WORK SESSION
5:45 – 7:00 PM
COUNCIL CHAMBERS
"UPDATE ON CITY SQUARE WEST & LIBRARY PROJECTS – DISCUSSION ABOUT OTHER CITY FACILITIES"

AGENDA
CHASKA CITY COUNCIL
ONE CITY HALL PLAZA, CHASKA CITY HALL
Monday, November 04, 2019
7:00 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Adopt Agenda
5. Visitor Presentation
6. Approve Previous Meeting Minutes
   - 6.A. Approve City Council Meeting Minutes of 10-21-2019
7. Consent Items
   - 7.A. Adopt Resolution 2019-115, MnDOT Maintenance Agreement – TH 41 Expansion Project from Trunk Highway 212 to Pioneer Trail
   - 7.B. Adopt Resolution 2019-116, Supporting the 2020 County Assessment Agreement
8. Action Items

8.A. Adopt Resolution 2019-117, Public Hearing: Consider Certification of Delinquent Utilities and Miscellaneous Unpaid Fees

8.B. Adopt Resolution 2019-118 and Resolution 2019-119, Issuance and Sale of Bonds: Series 2019D and Series 2019E

8.C. Bluff Creek Substation - Xcel Energy Meter Reader Pole Site Plan Permit #2019-07, Chanhassen

9. Bills

9.A. ACCOUNTS PAYABLE COUNCIL ROSTER 11-4-19

10. Other Business

10.A. City Administrator's Report

10.A.i. Biweekly Report 11/4/2019

10.B. Financial Rpts - September 2019

11. Adjourn

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CHASKA CITY COUNCIL
OCTOBER 21, 2019

1. Call to Order
The meeting was called to order by Mayor Windschitl at 7 pm.

2.Pledge of Allegiance

3. Roll Call
Roll call was taken. Present: Councilmembers Hatfield, Hubbard, Huang, Grau, and Mayor Windschitl. Absent: None.

Also Present: Luke Melchert, City Attorney; Noel Graczyk, Administrative Services Director; and Nate Kabat, Assistant Administrator.

4. Adopt the Agenda
Motion by Councilmember Huang, second by Councilmember Hubbard to adopt the agenda as presented.
Motion carried.

5. Visitor Presentation
None.

6. Minutes
Motion by Councilmember Hatfield, second by Councilmember Huang to approve the minutes of the September 30, 2019 and October 7, 2019 City Council meetings.
Motion carried.

7. Consent Agenda
Mayor Windschitl requested Item 7D be removed from the Consent Agenda until further detail is obtained.

Mayor Windschitl also requested for clarification on Item 7F.

Assistant Administrator Kabat provided further detail for Item 7F.

Councilmember Grau asked for more information regarding Item 7B.

Assistant Administrator Kabat explained the item in more detail.

Motion by Councilmember Grau, second by Councilmember Hubbard to approve the amended Consent Agenda Items A through G:

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A. Adopt Resolution 2019-109, Accepting Gifts and Donations July 1, 2019 through September 30, 2019
   Motion to adopt Resolution No. 2019-109 acknowledging and accepting gifts to the City of Chaska received during the period July 01, 2019 through September 30, 2019.
B. Adopt Resolution 2019-110, Artist's Lofts Market Study - LCDA Predevelopment Grant
   Motion to adopt Resolution No. 2019-110, supporting an application for LCDA Pre Development funds ($50,000) to prepare a Market Study for the inclusion of Artist's Lofts in Downtown Chaska.
C. Adopt Resolution 2019-111, Approving the Amended Assessment Roll for the 2019 Street and Utility Reconstruction Project
   Motion to Approve a Resolution 2019-111 Adopting the Amended Special Assessment Roll for the 2019 Downtown Street and Utility Reconstruction Project.
~~D. Bluff Creek Substation - Xcel Energy Meter Reader Pole Site Plan Permit #2019-07, Chanhassen~~
E. Adopt Resolution 2019-112, City Bridge 10J51 Replacement for Creek Road
   Motion to adopt Resolution No. 2019-112, approving the request to the State to secure bridge bond funds for replacement of Bridge 10J51.
F. Adopt Ordinance 969, Approving the Zoning Ordinance Amendment to Ordinance No. 833 (PRD-57) Brickyard Villas Rear Setback/DDK Construction/PC #2019-18
   Motion to adopt Ordinance No. 969 approving the Zoning Ordinance Amendment to Ordinance No. 833 (PRD-57), amending the rear setback from 30 feet to 20 feet for Lots 1-6, Block 3, The Klein Brickyard Thirteenth Addition (aka Outlot C, The Klein Brickyard 5th Addition Preliminary Plat).
G. Adopt Resolution 2019-113 and Resolution 2019-114 Establish Date of Sale for Issuance of Bonds: Series 2019D and 2019E
   Motion to adopt Resolution 2019-113 authorizing issuance and sale of $4,630,000 Taxable General Obligation Bonds, Series 2019D.
   Motion to adopt Resolution 2019-114 authorizing issuance and sale of $1,965,000 General Obligation Improvement Refunding Bonds, Series 2019E.

Motion carried.

8. Action Items
There were no action items.

9. Bills
Accounts Payable Council Roster 10-21-19

The Council requested further information about bills on pages 1, 15, 16, 19, 31 .

Staff provided further information regarding those bills.

Motion by Councilmember Huang, second by Councilmember Grau to approve the bills as presented. Roll call was taken. Voting aye: Councilmembers Hatfield, Hubbard, Huang, Grau and Mayor Windschitl. Voting nay: None
Motion carried.

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10. Other Business
10.A. City Administrator's Report
10.B. Other Reports
10.B.i. 3rd-Qtr. 2019 Investment Report dated October 21, 2019.
10.C. Other Meeting Minutes
10.C.i. Receive the Receive the Draft Minutes of the Oct 9, 2019 Planning Commission

Councilmember Hubbard:
- Noted the Human Rights Commission is hosting the second video in the Race: Power of Illusion series at 6pm on Thursday at the Chaska Community Center.
- Commented that the Trail of Fun was a fabulous event.
- Noted Halloween Live is on Saturday, October 26 at the Community Center.
- Reported that the Chalk Talks presentation was very interesting.

Councilmember Huang:
- Noted Dunkin Donuts is now open.
- Congratulated FormaCoat on their grand opening.
- Noted Fall Clean-up Day is this weekend at Athletic Park from 8am to 2pm.
- Stated voting is available now for the District 112 Referendum at the District Headquarters.
- Noted the Chaska History Center's WWII exhibit runs through November 15.

Councilmember Grau:
- Agreed that the Trail of Fun was a great event.
- Encouraged residents to vote on the referendum.

Mayor Windschitl:
- Encouraged residents to drive safely on Halloween.
- Noted the next meeting is November 4th.

11. Adjourn
Motion by Councilmember Huang, second by Councilmember Hatfiled to adjourn the meeting at 7:44 pm.
Motion carried.

REQUEST FOR ACTION
CHASKA CITY COUNCIL
11/4/2019

Subject: **MnDOT Maintenance Agreement – TH 41 Expansion Project from Trunk Highway 212 to Pioneer Trail**

Reviewed By: Matt Clark, City Engineer

Prepared By: Denise Wetzel, Senior Clerk

Carver County, on behalf of MnDOT, recently completed the reconstruction and expansion of Trunk Highway (TH) 41 north of TH 212 WB ramp to the south of Hazeltine Blvd. The project included adding one additional travel lane in each direction, turn lanes, retaining walls, noise walls, and a new pedestrian underpass.

State and County agencies require maintenance agreements with cities when improvements are made to the trunk highway to accommodate City trails and other amenities non-essential to the trunk highway. The pedestrian underpass, railings, and lighting features that were installed with the project will be the Cities to maintain long term. Minor maintenance for graffiti removal with the retaining walls will also be a City responsibility which is consistent with agreements that are already in place along the TH 41 corridor through town. All of the retaining/noise walls, storm water ponds that were constructed with the project will be MnDOT's responsibility to own, maintain and replace in the future. For reference the agreement is attached.

CITY COUNCIL ACTION REQUESTED

Motion to Adopt Resolution No. 2019-115, approving the Maintenance Agreement with the State of Minnesota Department of Transportation for the Trunk Highway 41 Expansion Project.

