the Electric Fund to the Community Center as we have done in the past. This transfer is consistent with the funding program for the Community Center and is reflected in the Electric Fund. In addition to this, there

will be an additional \$150,000 transfer to the CCC, which will help fund a portion of the new Community Center CIP program, and a \$180,000 contribution going towards the debt service of The Lodge Addition at the CCC. This number in 2013 was \$255,000, with \$75,000 of this now going to help support the CIP Program at the Community Center.

In addition to this, in 1997 the City adopted a financing plan for the new Fire Station, including an annual transfer of \$300,000 from the Electric Fund to the Fire Station debt service. These transfers are anticipated to continue until 2015.

Besides these expenses, and the \$2 million expense to the AMI program, the Electric Fund will also have additional planned improvements to the system occurring in 2014. This is part of an on-going program to make sure our Electric infrastructure is in good condition, so as to keep our reliability rates high.

Debt Service:

In 2001 the City developed the new Minnesota River substation jointly with the gas turbine project. The Electric Fund share of the substation was \$2,281,000, which converts to annual debt payment of \$104,219. This will continue in 2014.

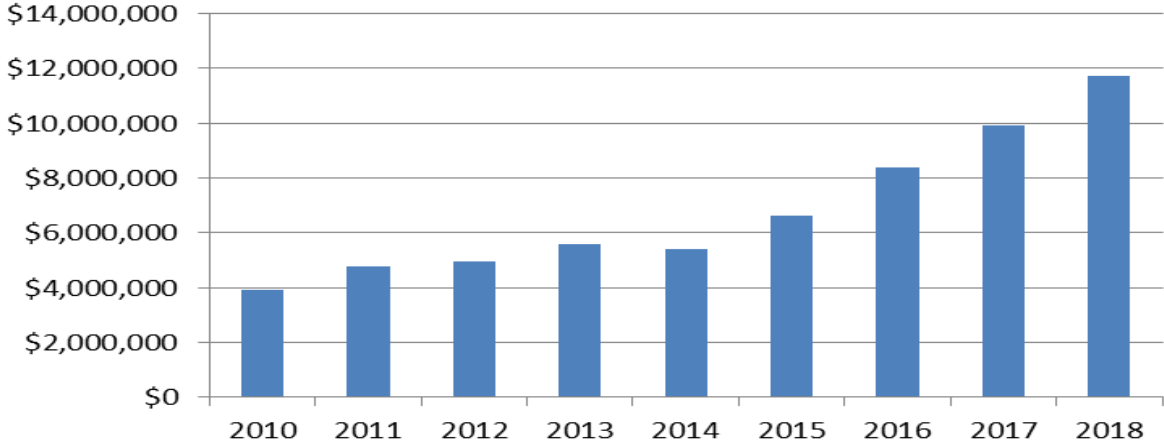
In addition to this debt, the Electric Fund will also have debt service of approximately \$260,000 annually to support the construction of the West Creek Substation, which was completed in the summer of 2012.

Based on this, the following would be the expenditures for 2014:

	Actual 2010	Actual 2011	Actual 2012	Budget 2013	Budget 2014	Change	% Change
Purchased Power	\$18,756,309	\$20,785,783	\$22,544,128	\$21,531,000	\$21,638,000	\$107,000	0.50%
Franchise Fee	\$2,501,470	\$2,702,870	\$2,988,410	\$3,135,000	\$3,405,000	\$270,000	8.61%
Operating Costs	\$3,364,911	\$3,350,095	\$3,685,397	\$3,184,886	\$3,264,311	\$79,425	2.49%
Capital	\$0	\$0	\$0	\$1,553,000	\$2,145,000	\$592,000	38.12%
Debt	\$73,804	\$74,364	\$168,691	\$341,689	\$371,645	\$29,956	8.77%
Transfer	\$557,100	\$606,351	\$287,000	\$737,300	\$666,600	-\$70,700	-9.59%
Total	\$25,253,594	\$27,519,463	\$29,673,626	\$30,482,875	\$31,490,556	\$1,007,681	3.31%

Based on the budget as proposed, the Electric Fund would have expenditures in excess of expenditures in 2015 of -\$361,456. Based on that, the Fund Balance in the Electric Fund would go to just under \$6 million. Below is a chart showing where we expect Cash Balance in the Electric Fund to go to after the 5-year planning period.

Electric Fund Cash Balance



Storm Water Fund Budget

In 2008, the City of Chaska created, by ordinance, a Storm Water Utility Fund to address the growing requirements of managing surface water runoff throughout the community. With the implementation of new MS4 Storm Water Management requirements at both the State and Federal level, the City of Chaska, along with other communities across the country, needed to look at their surface water management practices differently, and generate the resources necessary to complete all requirements of the new laws. Up until the point of creating a separate Storm Water Utility Fund, any activities that the City of Chaska completed with Storm Water Management were completed by the Public Works department utilizing General Fund resources. With the new statutory requirements, it was apparent that these resources would not be sufficient to complete all necessary activities.

As the City of Chaska established our Storm Water Utility Fund, the City identified a number of objectives to complete in this newest Enterprise Fund, including:

- Provide the necessary resources for the Storm Sewer Fund to assure continuation of quality services to customers
- Maintain rates comparable to other cities, while at the same time generating adequate cash reserves for replacement of existing capital, necessary maintenance on our system, and for emergencies
- Meet all of the new MS4 requirements for Storm Water Management, addressing changes in the requirements as they occur
- Assume that major capital additions to the collection system are not financed from rate revenue (these are financed through Trunk Funds paid through development)
- Move all Storm Water Management activities out of our General Fund, treating the management of our Storm Water System the same financially as our other Utility Enterprise Funds (i.e. Water/Sewer and Electric)

In 2008 when the Storm Water Utility Fund was created, the City identified all of the work that needed to be completed as part of the Storm Water management activities, to develop an estimate on what all of the work would cost on an annual basis, and what future costs would likely be for replacement of infrastructure in our system as it became deteriorated. From this estimate of present and future costs in our Storm Water system, the City developed a rate structure in 2008, charging residential property owners \$3 per month based on each residential parcel that they owned, and attributed a per acre fee to those Commercial/Industrial and undeveloped properties in the City, based on what each of these parcels was contributing for surface water to our overall system. Some of the major operations that these fees helped to fund included:

- Completing certification and maintenance of Chaska's Flood Control System
- Completing maintenance of our Storm Water treatment ponds across the City
- Completing Street Cleaning to keep surface water runoff as clean as possible
- Maintaining our ravine systems throughout the City

- Completing our MS4 reporting and maintenance requirements
- Monitoring development activities to ensure Storm Water runoff and treatment requirement both during construction and after development completed

With the Minnesota River Flood Control system, and the many ravine systems around the community, Chaska's Storm Water Management activities are often more complex than non-river communities.

2014 Revenues

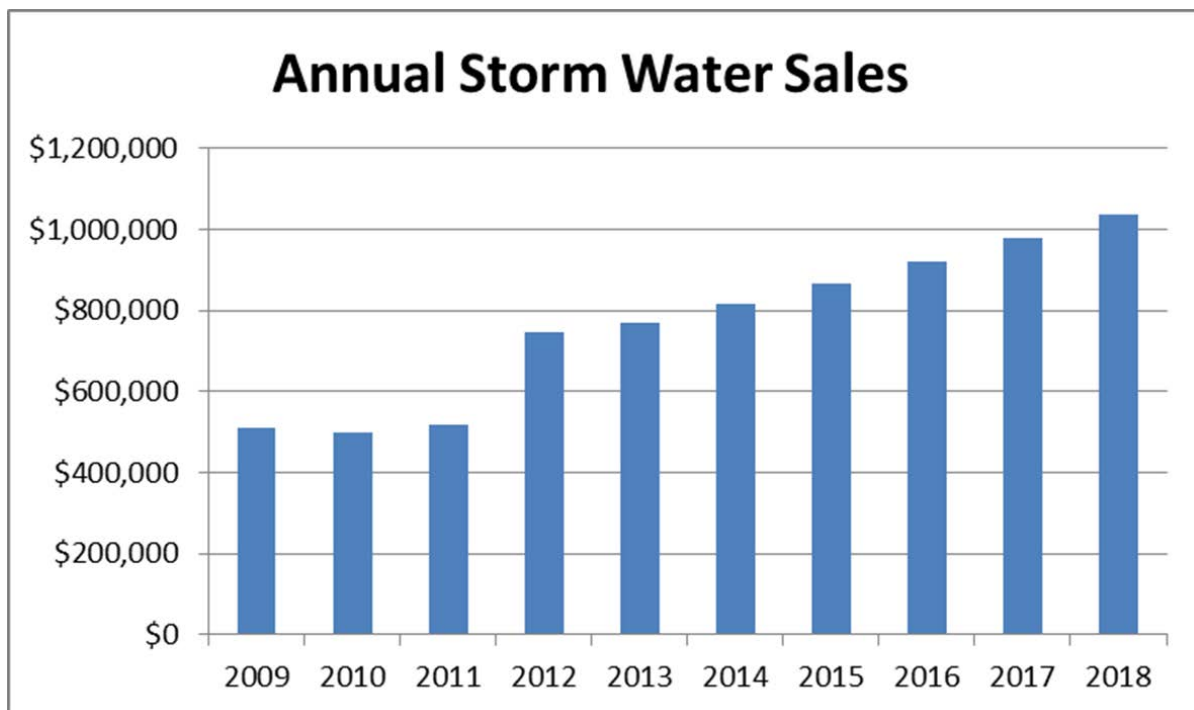
When the initial fee was established in 2008, this fee was based on estimates that were developed to help complete each of the activities listed above. It was the intent that once we had the Storm Water Utility Fund fully up and running that we would come back and review our fee structure to determine if it had been set at the proper level. In 2012 it became clear that not only was our rate set too low to accommodate all of the activities that needed to be completed in this Fund and with future maintenance expenses, but that we were also very low compared to many of the surrounding cities who also have a Storm Water Utility Fund.

