



Legislation Text

File #: 18-494, **Version:** 1

City Council Meeting Date: October 9, 2018

To: Mayor and City Council
City Administrator

From: David E. Bennett, Public Works Director/City Engineer
Justin Wagner, Utilities Manager
Brenda Angelstad, Finance Director

Discuss Utility Rate Study.

Action Requested:

The Northfield City Council discusses a Utility Rate Study.

Summary Report:

As part of the City's long term planning for financial stability, the City worked with a financial advisory firm Springsted Inc. to conduct a rate study for the City's Enterprise Funds (Water, Wastewater-Sanitary Sewer, Storm Water, and Garbage). This study provides for a 5-10 year outlook on rate recommendations. It is anticipated that these rate studies will be performed every four-five years to continually monitor and update these funds.

As a background, the rate study takes into account historical and projected operations costs, 10-year capital improvement plan, 10-year capital equipment plan, debt, reserves, and risks. The study is proposing the following modifications to the City's Utility Rates:

Water Fund - 1% Increase through 2023 and 4% through 2028
Sanitary Sewer - 1% Increase through 2028
Storm Water - 4% Increase through 2028
Garbage - 0% through 2022 and 1% through 2028

Other recommendations in the report include adopting a Utility Fund Reserve Policy, and a policy for Administrative Transfers on all utility funds for support services provided by the General Fund.

Patty Kettles with Springsted Inc. will present the study findings and recommendations.

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

Accept study on October 16, 2018

Adopt Utility Rates October 16, 2018