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE ______11/4/2019______ RESOLUTION NO. ____2019- 115____

MOTION BY COUNCILMEMBER____________ SECOND BY COUNCILMEMBER____________

MnDOT Maintenance Agreement – TH 41 Expansion Project
from Trunk Highway 212 to Pioneer Trail

IT IS RESOLVED that the City of Chaska enter into MnDOT Agreement No. 1030656 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for the graffiti removal on select retaining walls, and maintenance of noise walls and ornamental metal railing, and other maintenance responsibilities associated with pedestrian tunnel 10X20, all on Trunk Highway No. 41 at Hundertmark Road, and on Trunk Highway No. 41 at County State Aid Highway (C.S.A.H.) No. 14 (Pioneer Trail) within the corporate City limits under State Project No. 1008-85.

IT IS FURTHER RESOLVED that the ____ and the
(Title)
______________________________________ are authorized to execute the Agreement and any
(Title)
amendments to the Agreement.

CERTIFICATION

I certify that the above Resolution is an accurate copy of the Resolution adopted by the Council of the City of Chaska at an authorized meeting held on the 4th day of November 2019, as shown by the minutes of the meeting in my possession.

Subscribed and sworn to before me this
_________ day of ___________________, 2019

Notary Public __________________________

My Commission Expires ________________

NOTARY STAMP

____
(Signature)

____
(Type or Print Name)

____
(Title)

STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION
And
CITY OF CHASKA
MAINTENANCE AGREEMENT

State Project Number (S.P.):	**1008-85**
Trunk Highway Number (T.H.):	**41=012**
State Project Number (S.P.):	**010-614-012**
State Project Number (S.P.):	**010-596-011**
State Project Number (S.P.):	**196-108-005**
Federal Project Number:	**1018 (096)**
Signal System "A" ID:	**1735946**
Signal System "B" ID:	**1735913**

This Agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State") and the City of Chaska acting through its City Council ("City").

Recitals

1. Carver County will perform grading, bituminous pavement, noise wall, retaining walls, storm sewer, ADA improvements, traffic signal systems, lighting, and pedestrian underpass (Bridge No. 10X20) construction, and other associated construction upon, along and adjacent to Trunk Highway No. 41 from 1,165 feet south of Hundertmark Road to 1,200 feet north of Pioneer Trail (County State Aid Highway No. 14) according to County-prepared plans, specifications and special provisions designated by the State as State Project No. 1008-85 (T.H. 41=012) and 010-596-011 ("Project"); and
2. Agreement No. 1026019 between the State and Carver County will address all of the construction participation for the Project; and
3. This agreement will address the City's maintenance responsibilities for the Project; and
4. Minnesota Statutes § 161.20, subdivision 2 authorizes the Commissioner of Transportation to make arrangements with and cooperate with any governmental authority for the purposes of constructing, maintaining and improving the trunk highway system.

Agreement

1. Term of Agreement; Survival of Terms; Plans; Incorporation of Exhibits

1.1. ***Effective Date.*** This Agreement will be effective on the date the State obtains all signatures required by Minnesota Statutes § 16C.05, subdivision 2.

1.2. ***Expiration Date.*** This Agreement will expire when all obligations have been satisfactorily fulfilled.

1.3. ***Survival of Terms.*** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this Agreement, including, without limitation, the following clauses: 2. Maintenance by the City; 3. Maintenance by the State; 6. Liability; Worker Compensation Claims; Insurance; 8. State Audits; 9. Government Data Practices; 10. Governing Law; Jurisdiction; Venue; and 12. Force Majeure.

1.4. ***Plans, Specifications, Special Provisions.*** State-approved County plans, specifications and special provisions designated by the State as State Project No. 1008-85 (T.H. 41=012) and No. 010-596-011 are on file in the office of the County's Engineer and incorporated into this Agreement by reference ("Project Plans").

2. Maintenance by the City

Upon completion of the project, the City will provide the following without cost or expense to the State:

2.1. ***Municipal Utilities.*** Maintenance of any municipal-owned utilities construction, without cost or expense to the State.

2.2. ***Multi-use Pedestrian Trail.*** Operation and maintenance of any pedestrian trail is covered in Limited Use Permit No. 1008-0036.

2.3. ***Retaining Walls.*** The City shall be responsible for graffiti removal along retaining walls B, C, and D, and for maintenance, repair and replacement of the ornamental metal railing along retaining wall B (located between Hundertmark Road and the trail underpass).

2.4. ***Noise Walls.*** Maintenance of the non-highway side of noise wall construction on west of T.H. 41. Maintenance includes vegetation control, graffiti removal on the non-highway side and any other maintenance activities necessary to perpetuate the walls in a safe, usable and aesthetically acceptable condition.

2.5. ***Lighting.*** Maintenance and ownership of lighting facilities for the underpass pedestrian Bridge No. 10X20. Maintenance of electrical lighting systems includes everything within the system, from the point of attachment to the power source or utility, to the last light on the feed point, including but not limited to re-lamping of lighting units or replacing of LED luminaires, repair or replacement of all damaged luminaire glassware, loose connections, luminaires when damaged or when ballasts fail, photoelectric control on luminaires, defective starter boards or drivers, damaged fuse holders, blown fuses, knocked down poles including wiring within the poles, damaged poles, pullboxes, underground wire, damaged foundations, equipment pad, installation of approved splices or replacement of wires, repair or extending of conduit, lighting cabinet maintenance including photoelectric cell, electrical distribution system, Gopher State One Call (GSOC) locates and painting of poles and other equipment. The City will be responsible for the hook up cost and application to secure an adequate power supply to the service pad or pole and will pay all monthly electrical service expenses necessary to operate the lighting facility

2.6. ***Pedestrian Trail Underpass Bridge No. 10X20 and the Head Walls.*** The City will own, maintain, and repair the pedestrian trail underpass (Bridge No. 10X20), head walls and ornamental railings along underpass. The City will perform all maintenance including, but not limited to, snow and ice control/removal, sweeping and debris removal, patching, crack repair, graffiti removal, signing, pavement markings, ornamental railing anchor and panel repair, painting and/or replacement of damaged ornamental metal railing panels, head wall architectural surface finish and concrete texture, and any other maintenance activities necessary to perpetuate the pedestrian trail underpass in a safe, usable and aesthetically acceptable condition. The State will perform periodic safety inspections of the pedestrian trail bridge, charging the City for the service, and inform the City of any needed maintenance or repair.

2.7. ***Additional Drainage.*** Neither party to this Agreement will drain any additional drainage volume into the storm sewer facilities constructed under the construction contract that was not included in the drainage for which the storm sewer facilities were designed, without first obtaining written permission to do so from the other party. The drainage areas served by the storm sewer facilities constructed under the construction contract are shown in a drainage area map, Exhibit "Drainage Area", which is on file in the office of the State's District Hydraulics Unit at Roseville and is incorporated into this Agreement by reference.

3. Maintenance by the State

3.1. Upon completion of the project, the State will be responsible for maintenance and repairs for underpass filtration basin and forebay and underpass wet pond at the locations shown in the Project plans. The City will allow the State to access the ponds over City-owned property. The State will be responsible for MS4 reporting.

3.2. ***Retaining Walls.*** The State will be responsible for ownership and maintenance of Walls B and C, with the exclusion of items covered under Section 2.3 above.

4. Authorized Representatives

Each party's Authorized Representative is responsible for administering this Agreement and is authorized to give and receive any notice or demand required or permitted by this Agreement.

4.1. The State's Authorized Representative will be:

Name/Title: Malaki Ruranika, Cooperative Agreements Engineer (or successor)
Address: 395 John Ireland Boulevard, Mailstop 682, St. Paul, MN 55155
Telephone: (651) 366-4634
E-Mail: malaki.ruranika@state.mn.us

4.2. The City's Authorized Representative will be:

Name/Title: Matt Clark, City Engineer (or successor)
Address: One City Hall Plaza, Chaska, MN 55318
Telephone: (952) 227-7522
E-Mail: mclark@chaskamn.com

5. Assignment; Amendments; Waiver; Contract Complete

5.1. ***Assignment.*** Neither party may assign or transfer any rights or obligations under this Agreement without the prior consent of the other party and a written assignment agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors in office.

5.2. ***Amendments.*** Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.

5.3. ***Waiver.*** If a party fails to enforce any provision of this Agreement, that failure does not waive the provision or the party's right to subsequently enforce it.

5.4. ***Contract Complete.*** This Agreement contains all prior negotiations and agreements between the State and the City. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

6. Liability; Worker Compensation Claims; Insurance

6.1. Each party is responsible for its own acts, omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of others and the results thereof. Minnesota Statutes § 3.736 and other applicable law govern liability of the State. Minnesota Statutes Chapter 466 and other applicable law govern liability of the City.

6.2. Each party is responsible for its own employees for any claims arising under the Workers Compensation Act.

7. Nondiscrimination

Provisions of Minnesota Statutes § 181.59 and of any applicable law relating to civil rights and discrimination are considered part of this Agreement.