Based on what our actual costs are for Storm Water Management activities, and based on our low position in the cost of our Storm Water Fee, in 2012 it was approved to go up by \$1.50 per month, bringing it to \$4.50 per month, still below the area average. Last year, this rate went up by \$0.25 to a total of \$4.75 per month.

Based on continuing increases in the amount of Storm Water Work that municipalities are now required to take on, we are recommending that the rate increase by \$0.29 per month. This would bring total revenues in the Storm Water Fund to \$819,000 for 2014, which is a 4.5% increase from 2013. The increased costs have not only to do with inflationary increases in costs, but also to do with the many requirements that continue to be placed on us, especially as it relates to maintenance of our Flood Control System. Below is a survey of the other area cities monthly Storm Water fees for 2013 compared to Chaska's proposed 2014 residential rate:

Stormwater Utility Rates	
Shakopee	\$6.87
Eden Prairie	\$6.00
Carver	\$8.52
Plymouth	\$5.00
Minnetonka	\$3.50
Chanhassen	\$3.01
Buffalo	\$5.00
Chaska	\$5.04
Average	\$5.37

As can be seen in the survey above, Chaska's rate is lower than the average of \$5.37 per month in the area cities. It is also important to point out that our rate stays competitive, even though we are a "River community", which often creates additional work required to be completed compared to communities not located on a major water body. Based on this change to our rate structure, the following chart depicts what we can expect to see in revenue for not only 2014, but through the next 5-year period if we saw approximately a \$0.25 per month increase over each of the next five years:



2013 Expenditures

Within the Storm Water system, there are really two distinct types of activities that occur. There is the day-to-day maintenance of our Storm Water system, and there is the inspection and reporting work that is required as part of the MS4 changes.

From a maintenance perspective, the City of Chaska does utilize our Public Works crew to support the maintenance activities of the fund. The time that they put into Storm Water maintenance functions is charged directly back to the Storm Water Fund. One change that we first saw in 2013, and will continue to see in 2014, is the addition of significant work to maintenance of our Flood Control Levy system. In 2012, the Army Corp of Engineers went through an inspection process to re-certify our levy. This inspection included new standards for levy maintenance that were not in affect at the time our Flood Control System was completed in the mid-1990s. One component of the work identified is the annual Rock Channel Weed/Brush control program. This is a program we will have to complete each year, and adds approximately \$30,000 annually to expenditures in our budget. The other items identified were one-time projects that need to be completed if we are to keep our Flood Control system certified. We budgeted \$50,000 for work that we completed in 2013, and will have another \$50,000 of work that needs to be completed in 2014 to complete our inspection requirements.

The other maintenance activity comes through the maintenance of our Storm Water system as part of our Street Reconstruction Program. To support these activities, the Storm Water Fund contributes \$200,000 annually to the Street Reconstruction program.

The other activities of inspections and reporting are mainly completed through our Engineering Department and through contract Engineering services. For 2014, \$160,000 of the Storm Water Fund budget is dedicated to these activities. These activities help us to meet our MS4 requirements, as well as identify the priorities for what maintenance work we will have to complete over the next several years. It should be noted, in our 5-year horizon we will have two large projects that we will need to complete, including the upgrading of our Oak Street lift station for \$300,000 to accommodate the increases in stormwater velocity we see coming through our system in larger rains, and the addition of a Salt Storage Shed at our Public Works building, with the Storm Water Fund contributing half of the total cost of \$175,000. We are trying to plan with these large expenditures in mind as we plan the 2014 budget.

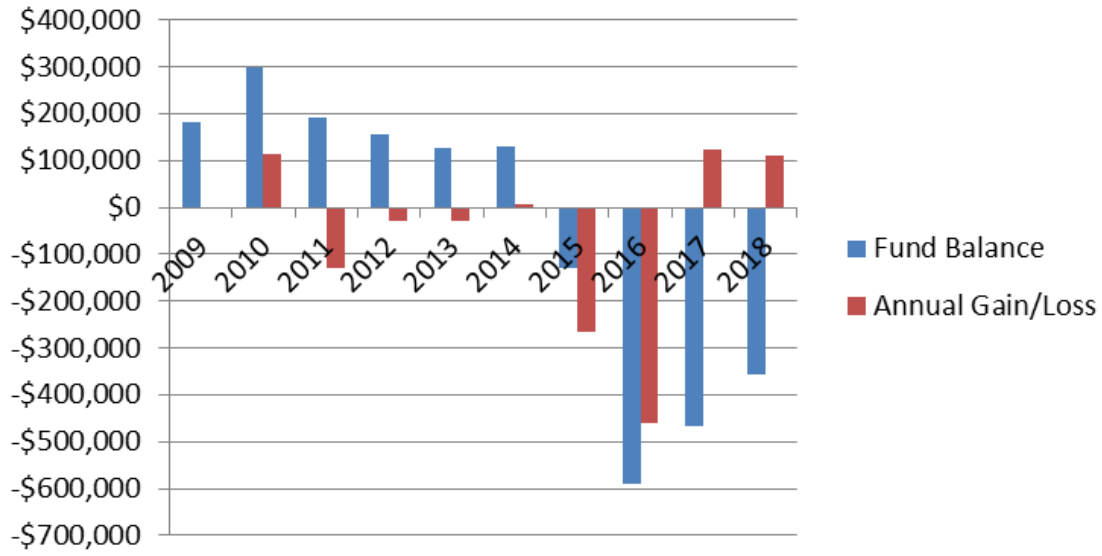
Based on the changes to our rate structure and our budget to fund necessary activities in the Storm Water Management activities, below is a breakdown of the revenues and expenditures for 2014:

	2011	2012	2013	2014		
Revenues	Actual	Actual	Budget	Budget	Change	% Change
Residential Sales	\$492,468	\$739,587	\$782,000	\$817,000	\$35,000	4.28%
Other	\$16,459	\$18,556	\$2,000	\$2,000	\$0	0.00%
Total	\$508,927	\$758,143	\$784,000	\$819,000	\$35,000	4.27%
Expenditures						
Transfer to Street Program	\$200,000	\$200,000	\$200,000	\$200,000	\$0	0.00%
Personnel	\$149,590	\$140,384	\$151,300	\$133,645	-\$17,655	-13.21%
Supplies	\$47,593	\$56,327	\$35,503	\$50,758	\$15,255	30.05%
Professional Services	\$149,161	\$255,122	\$150,000	\$160,000	\$10,000	6.25%
Capital Outlay	\$0	\$0	\$155,000	\$157,500	\$2,500	1.59%
Administration	\$29,552	\$46,628	\$54,371	\$54,496	\$125	0.23%
Utility Billing	\$6,912	\$19,249	\$17,343	\$17,516	\$173	0.99%
Depreciation	\$0	\$0	\$30,000	\$30,000	\$0	0.00%
Other	\$55,585	\$70,880	\$7,651	\$7,728	\$77	1.00%
Total	\$638,393	\$788,590	\$801,168	\$811,643	\$10,475	1.29%

As can be seen in the chart above, this fund has been a work in progress as different requirements have been implemented, and services have been changed from being charged to the General Fund to being charged to the Storm Water Utility. This budget does start to represent where the expenses and revenues in this Fund should be.

