



Legislation Text

File #: Res. 2018-108, **Version:** 1

City Council Meeting Date: October 16, 2018

To: Mayor and City Council
City Administrator

From: Brenda Angelstad, Finance Director
David Bennett, Public Works Director and City Engineer

Consider Adoption of Utility Rates for 2019.

Action Requested:

The Northfield City Council approves the attached Resolution Adopting the Utility Fee Schedule for 2019.

Summary Report:

Attached is a resolution for proposed utility rates for 2019. The City recently conducted a Utility Rate Study with Springsted, Inc., a public sector financial advisor. The study included updated assumptions regarding budget revenue and expense projections and 10-year Capital Equipment and Capital Improvement Plans. The report was presented by Springsted, Inc., along with rate recommendations, at the October 9 City Council Work Session. The following is a summary of the recommendations for the 2019 Utility Rates:

Water

A 1.0% increase recommended for 2019. The increase is needed to pay for anticipated operating expenses, debt service and capital outlay including the targeted amount to maintain adequate cash reserves.

Wastewater (Sewer)

A 1.75% increase recommended for 2019. The increase is needed to maintain positive operating income as well as to pay for anticipated operating expenses, capital outlay and debt service.

Storm Water

A 5% increase recommended for 2019. The increase is needed to pay for anticipated operating expenses, debt service and capital outlay including the targeted amount to maintain adequate cash reserves.

Garbage Rates

No change recommended for 2019. Staff is discussing a contract extension with the current residential waste hauler in 2018, and if any programs should be considered for expansion. The rates will be monitored as a new agreement is negotiated.

Alternative Options:

Not recommended.

Financial Impacts:

The proposed rate increases allow us to maintain our facilities. An average residential customer would see their total utility bill increase from \$67.69 to \$68.76

Tentative Timelines:

New rates would take effect January 1, 2019.