8. State Audits

Under Minnesota Statutes § 16C.05, subdivision 5, the City's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the State and the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement.

9. Government Data Practices

The City and State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the City under this Agreement. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either the City or the State.

10. Governing Law; Jurisdiction; Venue

Minnesota law governs the validity, interpretation and enforcement of this Agreement. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

11. Termination; Suspension

11.1. ***By Mutual Agreement.*** This Agreement may be terminated by mutual agreement of the parties or by the State for insufficient funding as described below.

11.2. ***Termination for Insufficient Funding.*** The State may immediately terminate this Agreement if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the County. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the County will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if this Agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds.

12. Force Majeure

Neither party will be responsible to the other for a failure to perform under this Agreement (or a delay in performance), if such failure or delay is due to a force majeure event. A force majeure event is an event beyond a party's reasonable control, including but not limited to, unusually severe weather, fire, floods, other acts of God, labor disputes, acts of war or terrorism, or public health emergencies.

[The remainder of this page has been intentionally left blank]

CITY OF CHASKA

The undersigned certify that they have lawfully executed this contract on behalf of the Governmental Unit as required by applicable charter provisions, resolutions or ordinances.

By: ______________________________

Title: ______________________________

Date: ______________________________

By: ______________________________

Title: ______________________________

Date: ______________________________

DEPARTMENT OF TRANSPORTATION

Recommended for Approval:

By: ______________________________
(District Engineer)

Date: ______________________________

Approved:

By: ______________________________
(State Design Engineer)

Date: ______________________________

COMMISSIONER OF ADMINISTRATION

By: ______________________________
(With Delegated Authority)

Date: ______________________________

INCLUDE COPY OF RESOLUTION APPROVING THE AGREEMENT AND AUTHORIZING ITS EXECUTION.

REQUEST FOR ACTION
CHASKA CITY COUNCIL
11/4/2019

Subject: **2020 County Assessment Agreement**

Prepared By: Vicki Schmid, Administration Clerk

In the past, it has been Chaska's practice to provide property assessment services through a joint powers agreement with the Carver County Assessor's Office. Under the contract, the fees are assessed on a per parcel basis, with the following fee schedule proposed:

	2019 (Prior Agreement)	2020 (Proposed Agreement)
Residential	$13.45	$13.95
Agricultural	$14.00	$14.50
Commercial/Industrial	$15.00	$15.55

Staff believes this service can be provided more cost effectively through a joint service agreement with Carver County than by doing the assessing in-house. Attached is a copy of the proposed agreement, which is recommended for approval. In addition, a resolution of support that authorizes the Mayor and Clerk to sign the agreement has been requested by Carver County.

Staff recommends that the resolution be adopted, and the agreement be signed and entered into.

CITY COUNCIL ACTION REQUESTED
Motion to adopt Resolution 2019-116 supporting the 2020 County Assessment Agreement and authorizing the Mayor and City Clerk/Administrator to sign the 2020 Assessment Agreement with Carver County.

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE_________11/04/2019__________RESOLUTION NO.____2019-116_

MOTION BY COUNCILMEMBER__________SECOND BY COUNCILMEMBER__________

A RESOLUTION SUPPORTING THE 2020
COUNTY ASSESSMENT AGREEMENT

WHEREAS, In the past it has been the City of Chaska's practice to provide property assessment services through a joint powers agreement with the Carver County Assessor's Office, and;

WHEREAS, This service can be provided more cost effectively through a joint service agreement with Carver County, rather than providing the service in-house, and:

WHEREAS, Under the contract the 2020 fees would be assessed on a per parcel basis according to the following fee schedule:

Residential:	$13.95
Agricultural	$14.50
Commercial/Industrial	$15.55

NOW THEREFORE BE IT RESOLVED, that the City Council of Chaska supports the 2020 County Assessment Agreement and authorize the Mayor and City Administrator to execute the 2020 Assessment Agreement with Carver County.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 4th day of November, 2019.

____
Mark Windschitl, Mayor

Attest:__________________________________
Chaska Deputy Clerk

SERVICE AGREEMENT FOR JOINT ASSESSMENT

This Agreement is entered into by and between the County of Carver, 600 East 4th Street, Chaska, Minnesota 55318, through Carver County Assessor, (hereafter "County") and City of Chaska, a municipal corporation under the laws of the State of Minnesota, hereinafter referred to as the Town.

WHEREAS, the Town desires to enter into an agreement with the County to provide for the assessment of property in said Town by the County Assessor's Office; and

WHEREAS, Minn.Stat.§ 273.072 and Minn.Stat.§ 471.59 permit such an agreement for joint assessment;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is agreed as follows:

1) **Term.** That the Town, which is situated in the County of Carver, and which constitutes a separate assessment district, shall have its property within Carver County assessed by the Carver County Assessor for the assessment date of January 2, 2020. All work necessary to the establishment of the estimated market value for each Carver County parcel in the Town shall be performed by the Carver County Assessor or by one or more of the licensed assessors under his/her direction and supervision.

2) **Cooperation.** It is hereby agreed that the Town and all of its officers, agents and employees shall render full cooperation and assistance to the County to facilitate the provision of the services contemplated hereby.

3) **Payment Amount**. The Town shall pay to the County for the assessment of property with Carver County the sum of thirteen dollars and niney five cents ($13.95) per residential valuation, fourteen dollars and fifty cents ($14.50) per agricultural valuation, and fifteen dollars and fifty five cents ($15.55) per commercial/industrial valuation (for the assessment of January 2, 2020) existing or created before the closing of the relative assessment year.

4) **Payment terms.** Full payment of all claims submitted by the County Assessor for relative assessment dates shall be received by the County no later than November 15th of the respective years.

5) The County agrees that in each year of this Agreement it shall, by its County Assessor or one or more of his/her deputies, view and determine the market value of at least twenty percent (20%) of the parcels within this taxing jurisdiction. It is further agreed that the County shall have on file documentation of those parcels – physically inspected for each year of this Agreement.

6) **Data Privacy.** Pursuant to Minn. Stat. Chap. 13, the parties agree to maintain and protect data received or to which they have access. No private or confidential data

developed, maintained or received by the Town under this agreement may be released to the public by the Town. The Town agrees to indemnify and hold the County, its agents and employees, harmless from any and all claims or causes of action arising from or in any manner attributable to any violation of the Minnesota Government Data Practices Act by Town or its agents, assigns, or employees, including legal fees and expenses incurred to enforce this provision of this agreement.

7) **Mutual Indemnification**. The Parties' total liability under this Agreement shall be governed by Minn. Stat. § 471.59, subd. 1a.

   Each Party agrees that it will be responsible for the acts or omissions of its officials, agents, and employees, and the results thereof, in carrying out the terms of this Agreement, to the extent authorized by law and shall not be responsible for the acts/omissions of the other Party and the results thereof. For purposes of determining total liability for damages, the participating governmental units are considered to be a single governmental unit, the total liability of which shall not exceed the limits for a single governmental unit as provided in Minn. Stat. § 466.04, subd. 1.

   Each Party agrees to defend, hold harmless, and indemnify the other Party, its officials, agents, and employees, from any liability, loss, or damages the other Party may suffer or incur as the result of demands, claims, judgments, or cost arising out of or caused by the indemnifying Party's negligence in the performance of its respective obligations under this Agreement. This provision shall not be construed nor operate as a waiver of any applicable limitation of liability, defenses, immunities, or exceptions by statute or common law.

   To the full extent permitted by law, actions by the parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purposes of liability, all as set forth in Minnesota Statutes, Section 471.59, subd. la(a); provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party.

   The Parties of this Agreement are not liable for the acts or omissions of the other participants to this Agreement except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other Parties.

8) **No Joint Venture.** Nothing contained in this Agreement is intended or should be construed as creating the relationship of co-partners or joint ventures with the County. No tenure or any rights including worker's compensation, unemployment insurance, medical care, sick leave, vacation leave, severance pay, PERA, or other benefits available to County employees, including indemnification for third party personal injury/property damage claims, shall accrue to the Town or employees of the Town performing services under this Agreement.

9) **Records: Availability and Retention**. Pursuant to Minn. Stat. §16C.05, subd. 5, the Town agrees that the County, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, et., which are pertinent to the accounting practices and procedures of the Town and involve transactions relating to this Agreement. Town agrees to maintain these records for a period of six years from the date of termination of this Agreement.

10) **Merger and Modification.** It is understood and agreed that the entire Agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter. All items referred to in this Agreement are presumed to be incorporated or attached and are deemed to be part of this Agreement. Where the incorporated terms differ with the terms of this Agreement, the terms of this Agreement shall control.