Based on the budget, and what is projected during the 5-year period, below is a chart of what we would expect to see for Fund Balance in this Fund as we move through the next 5-years. It should be noted that the large improvements to the Oak Street Lift Station and the Salt Storage Shed in 2015 and 2016 will be financed, so we will not see the negative drop in cash balance in the account that is shown below, as this chart assumes completing these projects with cash reserves.

Storm Water Fund Balance



Chaska.net Fund

The mission of Chaska.net is:

“Through the use of existing fiber optic and wireless technology, develop a high quality, low cost, high-speed Internet service for Chaska’s public business and residential entities, thereby enhancing Chaska’s vision of being a connected community.”

Chaska.net began operation in 2000 as part of a partnership between the City and the Chaska School District. At that time KMC was completing their fiber optic system serving the Chaska business community. The City and the School District entered into a partnership to construct fiber optic lines to serve each of our existing public facilities. In 2001 the City began providing high-speed Internet service to businesses through the use of local fiber loops provided by KMC, with the business service expanding in 2002, based on the development of a line-of-site wireless network for the community.

Under the initial wireless system antennas were installed at City Hall, the Community Center, and water towers to provide line of sight connections to businesses at a cost ranging from \$100 to \$500 per month. In 2003 the service was expanded when additional antennas were added in the cities of Victoria, Waconia, Norwood Young America, and Shakopee.

In the spring of 2004 Chaska initiated a major effort to fulfill its original vision of having low cost, high-speed residential Internet through the deployment of a City-wide wifi network. The hardware solution deployed consisted of installation of 378 Tropos radios located on streetlights at an original cost of \$621,000. Since the system is wifi based it utilizes off the shelf customer bridges and is capable of providing bi-directional data transfer of speeds up to 1.5 megabytes per second. In 2006 the City elected to upgrade to the next generation of Tropos radios at a cost of \$456,200. Since the inception of the service, we have continued to work on improvements to the system to help improve the reliability and consistency of the service that is provided. Through 2012 the City will have invested \$3.3 million in developing the fiber and wireless network.

REVENUES

Revenues to the fund are generated from three major categories; wireless wifi customers, line of sight customers, and direct fiber connections. Currently, the wifi network has approximately 1,460 customers paying a monthly fee of \$19.99 for the service. In establishing the original financial plan for the wifi business, the goal was to begin with a monthly rate of \$15.99, with that rate increasing by \$1.00 per year until it peaked at a rate of \$20.99. For 2007 the rates were left unchanged in order to continue to attract customers. For 2008 the monthly fee increased to \$17.99. In 2009

this rate did go up to \$18.99, and in 2010 the rate did go up to \$19.99 per month, a point at which it stayed in 2011 and 2012. In 2013, we once again kept the rate at \$19.99 per month, as we are cognizant of where our pricing has been compared to our main competing service-type provider, which is DSL, as well as other options for customers being able to bundle cable modem services through our local Cable Television Company. DSL and bundled service prices have come down in price over the past several years, now priced at approximately \$20 or less per month. While both the wi-fi network and DSL have capability of similar speeds, DSL is a land-line, and because of this has the ability to have better reliability. Cable service also has the potential to provide more reliable service and has become more affordable.

Because of this, it was felt that it was important to keep a price differential between our service and our competitors' pricing, so that there is still a true choice for the customer about what service to choose. We would anticipate keeping it at \$19.99 per month into the future to be able to provide this service for as long as there is customer demand.

Based on just over 1,460 residential customers, this service presently has a penetration rate of 15% for Chaska's approximately 10,000 households that could potentially be connected to the system. We do budget to keep that number of customers going into the 2014 budget year.

In 2014, the annual revenue budgeted for Chaska.net Wi-Fi service is \$331,000. This compares to \$587,000 in budgeted revenue for 2013.

Staff continues to market the Wi-Fi service through our website and occasional utility staffers. As we have discussed in a Work Session, Staff will be looking in 2014 about whether there is a potential private service provider that may have the interest in purchasing our residential wi-fi services. As we move into 2015, we will have to make a decision of whether or not we stay in the business of residential wi-fi service, as this is the year that our current Tropos Radios are no longer supported, and the City would have to make a financial commitment to upgrading our radio system if we were to stay in this business. Looking at the cost of upgrading our equipment, and the cost to customers of service through our competitors for potentially more reliable, land-line, services, we do not see that this is a component of our Chaska.net system that we would continue to provide. It will likely make little economic sense to upgrade our service with such inexpensive and reliable services being sold through our competitors for residential wi-fi service, although we would plan on keeping our Chaska.net service for its fiber services going into the future, as the fiber is a much more long term investment. The revenue budget for 2014 was built around the assumption that we would go through the process of seeking proposals from private vendors in 2014 to potentially purchase our service. This is why we reflect the significant decrease in revenue reflected for 2014. We were recently told by Tropos that the radios for this system will be supported into the middle of 2015. If we were to have the system the entire year of 2014, we would expect to see our revenues go up from where we are showing them now. These are items that we will have to explore over the next year as we look into "shopping out" this wi-fi service to our community.

As for the Point-to-Multi-Point System, the five-year plan anticipates that this revenue source will not be a major component of Internet service as we move into the future. Staff has even been evaluating whether we should continue to provide this services to customers outside of the community, as this is a drain on our staff resources, the equipment is aging, and has not helped us achieve our mission of connecting people and businesses within our community. We have been able to make some very inexpensive retrofits to this system to keep it functioning properly, and would anticipate that as long as this is a profitable portion of our business, that we would keep this service. As the equipment becomes technically obsolete for retail service, we will have to evaluate both whether we continue to provide this service to our existing Chaska companies, and whether we continue to provide this service outside of Chaska. The only two cities we continue to provide line-of-sight service to in the area are Victoria and Waconia. With the County's fiber ring having been installed between the Cities over the past 18 months, this will likely reduce the need for this service in other surrounding communities, thus making this service more obsolete. We do anticipate taking the PTMP out of service during the 2014 year.

The following table is a summary of the forecasted revenues for Chaska.net for 2014.

Revenues	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Budget	Change	%Change
ISP Sales	\$632,600	\$555,745	\$496,633	\$487,000	\$256,000	-\$231,000	-90.23%
School District Pass Through Funds	\$109,054	\$100,658	\$102,586	\$100,000	\$75,000	-\$25,000	-33.33%
Other	\$6,049	\$33,271	\$4,607	\$0	\$0	\$0	0.00%
Total Revenue	\$747,703	\$689,674	\$603,826	\$587,000	\$331,000	-\$256,000	-77.34%

EXPENSES

The following table is a summary of forecasted expenses for 2014.

Expenditures	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Budget	Change	%Change
Bandwidth	\$80,400	\$80,466	\$76,479	\$66,000	\$66,000	-\$10,479	-15.88%
Distribution	\$52,102	\$39,368	\$144,064	\$110,100	\$79,410	-\$33,964	-30.85%
Personnel	\$121,942	\$134,239	\$146,322	\$149,865	\$88,647	\$3,543	2.36%
Operating	\$267,719	\$284,460	\$299,178	\$249,550	\$183,500	-\$49,628	-19.89%
Depreciation	\$249,980	\$100,807	\$0	\$0	\$0	\$0	0.00%
Capital	\$0	\$0	\$0	\$10,000	\$5,000	\$10,000	100.00%
Total	\$772,143	\$639,340	\$666,043	\$585,515	\$422,557	-\$80,528	-13.75%

Currently, Chaska.net has two full time positions allocated to it. In 2014, we plan to continue to have a similar number of Staff members, with the exception of there being a shift of ½ a Tech position out of the Chaska.net fund and into the General Fund. This will reflect the reduction in workload in the Chaska.net fund as we shift away from residential wi-fi services, but illustrates the increased need we are seeing in our General Fund for IT Services. Eventually we would see this entire position going into the General Fund when the residential wi-fi services are completely eliminated.

Chaska.net Letter of Credit

Our original objective for the Chaska.net service was to fully pay off all outstanding debt by 2013. This original target was not met. It should be noted, however, that while Chaska.net has not been able to recoup all of the costs invested into it over the years, the City as a whole has avoided many costs over the past 12 years by having the system, as this has covered our cost of Internet services that we provide internally to our City offices. In this respect, Chaska.net has provided the City with a significant value in reducing our costs of providing internal services.

Although the Chaska.net service has not yet fully met our initial financial objectives, and may have difficulty paying back this original line of credit on its own, it should be noted that this service has provided many opportunities throughout our internal organization to save money on services we provide and how we provide them. Chaska.net has provided Internet service to the rest of the City's Enterprise Fund and the General Fund at no cost to these funds for over 12 years. This has created a significant savings across the entire City. It has also allowed us to provide other services in the City, such as SCADA support, which would normally cost the City additional resources. It will continue to provide us with opportunities for more cost effective ways to provide our services in other departments in the future.

