

Legislation Details (With Text)

File #:	Res. 2021-083	Version:	1	Name:	
Type:	Resolution	Status:		Passed	
File created:	3/11/2021	In control:		City Council	
On agenda:	9/21/2021	Final action:		9/21/2021	
Title:	Consider Adoption of Utility Rates for 2022.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. 1 - 2021 Resolution for 2022 Utility Rates, 2. 2 - 2022 Utility Rate Adoption Presentation, 3. 3 - Draft 2022-2026 CIP by Funding 9-14-21, 4. 4 - Draft 2022-2026 CEP by Funding 9-14-21				

Date	Ver.	Action By	Action	Result
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City Council Meeting Date: September 21, 2021

To: Mayor and City Council
City Administrator

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

Consider Adoption of Utility Rates for 2022.

Action Requested:

The Northfield City Council approves the attached Resolution Adopting the Utility Fee Schedule for 2022.

Summary Report:

Attached is a resolution for proposed utility rates for 2022. In 2018, the City 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., at the October 9, 2018 City Council Work Session. The proposed rate adjustments are following the report recommendations and the adjustments for the 2022 Utility Rates are:

Water

A 1.0% increase recommended for 2022. 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 2022. 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 2022. 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 2022. Staff negotiated a contract extension with the current residential waste hauler in 2019, current service was expanded to include yard waste service. With a healthy fund balance, no changes are recommended.

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 \$70.97 to \$72.12.

Tentative Timelines:

New rates would take effect January 1, 2022.