    Any material alteration, modification, or variation shall be reduced to writing as an amendment and signed by the parties.

11) **Default and Cancellation**. If the Town fails to perform any of the provisions of this Agreement or so fails to administer the work as to endanger the performance of the Agreement, this shall constitute default. Unless the Town's default is excused by the County, the County may, upon written notice to the Town's representative listed herein, cancel this Agreement in its entirety as indicated in (b.) below.

    This Agreement may be cancelled with or without cause by either party upon thirty (30) days written notice.

    Representatives for each of the parties to this Agreement are as listed below:

Town/City	**County/Division**
City of Chaska	Keith R. Kern
One City Hall Plaza	Carver County Assessor
Chaska, MN 55318	600 E 4th Street Chaska MN 55318
City Administrator Matthew Podhradsky	kkern@co.carver.mn.us

12) **Subcontracting and Assignment**. Neither party shall not enter into any subcontract for the performance of any services contemplated under this Agreement without the prior written approval of the other party and subject to such conditions and provisions as the other party may deem necessary. The party attempting to subcontract or assign its obligations shall be responsible for the performance of all Subcontractors.

    No party may assign or transfer any rights or obligations under this Agreement without the prior consent of the other Parties and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors.

13) **Nondiscrimination**. During the performance of this Agreement, the Town agrees to the following: No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, criminal record, creed or national origin be excluded from full employment rights in, participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable Federal and State laws against discrimination.

14) **Health and Safety**. Each party shall be solely responsible for the health and safety of its employees and subcontractor's employees in connection with the services performed in accordance with this Agreement. Each party shall ensure that all employees, including those of all subcontractors, have received training required to properly and safely perform services outlined in this Agreement.

15) **No Waiver**. Nothing in this Agreement shall constitute a waiver by the either party of any statute of limitations or exceptions on liability. If the either party fails to enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it.

16) **Severability**. If any part of this Agreement is rendered void, invalid or unenforceable, by a court of competent jurisdiction, such rendering shall not affect the remainder of this Agreement unless it shall substantially impair the value of the entire Agreement with respect to either party. The parties agree to substitute for the invalid provision a valid provision that most closely approximates the intent of the invalid provision.

17) **Applicable Laws**. The Laws of the State of Minnesota shall apply to this Agreement.

IN WITNESS WHEREOF, the City of Chaska, has caused this Agreement to be executed by its Chairperson/Mayor and its Town Clerk by the authority of its governing body by a duly adopted resolution on

This the __________________ day of ________________________, 2019.

The County of Carver has caused this Agreement to be executed by its Chairperson and the County Assessor pursuant to the authority of the Board of Commissioners by resolution adopted on

This the __________________ day of ________________________, 2019.

CITY/TOWNSHIP OF CHASKA	COUNTY OF CARVER
By:____________________________ Chairperson/Mayor	By: ________________________ Randy Maluchnik, Chairperson Board of Commissioners
By:____________________________ City Administrator Matthew Podhradsky	Attest: ________________________ Dave Hemze/County Admin.
	And: ________________________ Keith R. Kern County Assessor
	Approved as to form: ______________________________ Assistant County Attorney/Date

REQUEST FOR ACTION
CHASKA CITY COUNCIL
11/04/2019

Subject: **Public Hearing to Consider Certification of Delinquent Utilities and Miscellaneous Unpaid Fees**

Prepared By: Noel Graczyk, Administrative Services Director
Matt Burt, Accountant

Each year, since 2009, the City prepares a roll of delinquent utilities and unpaid miscellaneous fees. Fees to be assessed are for the most part are delinquent public utilities but there may also be unpaid mowing fees, alarm fees, and connection fees included.

Property holders listed were provided at least 30 days mailed notice of a public hearing to consider certification of fees to Carver County for unpaid charges as listed in the notice. They were then given the opportunity to pay their delinquencies prior to the public hearing. The total of the initial roll, at time of mailing notices, was $3,746.15 in unpaid storm water fees. Based on payments made prior to this public hearing that amount has been reduced to $2,164.26.

The 2019 roll for first year payable 2020 of unpaid charges is shown as Exhibit A and is attached to the proposed resolution. Should Council adopt the resolution, the roll will be certified to Carver County for collection with payable 2020 property taxes. Charges are proposed to be certified for a period of one (1) year at six (6) percent interest and will include the City's 1.5% special assessment administrative fee.

Staff recommends approval of certification of the unpaid charges.

CITY COUNCIL ACTION REQUESTED
Motion to adopt a resolution 2019-117 approving certification of delinquent utilities and miscellaneous unpaid charges to Carver County for collection with the payable 2020 property taxes.

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE 11/04/2019 RESOLUTION NO. 2019-117

MOTION BY COUNCILMEMBER____________ SECOND BY COUNCILMEMBER____________

A RESOLUTION APPROVING CERTIFICATION TO CARVER COUNTY OF UNPAID DELINQUENT PUBLIC UTILITIES AND MISCELLANEOUS FEES

WHEREAS, pursuant to proper notice duly given as required by law, the Council has met and heard and passed upon objections to the proposed certification of unpaid delinquent utility fees for storm water, water, sewer, or electric utilities, and unpaid miscellaneous fees relating to mowing, and connection fees;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chaska, Minnesota, as follows:

1. Such proposed charges, a copy of which is attached hereto and made a part hereof as Exhibit A, are hereby accepted and shall constitute a charge against the lands named therein and each tract of land therein included is hereby found to have benefited by the delinquent charges in the amount levied against it.

2. Such charges shall be payable in an annual installment that shall include both principal and interest, extending over a period of one (1) year, payable on or before the first Monday in January 2020, and shall bear interest at a rate of six (6) percent per annum from the date of adoption of this resolution.

3. The owner of any property so charged may, at any time prior to certification to the Carver County Taxpayer Services Department, pay the entire delinquent amount against such property, with interest accrued to the date of payment, to the City Clerk, except that no interest shall be charged if the entire amount is paid within 30 days from the adoption of this resolution. The right to partially prepay the delinquent charges is not available.

4. The Clerk shall forthwith transmit a certified duplicate of this roll to the Carver County Taxpayers Services Department to be extended on the proper tax list of the County and such charges shall be collected and paid over in the same manner as other municipal taxes.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 4th day of November 2019.

____
Mark Windschitl, Mayor

Attest:____________________________________
Chaska Deputy Clerk

EXHIBIT A

CERTIFICATION OF DELINQUENT UTILITY ACCOUNTS

Special Assessment Terms

S/A Code:	302002	Term:	1 year
Roll Adopted:	11/4/2019	Annual Interest Rate:	6.00%
First Year Payable:	2020	First Year Extra Days Interest:	57 Days

PID	Property Address	Name	Fee
30.0500040	411 6TH ST E	SIGNATURE TRANSPORTATION	$ 378.00
30.0504770	215 1ST ST W	KURT SWANSON	124.00
30.0650350	NOT ADDRESSED	BAVARIA COURT ASSN	760.00
30.1020170	836 NEWBERRY LN	LEO ZACHMAN	93.00
30.1080260	2870 FAULNKER DR	JOSEPH JONASEN	124.00
30.1140060	3068 WALDEN DR	JOSEPH JONASEN	124.00
30.1380040	1300 CRYSTAL LN	RONALD OLSON	730.00
30.1450100	910 STOUGHTON AVE	ALEXANDER NUNEZ	124.00
30.3750820	NOT ADDRESSED	EAST LAKE TOWNHOME ASSN	48.00
30.3761320	NOT ADDRESSED	EAST LAKE TOWNHOME ASSN	48.00
30.4720450	479 PLEASANT CT	DAVID LADNER	27.00
		TOTAL TO CERTIFY TO CARVER COUNTY	**$ 2,580.00**

(INCLUDES 1.5% SPECIAL ASSESSMENT FEE)

REQUEST FOR ACTION
CHASKA CITY COUNCIL
11/04/2019

Subject: **Issuance and Sale of Bonds: Series 2019D and Series 2019E**

Prepared By: Noel Graczyk, Administrative Services Director
Kelly Grinnell, Finance Manager

Overview

City Staff together with Baker Tilly Municipal Advisors, LLC (BTMA), Municipal Advisor to the City, have structured two series of General Obligation (GO) bonds. The Series 2019D bonds for $4,630,000 combine several private purpose projects and other improvement projects that must be financed as a taxable series. These projects are supported by tax increment revenues, utility funds and special assessments.