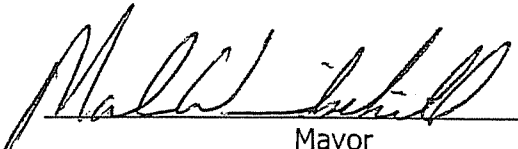
Adopted Budget Resolutions

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Fund	Revenues and Other Sources	Expenses and Other Uses	Net Increase (Decrease)
Electric	\$31,129,100	\$31,490,556	\$(361,456)
Water	3,176,170	4,058,602	(882,432)
Sanitary Sewer	3,119,836	4,060,511	(940,675)
Community Center	3,567,219	3,552,322	14,897
Par 30	184,000	156,783	27,217
Town Course	1,912,482	1,865,377	47,105
Turbine	2,925,287	3,055,109	(129,822)
ISP (chaska.net)	331,000	422,557	(91,557)
Storm Water Mngt.	819,000	811,643	7,357

FURTHER, BE IT RESOLVED, that the City Clerk is directed to file these approved levies with the Carver County Auditor on or before December 28, 2013.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 16th day of December, 2013.



Mayor

Attest: 

Deputy Clerk

**CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CARVER COUNTY, MINNESOTA**

RESOLUTION

DATE DECEMBER 16, 2013 RESOLUTION NO. EDA 13-06

MOTION BY COMMISSIONER ROHE SECOND BY COMMISSIONER YOUNG

**Resolution Approving the 2014 EDA Budget and the
Assessed 2013 Payable 2014 EDA Property Tax Levy**

WHEREAS, the Executive Director's proposed 2014 EDA Budget recommends a Housing and Redevelopment Authority special benefit property tax levy in accordance with Minnesota State Statutes, Section 469.033, Subdivision 6; and,

WHEREAS, in accordance with Minnesota State Statutes, Section 469.033, Subdivision 6 the special benefit property tax shall be an amount approved by the City Council of the City of Chaska but shall not exceed 0.0144 percent of taxable market value of the City of Chaska; and,

WHEREAS, the City has conducted a public hearing on December 2, 2013 to receive comment from the public on the proposed 2014 Budget and the tax levies recommended therein including the proposed 2014 EDA Budget and the EDA tax levy recommended therein; and,

WHEREAS, the EDA must certify to the County Auditor on or before December 28, 2013, a property tax levy for assessed 2013 payable 2014.

NOW, THEREFORE, BE IT RESOLVED, that the following assessed 2013 payable 2014 property tax levy be adopted consistent with the 2014 Budget:

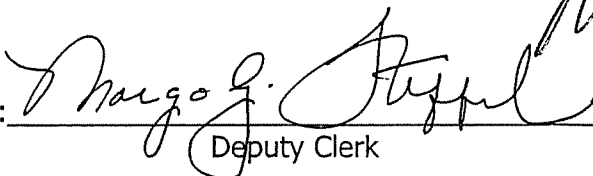
<u>Fund</u>	<u>Levy Amount</u>
EDA Fund, HRA Levy	\$ 76,360

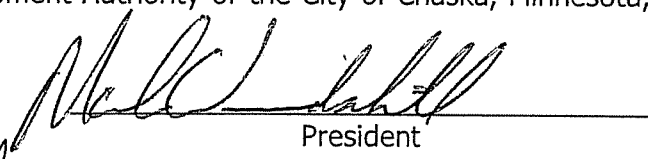
FURTHER, BE IT RESOLVED, that the following 2014 EDA special revenue fund budget be adopted:

<u>Fund</u>	<u>Revenues and Other Sources</u>	<u>Expenditures and Other Uses</u>	<u>Fund Balance Reserves (Uses)</u>
EDA Fund	\$ 275,760	\$ 275,760	\$0

AND, FURTHER, BE IT RESOLVED, that the Executive Director of the EDA is directed to file the approved EDA levy with the Carver County Auditor on or before December 28, 2013.

Passed and adopted by the Economic Development Authority of the City of Chaska, Minnesota, this 16th day of December 2013.

Attest: 
Deputy Clerk


President

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General Fund

(Fund 101)

All Sources and All Uses

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REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Department Total	7,912,470.31	8,305,764.07	8,589,665.00	5,894,964.66	9,431,373.00
**0 Unassigned Department Total	7,912,470.31	8,305,764.07	8,589,665.00	5,894,964.66	9,431,373.00
**111 Council Total	2,075.00	6,669.00	0.00	7,270.59	0.00
**115 Communications Total	258,460.20	263,857.67	256,406.00	215,021.30	273,364.00
**121 General Admin Total	50.00	675.46	0.00	0.00	0.00
**142 Elections Total	0.00	0.00	0.00	0.00	0.00
**151 Admin Services Total	86,446.59	83,033.24	68,712.00	41,559.23	28,687.00
**158 Data Processing Total	0.00	0.00	0.00	0.00	0.00
**161 Legal Total	850.00	0.00	0.00	0.00	0.00
**171 Community Developmnt Total	1,275,511.13	989,762.67	882,202.00	1,181,440.18	1,062,743.00
**181 Engineering Total	25,882.50	0.00	33,813.00	1,700.00	34,489.00
**191 Bldgs, City Hall Total	11,074.50	9,507.52	20,559.00	8,025.00	12,000.00
**192 Bldgs, 314 Walnut St Total	0.00	0.00	0.00	0.00	0.00
**193 Bldgs, 205 E 4th St Total	0.00	0.00	0.00	0.00	0.00
**1 General Government Total	1,660,349.92	1,353,505.56	1,261,692.00	1,455,016.30	1,411,283.00
**211 Police Total	426,011.40	404,669.25	372,399.00	416,898.81	386,982.00
**212 ST DUI Forfeiture Total	4,902.15	17,876.50	10,000.00	14,095.50	10,000.00
**213 Forfeited Drug Prope Total	0.00	60.00	0.00	0.00	0.00

REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**214 Crime Prevention Pro Total	3,000.21	3,151.79	0.00	0.00	0.00
**221 Fire Total	128,033.00	155,986.90	120,840.00	166,888.99	160,746.00
**291 Civil Defense Total	0.00	10,389.19	0.00	0.00	0.00
**292 Flood Control Total	0.00	0.00	0.00	0.00	0.00
**2 Public Safety Total	561,946.76	592,133.63	503,239.00	597,883.30	557,728.00
**311 PW Administration Total	1,426.11	607.10	0.00	50.00-	0.00
**3120 Streets Total	122,976.25	121,588.65	120,000.00	121,267.40	120,000.00
**313 Snow Removal Total	3,180.00	1,455.00	1,339.00	5,320.00	2,000.00
**314 Sign Machine Total	1,217.18	1,012.76	204.00	1,745.92	1,000.00
**331 Municipal Serv Bldg Total	0.00	248.00	0.00	0.00	0.00
**351 Park Maintenance Total	492.56	1,040.11	0.00	23,486.30	0.00
**352 ISD No112 Grounds Ma Total	92,633.96	92,720.36	97,847.00	84,523.64	98,956.00
**361 Tree Control Total	20,996.73	21,076.67	20,306.00	10,404.50	20,412.00
**3 Public Works Total	242,922.79	239,748.65	239,696.00	246,697.76	242,368.00
**511 PRA Administration Total	2,594.84	3,144.82	2,750.00	3,352.07	2,805.00
**521 Youth Total	14,818.00	14,768.70	21,000.00	14,376.04	15,000.00
**522 Senior Total	0.00	0.00	0.00	0.00	0.00
**523 Adult Total	13,226.04	11,803.52	11,673.00	11,479.55	11,500.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**524 Beach Total	9,564.78	8,089.32	10,029.00	6,072.60	7,000.00
**5 Parks/Recreation/Arts Total	40,203.66	37,806.36	45,452.00	35,280.26	36,305.00
Total Revenue	10,417,893.44	10,528,958.27	10,639,744.00	8,229,842.28	11,679,057.00

REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	0.00	0.00	0.00	0.00	0.00
**0 Unassigned Department Total	0.00	0.00	0.00	0.00	0.00
**111 Council Total	94,401.25	126,226.52	97,065.00	139,378.47	97,655.00
**115 Communications Total	124,089.36	126,802.00	154,198.00	115,064.68	156,287.00
**1210 Administration Total	287,241.41	365,730.68	444,916.00	409,783.97	456,816.00
**142 Elections Total	480.76	28,851.98	5,000.00	143.79	28,742.00
**151 Admin Services Total	885,845.85	939,736.14	979,014.00	1,068,536.81	1,133,153.00
**158 Data Processing Total	272,641.00	336,236.64	403,396.00	504,206.12	625,225.00
**161 Legal Total	170,665.41	120,992.81	124,356.00	122,132.78	125,599.00
**171 Community Developmen Total	862,773.65	955,463.90	791,167.00	801,206.16	836,346.00
**181 Engineering Total	264,494.34	219,610.83	236,532.00	249,238.15	243,259.00
**191 Bldgs, City Hall Total	239,986.07	207,475.71	212,726.00	190,248.00	216,504.00
**192 Bldgs, 314 Walnut St Total	275.00	0.00	0.00	0.00	0.00
**193 Bldgs, 205 E 4th St Total	408.10	110.61	0.00	0.00	0.00
**1 General Government Total	3,203,302.20	3,427,237.82	3,448,370.00	3,599,938.93	3,919,586.00
**211 Police Total	3,110,689.56	3,197,013.67	3,112,047.00	3,009,569.97	3,310,753.00
**212 ST DUI Forfeiture Total	4,018.48	7,350.20	10,100.00	3,939.37	10,132.00
**213 Forfeited Drug Prope Total	10,103.40	1,411.66	0.00	2,556.78	0.00

REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**214 Crime Prevention Pro Total	3,149.05	3,431.18	0.00	2,007.39	0.00
**221 Fire Total	721,270.93	836,143.02	967,755.00	950,551.55	1,100,841.00
**291 Civil Defense Total	7,101.63	22,706.95	6,274.00	5,297.00	5,521.00
**292 Flood Control Total	0.00	0.00	0.00	0.00	0.00
**2 Public Safety Total	3,856,333.05	4,068,056.68	4,096,176.00	3,973,922.06	4,427,247.00
**311 PW Administration Total	139,841.97	165,489.24	188,500.00	127,506.97	223,175.00
**312 Streets Total	1,146,865.34	1,089,107.16	1,252,271.00	1,052,331.81	1,308,433.00
**313 Snow Removal Total	124,561.34	99,268.57	166,627.00	161,514.52	160,635.00
**314 Sign Machine Total	12,607.73	16,296.26	9,015.00	13,241.86	14,060.00
**331 Municipal Serv Bldg Total	116,555.57	129,106.17	148,445.00	130,412.91	170,890.00
**351 Park Maintenance Total	766,838.07	887,181.77	706,667.00	819,570.02	749,910.00
**352 ISD N0112 Grounds Ma Total	39,297.84	36,930.43	40,760.00	39,101.02	38,734.00
**361 Tree Control Total	40,441.05	16,814.91	16,050.00	19,659.37	25,540.00
**3 Public Works Total	2,387,008.91	2,440,194.51	2,528,335.00	2,363,338.48	2,691,377.00
**511 PRA Administration Total	283,557.34	286,250.27	330,211.00	288,754.04	341,440.00
**521 Youth Total	59,535.54	59,877.56	65,265.00	53,544.82	67,419.00
**522 Senior Total	0.00	0.00	0.00	0.00	0.00
**523 Adult Total	69,332.02	69,965.27	77,118.00	63,857.03	86,281.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Budget	Current ----- Actual	Next Year Budget
**524 Beach Total	34,161.52	34,469.61	36,115.00	31,393.43	36,449.00
**527 Skating Rinks Total	7,813.01	4,799.29	9,154.00	9,000.74	9,258.00
**5 Parks/Recreation/Arts Total	454,399.43	455,362.00	517,863.00	446,550.06	540,847.00
**690 Unallocated Total	4,675.42	330.13	49,000.00	19,141.14	100,000.00
**6 Econ Dvlp and Unalloca Total	4,675.42	330.13	49,000.00	19,141.14	100,000.00
Expense Total	9,905,719.01	10,391,181.14	10,639,744.00	10,402,890.67	11,679,057.00
Fund Total	512,174.43	137,777.13	0.00	2,173,048.39-	0.00

Equipment Acquisition Fund

(Fund 448)

All Sources and All Uses

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FM Entry - Budget - Budget Revenue/Expense

REVENUE ACCOUNTS

For Fiscal Year: 2014

Plan No: 0001 BreakDown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	2,607,980.82	1,158,152.83	1,913,500.00	462,604.63	1,887,807.00
**0 Unassigned Department Total	2,607,980.82	1,158,152.83	1,913,500.00	462,604.63	1,887,807.00
**115 Communications Total	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
**191 Bldgs, City Hall Total	90,419.00	0.00	0.00	0.00	0.00
**1 General Government Total	94,419.00	4,000.00	4,000.00	4,000.00	4,000.00
**211 Police Total	15,000.00	1,000.00	0.00	0.00	0.00
**221 Fire Total	13,148.00	28,025.00	45,000.00	5,000.00	0.00
**2 Public Safety Total	28,148.00	29,025.00	45,000.00	5,000.00	0.00
**9Project/NonOp/OFSources Total	0.00	0.00	0.00	0.00	0.00
Total Revenue	2,730,547.82	1,191,177.83	1,962,500.00	471,604.63	1,891,807.00

REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	1,095,581.00	1,440,766.00	1,073,000.00	0.00	1,281,000.00
**0 Unassigned Department Total	1,095,581.00	1,440,766.00	1,073,000.00	0.00	1,281,000.00
**115 Communications Total	0.00	0.00	4,000.00	0.00	4,000.00
**151 Admin Services Total	0.00	47,000.00	420,000.00	140,734.46	188,000.00
**158 Data Processing Total	25,794.08	286,097.36	347,500.00	67,777.51	357,500.00
**163 DP WAN Total	71,512.90	431,948.24	0.00	0.00	0.00
**171 Community Developmen Total	0.00	0.00	22,000.00	18,634.91	47,000.00
**191 Bldgs, City Hall Total	186,503.62	49,554.76	0.00	24,213.20	0.00
**1 General Government Total	283,810.60	814,600.36	793,500.00	251,360.08	596,500.00
**211 Police Total	35,441.62	182,925.59	93,000.00	70,549.14	143,000.00
**221 Fire Total	13,520.15	16,958.93	60,000.00	119,290.21	15,000.00
**2 Public Safety Total	48,961.77	199,884.52	153,000.00	189,839.35	158,000.00
**311 PW Administration Total	13,413.95	0.00	208,000.00	249,254.37	118,000.00
**3 Public Works Total	13,413.95	0.00	208,000.00	249,254.37	118,000.00
Expense Total	1,441,767.32	2,455,250.88	2,227,500.00	690,453.80	2,153,500.00
Fund Total	1,288,780.50	1,264,073.05-	265,000.00-	218,849.17-	261,693.00-

Mount Pleasant Fund

(Fund 202)

All Sources and All Uses

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FM Entry - Budget - Budget Revenue/Expense

REVENUE ACCOUNTS

For Fiscal Year: 2014

Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	16,982.01	13,751.76	8,500.00	3,182.65	8,350.00
**0 Unassigned Department Total	16,982.01	13,751.76	8,500.00	3,182.65	8,350.00
Total Revenue	16,982.01	13,751.76	8,500.00	3,182.65	8,350.00

FM Entry - Budget - Budget Revenue/Expense

REVENUE ACCOUNTS

For Fiscal Year: 2014

Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**351 Park Maintenance Total	24,592.52	14,099.69	8,500.00	10,556.20	14,200.00
**3 Public Works Total	24,592.52	14,099.69	8,500.00	10,556.20	14,200.00
Expense Total	24,592.52	14,099.69	8,500.00	10,556.20	14,200.00
Fund Total	7,610.51-	347.93-	0.00	7,373.55-	5,850.00-

Chaska EDA Fund

(Fund 251)

All Sources and All Uses

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REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	240,333.70	235,745.61	248,290.00	206,096.69	243,360.00
**0 Unassigned Department Total	240,333.70	235,745.61	248,290.00	206,096.69	243,360.00
**652 Chaska EDA Administr Total	6,000.00	6,000.00	6,000.00	13,742.59	6,000.00
**654 ISD112 Peavy, 1999 L Total	0.00	0.00	0.00	0.00	0.00
**655 Small Cities Develop Total	0.00	0.00	0.00	0.00	0.00
**656 Housing Loan Program Total	0.00	0.00	0.00	0.00	0.00
**6 Econ Dvlp and Unalloca Total	12,600.00	159,381.35	32,400.00	37,942.59	32,400.00
Total Revenue	252,933.70	395,126.96	280,690.00	244,039.28	275,760.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**652 Chaska EDA Administr Total	208,324.37	197,763.91	263,890.00	214,582.36	249,360.00
**653 License Center 418 P Total	10,476.68	328.74	0.00	0.00	0.00
**654 ISD112 Peavy, 1999 L Total	0.00	0.00	0.00	0.00	0.00
**655 Small Cities Develop Total	0.00	0.00	0.00	0.00	0.00
**656 Housing Loan Program Total	0.00	0.00	0.00	0.00	0.00
**6 Econ Dvlp and Unalloca Total	273,497.02	214,892.65	280,690.00	229,982.36	275,760.00
**9 Project/NonOp/OFUses Total	13.00	0.00	0.00	0.00	0.00
Expense Total	273,510.02	214,892.65	280,690.00	229,982.36	275,760.00
Fund Total	20,576.32-	180,234.31	0.00	14,056.92	0.00

