

A Work Session Meeting of the City Council was held on Tuesday the 28th day of January 2020.

Present were Councilmen Carsrud, Lundvall, McLeland, Montgomery, Neary, and Mayor Carter-King; Administrator Davidson and City Attorney Reyes; Managers Birk, Wolf, Tyrrell, Price, D. Wasson, Schoen, Lt. Wasson, Palazzari, and Toscana; City Clerk Staskiewicz.

### **Utility Proformas**

City Administrator Davidson explained that the annual proforma presentation provides general direction in establishing utility rate structures. The proformas forecast funding for five years for each of the funds, excepting the Wastewater Fund, which is projected out ten years because of proposed capital improvement projects. Finance Director Henderson presented detailed information on the Utility Funds, with the following recommendations. The Solid Waste Fund remains stable with no rate increase proposed for operations through FY23-24, and modest increases in FY24-25 and FY25-26. The Electric Fund indicates no need for a rate increase for the upcoming year, with projections for a 2% increase in FY22-23. The Water Transmission Fund is stable, with no rate increase proposed for FY20-21. The Water Distribution Fund indicates the need for a 10% rate increase for FY20-21, which equates to an increase of \$1.13 per month for residential customers, with proposed 10% annual increases through FY24-25. Director Henderson presented detailed information on the Wastewater Fund, and recapitulated the proposed additional \$20 million debt service, required for upcoming Wastewater capital improvement projects. The additional \$20 million debt service payments, beginning in 2024, would overlap with the current debt service into FY2028. Upon completion of the current debt service in 2028, the funds budgeted to pay that debt would be allocated to a depreciation fund for Wastewater's future capital improvements. A 15% Wastewater rate increase is needed for FY20-21, which equates to an increase of \$3.62 per month for residential customers, followed by proposed rate increases of 15% in FY21-22, 10% in FY22-23, 5% in FY23-24, 5% in FY24-25, and 1% in FY25-26.

City Administrator Davidson reminded Council that proformas are presented annually to address variables that can change the assessed needs of the funds each year. He concluded with a summary of Staff's recommendation to increase the water distribution rate by 10% and increase the wastewater rate by 15% for the upcoming budget. Combined, the rate adjustments would increase a typical residential utility bill by \$4.75 per month.

### **Review February 4th Council Agenda**

The group reviewed the upcoming Council agenda.

### **Executive Session**

Councilman Neary made a motion to move into an Executive Session to discuss litigation; seconded by Councilman Lundvall. All voted aye. The motion carried.

### **Adjournment**

There being no further business to come before the Council, the meeting adjourned at 6:51 p.m.

(S E A L)

ATTEST:

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Cindy Staskiewicz, City Clerk

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Louise Carter-King, Mayor

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