The Series 2019E bonds for $1,965,000 will be used refund two 2010 series of bonds. Refunding of each series will capture present value economics savings and reduce total costs to the City on future debt services payments. Each of the two proposed series are positioned to sell in the bond market by combining projects and purposes to create larger sized series.

Mr. Anton Voinov with BTMA will be at the meeting. Anton will review bids as scheduled to be received on Monday as well as actual results from the sale of each series.

On Thursday, October 31, 2019, both Series of bonds were assigned a “AA” bond rating with a “Stable” outlook by S&P Global Ratings (fka, Standard & Poor’s). The City has retained this “AA Stable” rating on issued and outstanding GO debt since 2008. A copy of the rating report from S&P Global Ratings is enclosed.

Also enclosed is a Preliminary Official Statement (POS) dated October 23, 2019. This POS is used to offer both series of bonds to underwriters bidding to purchase each series of bonds as well as perspective secondary buyers. A final post-sale Official Statement (OS) will be issued to reflect actual sale results from both series. The following are overviews of each of series.

$4,630,000 Taxable GO Bonds, Series 2019D

The Series 2019D bonds combine six private purpose projects and other improvement projects that must be financed as a taxable series. A taxable series is required because each project provides a benefit to a private party. Each project is supported by tax increment, utility trunk fund sources or special assessments.

The amount of financing needed for each project and issuance authority are listed as follows.

Issuance Authority and Project	Project Cost	Issuance Costs	Other Sources	PAR Bonding
TIF Bonds: TIFD #18 (Formacoat)	$1,617,303	$52,697	$ 0	$1,670,000
TIFD #20 (Brewery)	250,000	10,000	0	260,000
TIFD #21 (Hotspot)	649,999	20,001	0	670,000
Utility Bonds: Chaska Creek Way - II	761,000	19,000	0	780,000
Improvement Bonds: Chaska Creek Way - II	1,337,000	39,014	(211,014)	1,165,000
Bavaria Downs Fire Sprinklers	146,500	3,448	(64,948)	85,000
Totals	$4,761,802	$144,160	$(275,962)	$4,630,000

$1,965,000 GO Improvement Refunding Bonds, Series 2019E

The 2019E series will refund two 2010 series of bonds. The next call date for both series is February 1, 2020. This call date occurs within ninety days of the scheduled December 4, 2019 closing date of the new refunding bonds. For this reason the city is able to issue the refunding bonds as a current refunding. In total, this current refunding is projected to generate present value savings of over $162,000 for a present value savings of 7.35%.

The amount of financing needed to refund each 2010 series are listed as follows.

Refunded Series and Results	Refunding Need	Issuance Costs	Other Sources	PAR Bonding
Current Refunding of Series 2010A	$920,000	$20,000	($300,000)	$640,000
Current Refunding of Series 2010C	1,295,000	30,000	0	1,325,000
Totals	$2,215,000	$50,000	($300,000)	$1,965,000
Estimated: **Future Savings** **Present Value** **Present Value %**	 **$514,320** **$162,729** **7.35%**			

Public Sale and Staff Recommendation

Final actual PAR amount of each series will not be determined until public bids are opened on Monday. Staff recommends adoption in final form of a sale resolution for each series. Enclosed are drafts of each resolution as prepared by Dorsey and Whitney, LLP, Bond Counsel to the City.

CITY COUNCIL ACTION REQUESTED

(Two Separate motions are needed, one for each series of bonds.)

Motion to adopt a resolution 2019-___ authorizing issuance, awarding sale, prescribing the form and details, and providing for the payment of $_________________ Taxable General Obligation Bonds, Series 2019D.

Motion to adopt a resolution 2019-___ authorizing issuance, awarding sale, prescribing the form and details, and providing for the payment of $_________________ General Obligation Improvement Refunding Bonds, Series 2019E.

CERTIFICATION OF MINUTES RELATING TO
$[PAR] TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019D

Issuer: City of Chaska, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting, held on Monday, November 4, 2019 at 7:00 o'clock p.m., at the Chaska City Hall.

Members present:

Members absent:

Documents Attached:
Minutes of said meeting (including):

RESOLUTION NO. 2019-___

RESOLUTION RELATING TO $[PAR] TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019D; AUTHORIZING THE ISSUANCE, AWARDING THE SALE, FIXING THE FORM AND DETAILS, AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND THE SECURITY THEREFOR

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this ______ day ________, 2019.

____
City Administrator

It was reported that [_______] ([____]) proposals for the purchase of $[PAR] Taxable General Obligation Bonds, Series 2019D were received prior to 10:00 A.M., Central Time, on Monday, November 4, 2019, pursuant to the Preliminary Official Statement distributed to potential purchasers of the Bonds by Baker Tilly Municipal Advisors LLC, municipal advisors to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

Councilmember ________________ introduced the following resolution (the "Resolution") and moved its adoption, which motion was seconded by Councilmember ________________:

RESOLUTION NO. 2019-___

RESOLUTION RELATING TO $[PAR] TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019D; AUTHORIZING THE ISSUANCE, AWARDING THE SALE, FIXING THE FORM AND DETAILS, AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND THE SECURITY THEREFOR

BE IT RESOLVED by the City Council (the "Council") of the City of Chaska, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This Council, by resolution adopted October 21, 2019, authorized the issuance and sale of its Taxable General Obligation Bonds, Series 2019D, in the principal amount of approximately $4,630,000, pursuant to Minnesota Statutes, Chapters 429, 444, and 475, and Section 469.178, to finance (i) various improvement projects within the City (the "Improvement Projects"); (ii) various utility improvement projects (the "Utility Projects") to the City's municipal water, sewer, and storm water systems (the "System"); and (iii) various improvements related to Tax Increment Districts No. 18, 20, and 21 (the "TIF Projects") established by the City's Economic Development Authority (the "EDA").

The portion of the Bonds ($[________]) that is being issued pursuant to Minnesota Statutes, Chapters 429 and 475 (the "Improvement Bonds") will be used to finance the Improvement Projects.

The portion of the Bonds ($[________]) that is being issued pursuant to Minnesota Statutes, Chapters 444 and 475 (the "Utility Bonds") will be used to finance the Utility Projects.

The portion of the Bonds ($[_______]) that is being issued pursuant to Minnesota Statutes, Section 469.178 and Chapter 475 (the "TIF Bonds") will be used to finance the TIF Projects.

Maturity schedules for the Improvement Bonds, the Utility Bonds, and the TIF Bonds are attached hereto as EXHIBIT A.

1.02. Sale. Pursuant to the Terms of Proposal and the Preliminary Official Statement prepared on behalf of the City by Baker Tilly Municipal Advisors, LLC, municipal advisor to the City (the "Municipal Advisor"), sealed or electronic proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of [Purchaser], in [City, State] (the "Purchaser"), to purchase the Bonds in the principal amount of $[PAR], at a price of $[______] plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.03 Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Preliminary Official Statement. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities, Interest Rates, Denominations, Payment. The Bonds shall be originally dated as of December 4, 2019, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2021			2031		
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		

[REVISE FOR ANY TERM BONDS.]

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, shall be payable by check or draft issued by the Registrar described herein.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2020, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month preceding such Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing on February 1, 2030 and in later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of $5,000, on February 1, 2029, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS -
ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing on February 1, 20__ and 20__ (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount

The remaining $_______________ stated principal amount of such Bonds shall be paid at maturity on February 1, 20__.

Year	Principal Amount

The remaining $_______________ stated principal amount of such Bonds shall be paid at maturity on February 1, 20__.

Notice of redemption shall be given as provided in the preceding paragraph.]

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the first day of the month in which the interest payment date occurs and until such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through

DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the form found at EXHIBIT B attached hereto.

SECTION 3. TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019D PROJECT FUND.

There is hereby created a special bookkeeping fund to be designated as the Taxable General Obligation Bonds, Series 2019D Project Fund (the "Project Fund"), to be held and administered by the City Administrator separate and apart from all other funds of the City. Within the Project Fund are established the following accounts:

(a) Improvement Projects Account. The Improvement Projects Account shall be credited with $[_________] from the proceeds from the Improvement Bonds, representing the estimated cost of the Improvement Projects ($[_________]) and costs of issuance of the Improvement Bonds ($[_________]). The City Administrator shall maintain the Improvement Projects Account until payment of all costs and expenses incurred in connection with the construction of the Improvement Projects have been paid.

(b) Utility Projects Account. The Utility Projects Account shall be credited with $[_________] from the proceeds from the Utility Bonds, representing the estimated cost of the Utility Projects ($[_________]) and costs of issuance of the Utility Bonds ($[_________]). The City Administrator shall maintain the Utility Projects Account until payment of all costs and expenses incurred in connection with the construction of the Utility Projects have been paid.