Electric Fund Fund

(Fund 601)

All Sources and All Uses

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REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Budget	Current ----- Actual	Next Year Budget
**000 Unassigned Department Total	28,851,325.25	31,613,644.19	30,797,600.00	27,432,950.63	31,109,000.00
**0 Unassigned Department Total	28,851,325.25	31,613,644.19	30,797,600.00	27,432,950.63	31,109,000.00
**809 Load Conservation Total	283,536.23	367,976.69	350,000.00	288,221.34	0.00
**8120 Admin, Billing Total	20,177.96	19,496.08	20,100.00	14,391.84	20,100.00
**8 Proprietary Total	303,714.19	387,472.77	370,100.00	302,613.18	20,100.00
**903 Project/NonOp/OFSour Total	14.34	364.86	0.00	41.56	0.00
**9Project/NonOp/OFSources Total	14.34	364.86	0.00	43.86	0.00
Total Revenue	29,155,053.78	32,001,481.82	31,167,700.00	27,735,607.67	31,129,100.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Budget	Current ----- Actual	Next Year Budget
**000 Unassigned Department Total	606,351.00	287,000.00	737,300.00	0.00	666,600.00
**0 Unassigned Department Total	606,351.00	287,000.00	737,300.00	0.00	666,600.00
**802 Production Total	20,785,783.21	22,544,127.83	21,531,000.00	20,511,664.58	21,638,000.00
**808 Transmission & Distr Total	1,136,785.36	1,230,165.37	2,956,544.00	1,522,193.98	3,578,218.00
**809 Load Conservation Total	617,477.37	759,684.62	743,000.00	668,637.95	489,500.00
**810 Administration Total	690,156.33	702,452.07	757,367.00	726,542.55	1,018,252.00
**812 Utility Billing Total	222,425.29	313,279.19	280,974.00	194,902.57	323,341.00
**881 Franchise Fee Total	2,702,870.00	2,988,410.00	3,135,000.00	2,608,140.00	3,405,000.00
**889 Deprecaiton Total	683,250.00	679,816.00	0.00	0.00	0.00
**8 Proprietary Total	26,838,747.56	29,217,935.08	29,403,885.00	26,232,081.63	30,452,311.00
**903 Project/NonOp/OFUses Total	0.00	0.00	0.00	32.41	0.00
**904 Project/NonOp/OFUses Total	0.00	0.00	0.00	0.00	0.00
**9 Project/NonOp/OFUses Total	74,364.00	168,691.04	341,689.00	279,563.45	371,645.00
Expense Total	27,519,462.56	29,673,626.12	30,482,874.00	26,511,645.08	31,490,556.00
Fund Total	1,635,591.22	2,327,855.70	684,826.00	1,223,962.59	361,456.00-

Water Fund Fund

(Fund 602)

All Sources and All Uses

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FM Entry - Budget - Budget Revenue/Expense

REVENUE ACCOUNTS

For Fiscal Year: 2014

Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Budget	Current ----- Actual	Next Year Budget
**000 Unassigned Departmen Total	3,033,521.71	3,049,817.50	3,105,270.00	2,171,638.43	3,176,170.00
**0 Unassigned Department Total	3,033,521.71	3,049,817.50	3,105,270.00	2,171,638.43	3,176,170.00
**814 Capital Construction Total	0.00	0.00	0.00	0.00	0.00
**8 Proprietary Total	0.00	0.00	0.00	0.00	0.00
**9Project/NonOp/OFSources Total	0.00	2,010.00	0.00	1,307.00	0.00
Total Revenue	3,033,521.71	3,051,827.50	3,105,270.00	2,172,945.43	3,176,170.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	54,500.00	50,000.00	54,800.00	0.00	55,000.00
**0 Unassigned Department Total	54,500.00	50,000.00	54,800.00	0.00	55,000.00
**804 Pumping Total	188,529.76	262,121.30	515,302.00	398,754.49	495,323.00
**806 Treatment Total	239,195.54	236,220.19	243,821.00	254,904.14	264,741.00
**808 Transmission & Distr Total	509,433.60	539,240.68	886,169.00	526,961.35	1,459,518.00
**810 Administration Total	211,040.55	251,380.91	270,926.00	278,223.91	400,884.00
**812 Utility Billing Total	120,618.77	109,992.71	109,170.00	138,722.53	130,041.00
**814 Capital Constrcution Total	0.00	0.00	0.00	0.00	0.00
**889 Deprecaiton Total	704,737.00	756,277.00	0.00	0.00	0.00
**8 Proprietary Total	1,973,555.22	2,155,232.79	2,025,388.00	1,597,566.42	2,750,507.00
**904 Project/NonOp/OFUses Total	0.00	0.00	0.00	0.00	0.00
**9 Project/NonOp/OFUses Total	1,319,162.54	462,369.98	1,257,595.00	420,940.05	1,253,095.00
Expense Total	3,347,217.76	2,667,602.77	3,337,783.00	2,018,506.47	4,058,602.00
Fund Total	313,696.05-	384,224.73	232,513.00-	154,438.96	882,432.00-

Sewer Fund Fund

(Fund 603)

All Sources and All Uses

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REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Budget	Current ----- Actual	Next Year Budget
**000 Unassigned Departmen Total	2,827,223.68	2,814,754.84	2,894,603.00	2,321,860.46	3,119,836.00
**0 Unassigned Department Total	2,827,223.68	2,814,754.84	2,894,603.00	2,321,860.46	3,119,836.00
Total Revenue	2,827,223.68	2,814,754.84	2,894,603.00	2,321,860.46	3,119,836.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Department Total	114,400.00	110,000.00	114,800.00	0.00	115,000.00
**0 Unassigned Department Total	114,400.00	110,000.00	114,800.00	0.00	115,000.00
**804 Pumping Total	10,631.95	8,318.09	21,916.00	16,930.30	23,101.00
**806 Treatment Total	1,754,910.60	1,849,731.96	1,920,448.00	1,920,448.08	1,962,513.00
**808 Transmission & Distr Total	500,382.76	406,740.00	843,966.00	494,497.07	1,399,689.00
**810 Administration Total	244,834.00	270,455.26	299,555.00	304,438.64	430,353.00
**812 Utility Billing Total	126,707.89	114,599.69	108,986.00	92,558.68	129,855.00
**889 Deprecaiton Total	83,626.00	80,255.00	0.00	0.00	0.00
**8 Proprietary Total	2,721,093.20	2,730,100.00	3,194,871.00	2,828,872.77	3,945,511.00
**970 Debt Service Proprie Total	0.00	0.00	0.00	0.00	0.00
**9 Project/NonOp/OFUses Total	0.00	0.00	0.00	1,239.87	0.00
Expense Total	2,835,493.20	2,840,100.00	3,309,671.00	2,830,112.64	4,060,511.00
Fund Total	8,269.52-	25,345.16-	415,068.00-	508,252.18-	940,675.00-

Community Center Fund

(Fund 604)

All Sources and All Uses

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REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Department Total	214,694.35	287,949.00	431,700.00	3,520.00	433,000.00
**0 Unassigned Department Total	214,694.35	287,949.00	431,700.00	3,520.00	433,000.00
**810 Admin, Gen/Sys Total	1,368,694.41	1,380,145.00	1,434,907.00	1,172,606.69	1,544,107.00
**830 Cafe Total	2,804.34	771.90	2,040.00	0.00	0.00
**832 Community Events Total	1,189.50	1,823.00	1,082.00	1,402.38	1,627.00
**833 Community Room Total	18,682.01	15,294.24	20,400.00	17,177.65	20,400.00
**834 Craft Rooms Total	39,875.98	30,258.02	38,198.00	28,447.37	37,200.00
**835 Wellness Addn, Water Total	6,224.00	3,940.75	4,500.00	1,297.25	1,250.00
**836 Wellness Addn, Studi Total	56,032.75	60,057.25	59,000.00	67,629.54	61,000.00
**838 Rainbow Room Total	4,991.82	5,465.43	6,500.00	4,008.38	4,960.00
**839 Wellness Addn, Welln Total	69,273.81	73,473.80	69,000.00	66,449.40	70,220.00
**840 Gym Total	51,733.85	44,963.18	43,000.00	37,524.71	45,580.00
**841 Gym, Batting Cage Total	1,595.35	1,548.63	1,500.00	1,084.13	1,236.00
**842 Gym, Gymnastics Total	21,380.68	22,546.90	18,935.00	18,431.64	19,314.00
**844 Ice Arena Total	578,418.96	643,789.42	603,915.00	375,966.64	724,429.00
**845 Ice Arena, Concess Total	42,324.80	42,639.09	42,200.00	24,599.62	41,414.00
**848 Maintenance Total	28,422.24	28,519.39	31,465.00	19,324.68	31,465.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**8490 Wellness Addn, Cycl Total	3,099.25	1,700.75	2,000.00	1,189.25	1,500.00
**850 Wellness Addn, Perso Total	10,178.00	7,515.00	6,000.00	6,669.38	7,000.00
**851 Wellness Addition Total	548.21	25,110.42	20,250.00	449.63	300.00
**852 Play-Daycare Room Total	29,996.70	26,957.48	31,920.00	23,177.18	26,920.00
**853 Trek & Trails Total	82,535.00	94,613.75	85,000.00	68,711.16	86,000.00
**854 Club Extreme Total	79,803.08	82,522.11	79,000.00	80,152.54	80,000.00
**855 Racquetball Total	17,453.53	16,185.72	13,182.00	13,837.12	14,109.00
**856 Swimming Pool Total	13,054.52	12,647.13	11,000.00	12,992.59	13,000.00
**857 Swim, Lessons Total	109,696.67	126,503.82	100,000.00	109,876.50	110,000.00
**858 Swim, Middle School Total	0.00	0.00	0.00	0.00	0.00
**859 Swim, Lake Grace Total	0.00	0.00	0.00	0.00	0.00
**860 Theater Total	71,015.32	73,298.96	70,818.00	58,816.18	71,141.00
**861 Lodge Total	32,001.15	36,809.32	27,040.00	35,125.26	29,250.00
**Birthday Party Total	32,046.65	34,048.78	37,900.00	24,396.45	36,400.00
**863 Tot-Time Preschool Total	10,319.42	9,604.45	11,500.00	7,919.25	10,230.00
**864 General Facility Total	0.00	0.00	0.00	0.00	0.00
**866 Capital Construction Total	0.00	0.00	0.00	0.00	0.00

REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**867 Adventure Program St Total	1,857.00	1,338.00	1,380.00	2,247.87	1,408.00
**868 Before & After Schoo Total	5,850.00	9,795.02	7,000.00	11,339.83	9,000.00
**869 Vending Total	29,976.57	38,614.59	41,616.00	28,806.21	33,759.00
**8 Proprietary Total	2,821,075.57	2,952,501.30	2,922,248.00	2,321,656.48	3,134,219.00
**903 Project/NonOp/OFSour Total	0.00	0.00	0.00	0.00	0.00
**950 Project/NonOp/OFSour Total	0.00	0.00	0.00	0.00	0.00
**960 Non-Oper, Miscellane Total	0.00	0.00	0.00	0.00	0.00
**9Project/NonOp/OFSources Total	10,000.00	48,000.00	0.00	0.00	0.00
Total Revenue	3,045,769.92	3,288,450.30	3,353,948.00	2,325,176.48	3,567,219.00

REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	0.00	0.00	0.00	0.00	0.00
**0 Unassigned Department Total	0.00	0.00	0.00	0.00	0.00
**810 Administration Total	494,943.11	502,118.92	501,294.00	453,517.91	682,011.00
**830 Cafe Total	2,936.89	6,172.12	1,263.00	18.44	500.00
**832 Community Events Total	6,233.49	6,956.48	7,862.00	4,605.74	7,670.00
**834 Craft Rooms Total	19,767.99	12,473.60	19,977.00	19,427.61	19,015.00
**835 Wellness Addn, Water Total	3,266.55	3,986.28	3,801.00	4,876.37	4,175.00
**836 Wellness Addn, Studi Total	19,494.41	20,425.49	24,708.00	15,995.62	24,730.00
**837 Front Desk Total	101,281.77	100,344.30	125,922.00	92,970.61	105,749.00
**838 Rainbow Room Total	0.00	0.00	0.00	0.00	0.00
**839 Wellness Addn, Welln Total	39,363.40	49,407.18	34,519.00	43,235.17	37,952.00
**840 Gym Total	32,527.94	30,504.16	33,090.00	37,122.11	33,688.00
**841 Gym, Batting Cage Total	1,602.85	1,548.61	1,734.00	1,084.13	1,751.00
**842 Gym, Gymnastics Total	15,011.76	14,993.54	17,309.00	13,289.97	20,035.00
**844 Ice Arenas Total	123,664.40	123,536.09	133,064.00	111,184.88	117,124.00
**845 Ice Arena, Concessio Total	36,242.93	36,639.09	35,350.00	16,899.80	35,703.00
**848 Maintenance Total	1,054,167.37	1,041,422.86	1,051,687.00	973,944.17	1,001,579.00

REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Budget	Current ----- Actual	Next Year Budget
**849 Wellness Addn, Cycli Total	1,648.23	1,695.92	1,996.00	1,338.15	1,728.00
**850 Wellness Addn, Perso Total	8,380.63	4,739.17	5,072.00	5,968.12	5,957.00
**851 Wellness Addition Total	120,164.33	110,083.96	135,987.00	102,623.92	136,181.00
**852 Play-Daycare Room Total	58,356.90	58,618.70	58,055.00	44,622.12	49,579.00
**853 Trek & Trails Total	81,245.34	77,203.17	84,618.00	68,551.03	74,448.00
**854 Club Extreme Total	54,680.12	59,475.66	53,364.00	48,846.81	61,810.00
**855 Racquetball Total	1,991.22	1,534.80	2,158.00	1,848.46	2,186.00
**856 Swimming Pool Total	288,464.74	288,896.03	282,268.00	267,522.97	296,107.00
**857 Swimming, Lessons Total	35,771.22	35,483.30	37,231.00	33,919.00	37,412.00
**858 Swim, Middle School Total	0.00	0.00	0.00	0.00	0.00
**859 Swim, Lake Grace Total	0.00	0.00	0.00	0.00	0.00
**860 Theater Total	10,299.42	10,787.28	12,366.00	7,760.80	11,899.00
**861 Lodge Total	74,271.61	83,465.11	84,909.00	76,265.98	88,418.00
**862 Birthday Party Total	13,214.88	11,744.34	16,014.00	5,034.77	6,729.00
**863 Tot-Time Preschool Total	7,029.68	6,087.78	7,497.00	4,596.31	5,904.00
**864 General Facility Total	59,843.66	13,509.40	50,000.00	18,064.90	50,000.00
**865 Roof Replacement & U Total	0.00	0.00	0.00	0.00	0.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**866 Capital Construction Total	0.00	0.00	0.00	0.00	0.00
**867 Adventure Program St Total	66,098.72	69,157.08	69,768.00	67,000.31	77,050.00
**868 Before & After Schoo Total	2,426.61	7,034.14	4,685.00	7,128.81	6,771.00
**869 Vending Total	13,380.97	16,821.62	12,991.00	12,292.62	12,991.00
**889 Deprecaiton Total	937,486.00	938,432.00	0.00	0.00	0.00
**8 Proprietary Total	3,785,259.14	3,745,298.18	2,910,559.00	2,561,557.61	3,016,852.00
**903 Project/NonOp/OFUses Total	0.00	0.00	0.00	0.00	0.00
**904 Project/NonOp/OFUses Total	0.00	0.00	0.00	0.00	0.00
**960 Non-Operating, Misce Total	0.00	0.00	0.00	0.00	0.00
**970 Debt Service Proprie Total	127,419.00	127,419.00	264,175.00	307,484.82	535,470.00
**9 Project/NonOp/OFUses Total	132,971.29	136,180.12	401,675.00	2,986,070.32	535,470.00
Expense Total	3,918,230.43	3,881,478.30	3,312,234.00	5,547,627.93	3,552,322.00
Fund Total	872,460.51-	593,028.00-	41,714.00	3,222,451.45-	14,897.00

Par Thirty Fund

(Fund 605)