(b) TIF Projects Account. The TIF Projects Account shall be credited with $[_________] from the proceeds from the TIF Bonds, representing the estimated cost of the TIF Projects ($[_________]) and costs of issuance of the TIF Bonds ($[_________]). The City Administrator shall maintain the TIF Projects Account until payment of all costs and expenses incurred in connection with the construction of the TIF Projects have been paid.

From the Project Fund there shall be paid all costs and expenses related to the construction of the various projects and costs of issuance of the Bonds. After payment of all such costs and expenses, the Project Fund shall be terminated.

SECTION 4. TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019D BOND FUND.

The Bonds shall be payable from a separate Taxable General Obligation Bonds, Series 2019D Bond Fund (the "Bond Fund") of the City, which shall be created and maintained on the books of the City as a separate debt redemption fund until the Bonds, and all interest thereon, are fully paid. Within the Debt Service Account (described below) within the Bond Fund are established the following subaccounts:

(a) Improvement Projects Subaccount. There shall be credited to the Improvement Projects subaccount the following:

(i) the amounts specified in Section 3 above, after payment of all costs of the Improvement Projects;

(ii) special assessments levied and collected in accordance with this Resolution;

(iii) taxes levied and collected in accordance with this Resolution and allocable to the Improvement Bonds; and

(iv) any other funds appropriated by this Council for the payment of the Improvement Bonds.

(b) Utility Projects Subaccount. There shall be credited to the Utility Projects Subaccount the following:

(i) the amounts specified in Section 3 above, after payment of all costs of the Utility Projects;

(ii) net revenues of the System, as described in Section 6 hereof;

(iii) taxes levied and collected in accordance with this Resolution and allocable to the Utility Bonds; and

(iv) any other funds appropriated by the Council for the payment of the Utility Bonds.

(c) TIF Projects Subaccount. There shall be credited to the TIF Projects Subaccount the following:

(i) the amounts specified in Section 3 above, after payment of all costs of the TIF Projects;

(ii) tax increments described in Section 7 hereof;

(iii) taxes levied and collected in accordance with this Resolution and allocable to the TIF Bonds; and

(iv) any other funds appropriated by the Council for the payment of the TIF Bonds.

The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. On or before each principal and interest payment date for the Bonds, the City Administrator is directed to remit to the Registrar from funds on deposit in the Bond Fund the amount needed to pay principal and interest on the Bonds on the next succeeding principal and interest payment date.

If the balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the City which is available for that purpose, subject to reimbursement from the Bond Fund when the balance therein is sufficient, and the City covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

SECTION 5. SPECIAL ASSESSMENTS. The City hereby covenants and agrees that, for the payment of the costs of the Improvement Projects, the City has done or will do and perform all acts and things necessary for the final and valid levy of special assessments in the principal amount of $1,354,605, which is not less than 20% of the cost of the Improvement Projects. The principal of and interest on such special assessments are estimated to be levied and collected in the years and amounts shown on EXHIBIT C attached hereto. The principal of the assessments shall be made payable in annual installments, with interest as established by this Council in accordance with law on unpaid installments thereof from time to time remaining unpaid. In the event any special assessment shall at any time be held invalid with respect to any lot or tract of land, due to any error, defect or irregularity in any action or proceeding taken or to be taken by the City or by this Council or by any of the officers or employees of the City, either in the making of such special assessment or in the performance of any condition precedent thereto, the City hereby covenants and agrees that it will forthwith do all such further things and take all such further proceedings as shall be required by law to make such special assessment a valid and binding lien upon said property.

SECTION 6. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates the System as a revenue-producing utility and as a convenience, and that the net operating revenues of the System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Utility Bonds and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds that until the Utility Bonds and the interest thereon are discharged as provided in Section 9 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of its System according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Utility Bonds, to pay the Utility Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of its System for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the System will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 7. PLEDGE OF TAX INCREMENT. Pursuant to Minnesota Statutes, Section 469.178, subdivision 2, tax increments from Tax Increment Financing Districts No. 18, 20, and 21 (the "Districts") are hereby pledged in an amount sufficient, together with other funds appropriated by the City to the TIF Projects Subaccount in the Bond Fund to pay the principal of and interest on the TIF Bonds when due. Such tax increments shall be deposited in the TIF Projects Subaccount in the Bond Fund. The Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a tax increment pledge agreement with the EDA in substantially the form found at EXHIBIT D attached hereto. Nothing herein shall preclude the EDA from hereafter making further pledges and appropriations of the tax increments from the Districts for the payment of other obligations of the EDA or to pay costs eligible to be paid from the tax increments from the Districts.

SECTION 8. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in Section 4, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the City, the taxes to be levied and collected in the following years and amounts:

Levy Years	Collection Years	Amount
	See attached schedules	

The taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the tax levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 9. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 10. CONTINUING DISCLOSURE. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2019, the following financial information and operating data in respect of the City (the Disclosure Information):

(A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: "City Property Values;" "City Indebtedness;" and "City Tax Rates, Levies and Collections."

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the MSRB) through its Electronic Municipal Market Access System (EMMA) or the SEC. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact," as hereinafter defined):

(A) principal and interest payment delinquencies;
(B) non-payment related defaults, if material;
(C) unscheduled draws on debt service reserves reflecting financial difficulties;
(D) unscheduled draws on credit enhancements reflecting financial difficulties;
(E) substitution of credit or liquidity providers, or their failure to perform;
(F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with

respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(G) modifications to rights of Bond holders, if material;

(H) Bond calls, if material and tender offers;

(I) defeasances;

(J) release, substitution, or sale of property securing repayment of the Bonds if material;

(K) rating changes;

(L) bankruptcy, insolvency, receivership, or similar event of the obligated person;

(M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(N) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term "financial obligation" means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

As used herein, for those events that must be reported if material, an event is material if a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also material if it would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
(C) the termination of the obligations of the City under this section pursuant to subsection (d);
(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).

(2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of

any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 11. CERTIFICATION OF PROCEEDINGS.

11.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Carver County, together with such additional information as is required, and to obtain a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the County Auditor's Bond register.

11.02. Authentication of Transcript. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

11.03. Official Statement. The Preliminary Official Statement relating to the Bonds, prepared and distributed by the Municipal Advisor, is hereby approved. The Municipal Advisor is hereby authorized on behalf of the City to prepare and distribute to the Purchaser within seven business days from the date hereof, a Final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

11.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Upon vote being taken upon the foregoing resolution, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A

Maturity Schedules

Year	Improvement Bonds	Utility Bonds	TIF Bonds	Total
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
TOTAL				

EXHIBIT B

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF CARVER

CITY OF CHASKA

TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2019D

R-___ $_________

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
__%	February 1, 20__	December 4, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF CHASKA, State of Minnesota (the "City") acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2020 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor. For the prompt and full payment of such principal and interest as the same respectively come due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $[PAR] issued pursuant to a resolution adopted by the City Council on November 4, 2019 (the "Resolution"), to finance (i) various improvement projects within the City; (ii) various utility improvement projects to the City's municipal water, sewer, and storm water systems (the "System"); and (iii) various improvements related to Tax Increment Districts No. 18, 20, and 21 of the City's Economic Development Authority. This Bond issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Section 469.178 and Chapters 429, 444, and 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

Bonds maturing on February 1, 2030 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of $5,000, on February 1, 2029, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the designated transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date; subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to any such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the bonds, special assessments to be levied on property specially benefited by the improvements financed by the Bonds, net revenues of the System, ad valorem tax increments to be received by the City from Tax Increment Financing Districts No. 20, No. 21, and No. 22 within Redevelopment Project No. 4 in the City, and ad valorem taxes duly levied on all taxable property in the City, which assessments, revenues, increments, and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such assessments, revenues, increments, and taxes to its Taxable General Obligation Bonds, Series 2019D Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the projects financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF CHASKA, MINNESOTA

____
(facsimile signature – City Administrator)

____
(facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: __________________

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By ____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM --as tenants in common UTMA …………. as Custodian for …………..
(Cust) (Minor)

TEN ENT --as tenants by the entireties under Uniform Transfers to Minors Act ....……..
(State)

JT TEN --as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto ______________________________ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint ______________________________ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: ____________________

____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

____

EXHIBIT C

Special Assessments and Tax Levies

[To Come]

EXHIBIT D

Form of Pledge Agreement

TAX INCREMENT PLEDGE AGREEMENT

This Tax Increment Pledge Agreement (the "Agreement") dated as of December 4, 2019, is by and between the City of Chaska, Minnesota (the "City"), and the Chaska Economic Development Authority (the "Authority"), and provides as follows:

WHEREAS, the City has determined to issue its Taxable General Obligation Bonds, Series 2019D, in the principal amount of $[PAR] (the "Bonds"), the proceeds of which will be used to finance (i) various improvement projects within the City; (ii) various utility improvement projects to the City's municipal water, sewer, and storm water systems; and (iii) various improvements (the "TIF Projects") related to Tax Increment Districts No. 18, 20, and 21 (the "Districts") established by the Authority.

WHEREAS, the Bonds are to be payable primarily from tax increments realized by the Authority from the Districts.

NOW, THEREFORE, to provide funds sufficient for the timely payment of the principal and interest on the portion of the Bonds issued to finance the TIF Projects (the "TIF Bonds"), the City and the Authority hereby agree as follows:

1. In order to pay the principal of and interest on the TIF Bonds when due, the Authority hereby pledges to the City, for deposit in the TIF Projects Subaccount in the Bond Fund established by the resolution of the City dated November 4, 2019 (the "Bond Resolution"), for the payment of the TIF Bonds, Available Tax Increments (hereinafter defined) in amounts sufficient, with other funds actually appropriated by the City to the TIF Projects Subaccount in the Bond Fund, to pay the principal and interest that are due pursuant to the Bond Resolution on the dates determined by the City and, if and to the extent that the Available Tax Increments are ever insufficient for such purposes, and the City advances City funds to provide prompt and full payment of the TIF Bonds, the Authority agrees to reimburse the City for such advances from Available Tax Increments thereafter received by the Authority. As used in this Agreement, "Available Tax Increments" means tax increments derived by the Authority from the Districts, excluding such tax increments as have heretofore been pledged to the payment of other tax increment bonds or other eligible costs. In discharging its obligations under this Agreement, the Authority expressly reserves the right to select from year to year Available Tax Increments from the Districts and to pledge or otherwise dedicate tax increments from the Districts to purposes other than the payment of the TIF Bonds upon a finding by the Authority that the estimated Available Tax Increments then remaining will be sufficient from year to year to discharge the Authority's payment obligations on the TIF Bonds pursuant to this Agreement.

2. An executed copy of this Agreement shall be filed with the County Auditor of Carver County as required by Minnesota Statutes, Section 469.178, Subdivision 2.

3. This Agreement shall become effective upon the actual issuance and delivery of the Bonds.

IN WITNESS WHEREOF, the City and the Authority have caused this Agreement to be duly approved and executed as of the day and year first above written.

CITY OF CHASKA, MINNESOTA

By____________________________________
Mayor

Attest:_________________________________
City Administrator

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By____________________________________
Chair

And___________________________________
Executive Director

CERTIFICATE OF CARVER COUNTY AUDITOR
AS TO REGISTRATION OF TAX INCREMENT PLEDGE AGREEMENT

The undersigned, being the duly qualified and acting County Auditor of Carver County, Minnesota, hereby certifies that, pursuant to Minnesota Statutes, Section 469.178, subdivision 2, there has been filed in my office an executed copy of a Tax Increment Pledge Agreement, dated December 4, 2019, between the City of Chaska, Minnesota, and Chaska Economic Development Authority, relating to the pledge of tax increments from Tax Increment Districts No. 18, 20, and 21 of the City to the debt service on the City's $[PAR] Taxable General Obligation Bonds, Series 2019D, dated December 4, 2019.

WITNESS my hand this ___ day of December, 2019.

____
County Auditor

(SEAL)

COUNTY AUDITOR'S CERTIFICATE
AS TO BOND REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Carver County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on November 4, 2019, by the City Council of Chaska, Minnesota, setting forth the form and details of an issue of $[PAR] Taxable General Obligation Bonds, Series 2019D dated the date of issuance thereof.

I further certify that the issue has been entered on my bond register and the taxes required by law have been levied as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal on the _____ day of ____________, 2019.

____
County Auditor

(SEAL)

CERTIFICATION OF MINUTES RELATING TO
$[PAR] GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2019E

Issuer: City of Chaska, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held on November 4, 2019, at 7:00 p.m., at City Hall.

Members present:

Members absent:

Documents Attached:
Minutes of said meeting (including):

RESOLUTION NO. ____________

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $[PAR] GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2019E

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this ___ day of November, 2019.

____
City Administrator

It was reported that [_______] ([__]) proposals for the purchase of $[PAR] General Obligation Improvement Refunding Bonds, Series 2019E were received prior to 10:00 A.M., Central Time, on Monday, November 4, 2019, pursuant to the Preliminary Official Statement distributed to potential purchasers of the Bonds by Baker Tilly Municipal Advisors, LLC, municipal advisor to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

Councilmember ________________ introduced the following resolution (the "Resolution") and moved its adoption, which motion was seconded by Councilmember ________________:

RESOLUTION NO. 2019-___

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $[PAR] GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2019E

BE IT RESOLVED by the City Council (the "Council"), City of Chaska, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on October 21, 2019, authorized the issuance and sale of its General Obligation Improvement Refunding Bonds, Series 2019E (the "Bonds"), pursuant to Minnesota Statutes, Chapters 429 and 475 and Section 475.67, in the approximate principal amount of $1,965,000 for the purpose of currently refunding (i) the February 1, 2021 through February 1, 2031 maturities (the "Series 2010A Refunded Maturities") of the City's General Obligation Improvement Bonds, Series 2010A, dated July 1, 2010 (the "Series 2010A Bonds"), aggregating $920,000 in principal amount; and (ii) the February 1, 2021 through February 1, 2033 maturities (the "Series 2010C Refunded Maturities") of the City's General Obligation Improvement Bonds, Series 2010C, dated September 15, 2010 (the "Series 2010C Bonds") aggregating $1,295,000 in principal amount.

Proceeds of the Series 2010A Bonds and Series 2010C Bonds were used to finance various improvement projects in the City (the "Improvements").

The Series 2010A Refunded Maturities and the Series 2010C Refunded Maturities are collectively referred to as the "Refunded Maturities." The Series 2010A Bonds and the Series 2010C Bonds are collectively referred to as the "Refunded Bonds." The Refunded Maturities will be called and prepaid at a price of par plus accrued interest on February 1, 2020 (the "Redemption Date"), which is within 90 days of settlement of the Bonds. The City anticipates substantial debt service savings to result from the refunding of the Refunded Bonds.

1.02. Sale. Pursuant to the Terms of Proposal and the Preliminary Official Statement prepared on behalf of the City by Baker Tilly Municipal Advisors, LLC, municipal advisor to the City (the "Municipal Advisor"), sealed or electronic proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of [____________________], in [___________, ___________] (the "Purchaser"), to purchase the Bonds in the principal amount of $[PAR], at a price of $[__________] plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Preliminary Official Statement. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of December 4, 2019, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2021			2028		
2022			2029		
2023			2030		
2024			2031		
2025			2032		
2026			2033		
2027					

[REVISE MATURITY SCHEDULE FOR ANY TERM BONDS]

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2020, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month preceding such

Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing on February 1, 2029 and in later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of $5,000, on February 1, 2028, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS–
ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing on February 1, 20__ and 20__ (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount

The remaining $_______________ stated principal amount of such Bonds shall be paid at maturity on February 1, 20__.

Year	Principal Amount

The remaining $_______________ stated principal amount of such Bonds shall be paid at maturity on February 1, 20__.]

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the “Registrar”). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days’ written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the “Bond Register”) in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the first day of the month in which the interest payment date occurs and until such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. <u>Securities Depository</u>. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by

DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. <u>Form of Bonds</u>. The Bonds shall be prepared in substantially the form found at EXHIBIT A attached hereto.

SECTION 3. <u>USE OF PROCEEDS; REFUNDING</u>.

<u>Series 2010A Refunding</u>. Proceeds of the Bonds in the amount of $[________] shall be deposited in the sinking fund established for the Series 2010A Bonds to be applied to the redemption of the Series 2010A Refunded Maturities on the Redemption Date, and proceeds of the Bonds in the amount of $[______] shall be used to pay costs of issuance of the portion of the Bonds that refund the Series 2010A Refunded Maturities.

Series 2010C Refunding. Proceeds of the Bonds in the amount of $[________] shall be deposited in the sinking fund established for the Series 2010C Bonds to be applied to the redemption of the Series 2010C Refunded Maturities on the Redemption Date, and proceeds of the Bonds in the amount of $[______] shall be used to pay costs of issuance of the portion of the Bonds that refund the Series 2010C Refunded Maturities.