All Sources and All Uses

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REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	141,366.55	154,930.05	164,000.00	151,634.89	181,000.00
**0 Unassigned Department Total	141,366.55	154,930.05	164,000.00	151,634.89	181,000.00
**874 Merchandise Total	3,360.04	3,451.34	4,300.00	3,090.70	3,000.00
**8 Proprietary Total	3,360.04	3,451.34	4,300.00	3,090.70	3,000.00
Total Revenue	144,726.59	158,381.39	168,300.00	154,725.59	184,000.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	0.00	0.00	0.00	0.00	0.00
**0 Unassigned Department Total	0.00	0.00	0.00	0.00	0.00
**872 Course Mnt Total	93,297.48	110,355.07	99,447.00	79,398.99	100,421.00
**873 Golf Admin & Clubhou Total	70,366.94	69,808.44	64,538.00	60,257.34	52,332.00
**874 Prodct for Resale Total	4,396.10	4,250.42	4,000.00	4,688.27	4,030.00
**889 Deprecaiton Total	4,839.00	3,848.00	0.00	0.00	0.00
**8 Proprietary Total	172,899.52	188,261.93	167,985.00	144,344.60	156,783.00
Expense Total	172,899.52	188,261.93	167,985.00	144,344.60	156,783.00
Fund Total	28,172.93-	29,880.54-	315.00	10,380.99	27,217.00

Town Course Fund

(Fund 606)

All Sources and All Uses

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REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	1,497,764.18	1,613,804.34	1,707,900.00	1,510,516.97	1,750,492.00
**0 Unassigned Department Total	1,497,764.18	1,613,804.34	1,707,900.00	1,510,516.97	1,750,492.00
**872 Course Maint Total	2,500.00	101,045.00	0.00	0.00	0.00
**874 Merchandise Total	144,835.51	176,537.72	157,272.00	162,643.06	161,990.00
**8 Proprietary Total	147,335.51	277,582.72	157,272.00	162,643.06	161,990.00
Total Revenue	1,645,099.69	1,891,387.06	1,865,172.00	1,673,160.03	1,912,482.00

FM Entry - Budget - Budget Revenue/Expense

REVENUE ACCOUNTS

For Fiscal Year: 2014

Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	0.00	0.00	0.00	0.00	0.00
**0 Unassigned Department Total	0.00	0.00	0.00	0.00	0.00
**810 Administration Total	222.00	1,172.00	0.00	0.00	0.00
**872 Course Mnt Total	734,173.91	746,622.08	993,799.00	949,164.15	957,902.00
**873 Golf Admin & Clubhou Total	731,625.28	781,684.20	684,720.00	696,257.00	718,879.00
**874 Prodct for Resale Total	105,704.80	127,861.89	99,608.00	133,941.89	102,596.00
**889 Deprecaiton Total	476,443.00	476,299.00	0.00	0.00	0.00
**8 Proprietary Total	2,048,168.99	2,133,639.17	1,778,127.00	1,779,363.04	1,779,377.00
**970 Debt Service Proprie Total	0.00	0.00	86,000.00	0.00	86,000.00
**9 Project/NonOp/OFUses Total	0.00	0.00	86,000.00	0.00	86,000.00
Expense Total	2,048,168.99	2,133,639.17	1,864,127.00	1,779,363.04	1,865,377.00
Fund Total	403,069.30-	242,252.11-	1,045.00	106,203.01-	47,105.00

Gas Turbine Fund

(Fund 607)

All Sources and All Uses

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REVENUE ACCOUNTS
For Fiscal Year: 2014
Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	2,399,735.38	2,357,342.31	2,925,287.00	1,725,618.53	2,925,287.00
**0 Unassigned Department Total	2,399,735.38	2,357,342.31	2,925,287.00	1,725,618.53	2,925,287.00
Total Revenue	2,399,735.38	2,357,342.31	2,925,287.00	1,725,618.53	2,925,287.00

FM Entry - Budget - Budget Revenue/Expense

REVENUE ACCOUNTS

For Fiscal Year: 2014

Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	455,000.00	152,000.00	455,000.00	0.00	405,000.00
**0 Unassigned Department Total	455,000.00	152,000.00	455,000.00	0.00	405,000.00
**810 Administration Total	112,777.88	114,695.32	134,171.00	56,427.82	161,246.00
**8 Proprietary Total	112,777.88	114,695.32	134,171.00	56,427.82	161,246.00
**970 Debt Service Proprie Total	1,499,637.00	1,461,687.00	2,484,463.00	715,030.00	2,488,863.00
**9 Project/NonOp/OFUses Total	1,499,637.00	1,461,687.00	2,484,463.00	715,030.00	2,488,863.00
Expense Total	2,067,414.88	1,728,382.32	3,073,634.00	771,457.82	3,055,109.00
Fund Total	332,320.50	628,959.99	148,347.00-	954,160.71	129,822.00-

chaska.net ISP Fund

(Fund 608)

All Sources and All Uses

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REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	589,015.81	501,239.79	487,000.00	369,869.05	256,000.00
**0 Unassigned Department Total	589,015.81	501,239.79	487,000.00	369,869.05	256,000.00
**808 Trans/Distribution Total	120.00	0.00	0.00	0.00	0.00
**811 Pass-Thru Reimbusem Total	100,538.07	102,586.32	100,000.00	38,838.94	75,000.00
**8 Proprietary Total	100,658.07	102,586.32	100,000.00	38,838.94	75,000.00
 Total Revenue	 689,673.88	 603,826.11	 587,000.00	 408,707.99	 331,000.00

FM Entry - Budget - Budget Revenue/Expense

REVENUE ACCOUNTS

For Fiscal Year: 2014

Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	0.00	0.00	0.00	0.00	0.00
**0 Unassigned Department Total	0.00	0.00	0.00	0.00	0.00
**802 Production Total	80,466.08	76,478.59	66,000.00	61,635.42	66,000.00
**808 Transmission & Distr Total	39,367.82	144,064.28	110,100.00	90,448.76	79,410.00
**810 Administration Total	294,493.92	307,920.26	309,415.00	275,577.13	202,147.00
**811 Pass-Thru Reimbusem Total	124,195.86	101,870.55	100,000.00	86,891.31	75,000.00
**812 Utility Billing Total	9.49	642.14	0.00	4.26	0.00
**889 Depreceaiton Total	100,807.00	35,067.00	0.00	0.00	0.00
**8 Proprietary Total	639,340.17	666,042.82	585,515.00	514,556.88	422,557.00
**970 Debt Service Proprie Total	0.00	0.00	0.00	0.00	0.00
**9 Project/NonOp/OFUses Total	0.00	0.00	0.00	0.00	0.00
Expense Total	639,340.17	666,042.82	585,515.00	514,556.88	422,557.00
Fund Total	50,333.71	62,216.71-	1,485.00	105,848.89-	91,557.00-

Storm Water Fund

(Fund 609)

All Sources and All Uses

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REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Departmen Total	508,927.29	758,142.74	784,000.00	723,746.25	819,000.00
**0 Unassigned Department Total	508,927.29	758,142.74	784,000.00	723,746.25	819,000.00
**903 Project/NonOp/OFSour Total	0.00	0.00	0.00	24,549.00	0.00
**9Project/NonOp/OFSources Total	0.00	0.00	0.00	24,549.00	0.00
Total Revenue	508,927.29	758,142.74	784,000.00	748,295.25	819,000.00

REVENUE ACCOUNTS
 For Fiscal Year: 2014
 Plan No: 0001 Breakdown: 2014 Final

Account# / Title	2011 Actual	2012 Actual	----- Current ----- Budget	----- Actual	Next Year Budget
**000 Unassigned Department Total	200,000.00	200,000.00	200,000.00	0.00	200,000.00
**0 Unassigned Department Total	200,000.00	200,000.00	200,000.00	0.00	200,000.00
**808 Transmission & Distr Total	358,622.65	491,536.50	499,454.00	219,653.60	509,631.00
**810 Administration Total	29,551.92	46,627.86	54,371.00	45,304.49	54,496.00
**812 Utility Billing Total	6,912.03	19,249.48	17,343.00	12,560.06	17,516.00
**889 Deprecaiton Total	0.00	0.00	30,000.00	0.00	30,000.00
**8 Proprietary Total	395,086.60	557,413.84	601,168.00	277,518.15	611,643.00
**903 Project/NonOp/OFUses Total	12,266.71	18,815.30	0.00	183,913.18	0.00
**904 Project/NonOp/OFUses Total	5,870.00	3,977.25	0.00	1,364.00	0.00
**9 Project/NonOp/OFUses Total	43,306.61	31,176.54	0.00	369,964.69	0.00
Expense Total	638,393.21	788,590.38	801,168.00	647,482.84	811,643.00
Fund Total	129,465.92-	30,447.64-	17,168.00-	100,812.41	7,357.00