SECTION 4. GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2019E BOND FUND. The Bonds shall be payable from a separate General Obligation Improvement Refunding Bonds, Series 2019E Bond Fund (the "Bond Fund") of the City, which shall be created and maintained on the books of the City as a separate debt redemption fund until the Bonds, and all interest thereon, are fully paid. Into the Bond Fund shall be paid:

(i) any funds received from the Purchaser upon delivery of the Bonds in excess of the amounts specified in Section 3 above;

(ii) following the Redemption Date, special assessments and ad valorem taxes pledged pursuant to the resolutions authorizing issuance of the Refunded Bonds;

(iii) all excess amounts on deposit in the respective debt service funds maintained for the payment of the Refunded Bonds upon the retirement of the Refunded Bonds on the Redemption Date;

(iv) taxes levied and collected in accordance with this Resolution; and

(v) any other funds appropriated by this Council for the payment of the Bonds.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount of $[0]. Thereafter, during each bond year (each twelve month period commencing on February 2 and ending on the following February 1, a "Bond Year"), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the applicable subaccount within the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

If the balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the City which is available for that purpose, subject to reimbursement from the Surplus Account when the balance therein is sufficient, and the City covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

SECTION 5. SPECIAL ASSESSMENTS. For the payment of the cost of the Improvements, the City has levied special assessments against all assessable lots, tracts and parcels of land benefited thereby and located within the area proposed to be assessed therefor, based upon the benefits received by each such lot, tract or parcel, in an aggregate principal amount not less than twenty percent (20%) of the cost of the Improvements. In the event that any such assessment shall be at any time held invalid with respect to any lot, piece or parcel of land, due to any error, defect or irregularity in any action or proceeding taken or to be taken by the City or this Council or any of the City's officers or employees, either in the making of such assessment or in the performance of any condition precedent thereto, the City and this Council hereby covenant and agree that they will forthwith do all such further acts and take all such further proceedings as may be required by law to make such assessments a valid and binding lien upon such property.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in Section 4, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the City, the taxes to be levied and collected in the following years and amounts:

Levy Years	Collection Years	Amount

See attached schedules

The taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the tax levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The Improvements are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Improvements, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.04. Not Qualified Tax-Exempt Obligations. The Bonds will not be designated as "qualified tax-exempt obligations."

8.05. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2019, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: "City Property Values;" "City Indebtedness;" and "City Tax Rates, Levies and Collections."

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the MSRB) through its Electronic Municipal Market Access System (EMMA) or the SEC. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact," as hereinafter defined):

(A) principal and interest payment delinquencies;
(B) non-payment related defaults, if material;
(C) unscheduled draws on debt service reserves reflecting financial difficulties;
(D) unscheduled draws on credit enhancements reflecting financial difficulties;
(E) substitution of credit or liquidity providers, or their failure to perform;
(F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
(G) modifications to rights of Bond holders, if material;
(H) Bond calls, if material and tender offers;
(I) defeasances;

(J) release, substitution, or sale of property securing repayment of the Bonds if material;

(K) rating changes;

(L) bankruptcy, insolvency, receivership, or similar event of the obligated person;

(M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(N) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

As used herein, for those events that must be reported if material, an event is material if a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also material if it would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);

(C) the termination of the obligations of the City under this section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).

(2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or

regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. <u>CERTIFICATION OF PROCEEDINGS</u>.

9.01. <u>Registration of Bonds</u>. The City Administrator is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Carver County, together with such additional information as is required, and to obtain a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the County Auditor's Bond register.

9.02. <u>Authentication of Transcript</u>. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. <u>Official Statement</u>. The Preliminary Official Statement relating to the Bonds, prepared and distributed by the Municipal Advisor, is hereby approved. The Municipal Advisor is hereby authorized on behalf of the City to prepare and distribute to the Purchaser within seven business days from the date hereof, a Final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. <u>Effective Date</u>. This resolution shall be in full force and effect from and after its passage.

SECTION 10. <u>REDEMPTION OF REFUNDED BONDS</u>. The City Administrator is hereby directed to advise Wells Fargo Bank, National Association, as paying agent for the Refunded Bonds, to call the Refunded Bonds for redemption and prepayment on the Redemption Date and to give notice of redemption, substantially in the form attached as Exhibit C hereto, all in accordance with the resolution authorizing the issuance of the Refunded Bonds.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the Resolution was declared duly passed and adopted.

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF CARVER

CITY OF CHASKA

GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS,
SERIES 2019E

R-___ $_________

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
__%	February 1, 20__	December 4, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF CHASKA, State of Minnesota (the "City") acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2020 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor. For the prompt and full payment of such principal and interest as the same respectively come due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $[PAR] issued pursuant to a resolution adopted by the City Council on November 4, 2019 (the "Resolution"), to currently refund certain outstanding general obligations of the City. This Bond issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapters 429 and 475 and Section 475.67. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

Bonds maturing on February 1, 2029 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of $5,000, on February 1, 2028, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS–
ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing in the year 20____ and 20____ shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 20__		Term Bonds Maturing in 20__	
Sinking Fund Payment Date	Aggregate Principal Amount	Sinking Fund Payment Date	Aggregate Principal Amount
(final maturity)		(final maturity)	

The City will cause notice of the mandatory redemption of the Term Bonds to be published if and as required by law and, and at least thirty and not more than sixty days prior to the designated redemption date, will cause notice of the call thereof to be mailed by first class mail to the registered owner of any Bond to be redeemed at the owner's address as it appears on the bond register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds shall cease to bear interest.]

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the designated transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date; subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to any such transfer or exchange.

The Bonds have not been designated by the City as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the bonds ad valorem taxes levied on all taxable property in the City and special assessments upon property specially benefited by the local improvements financed with the Bonds, which taxes and assessments are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such assessments and taxes to its General Obligation Improvement Refunding Bonds, Series 2019E Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the projects financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF CHASKA, MINNESOTA

______________________________	______________________________
(facsimile signature – City Administrator)	(facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: __________________

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By ____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM --as tenants in common UTMA …………. as Custodian for …………..

(Cust) (Minor)

TEN ENT --as tenants by the entireties under Uniform Transfers to Minors Act ....……..

(State)

JT TEN --as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto ____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint ____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: ______________________

____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

____

EXHIBIT B

Special Assessments and Tax Levies

[to come]

EXHIBIT C

Redemption Notices

NOTICE OF REDEMPTION

$3,220,000 General Obligation Improvement Bonds, Series 2010A
Dated as of July 1, 2010
City of Chaska, Minnesota

NOTICE IS HEREBY GIVEN that the City of Chaska, Minnesota, has called for redemption and prepayment on February 1, 2020 (the "Redemption Date"), the outstanding Bonds of the above-referenced issue (the "Bonds") maturing on February 1 in the following years, in the principal amounts and having the interest rates and CUSIP numbers listed below:

Year	Amount	Interest Rate	CUSIP Number*
2021	$ 175,000	3.25%	1616634X4
2023	130,000	3.50	1616634Z9
2025	135,000	3.50	1616635B1
2027	145,000	3.75	1616635D7
2028	80,000	4.00	1616635E5
2029	80,000	4.00	1616635F2
2031	175,000	4.00	1616635H8

*Denotes Full Call.

The Bonds will be redeemed at a price of 100% of their principal amount plus accrued interest to the Redemption Date. On the Redemption Date, interest thereon shall cease to accrue. Such redemption price will be payable upon each such bond on the next succeeding business day following the Redemption Date.

A Form W-9, Payer's Request for Taxpayer Identification Number, must be completed and returned with the called Bond or 31% of the redemption proceeds will be withheld. Payment of bonds to be redeemed will be made on and after February 1, 2020, by submitting said Bond along with the completed form W-9 to Wells Fargo Bank, National Association at the following address:

By Mail or Courier Service:	By Registered or Certified Mail:
Wells Fargo Bank, N.A. Corporate Trust Operations N9300-070 600 South 4th Street, 7th Floor Minneapolis, MN 55415-1526	Wells Fargo Bank, N.A. Corporate Trust Operations P. O. Box 1517 Minneapolis, MN 55480-1517

Pursuant to U.S. federal tax laws, you have a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue Service ("IRS") to Wells Fargo Bank, N.A. Corporate Trust Services to ensure payments are reported accurately to you and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by Wells Fargo Bank, N.A. Corporate Trust Services before payment of the redemption proceeds is made to you. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to you.

Additional information may be obtained from the undersigned or from Baker Tilly Municipal Advisors, 380 Jackson Street, Suite 300, St. Paul, Minnesota (651-223-3000), municipal advisor to the City.

Dated: ____________, 2019.

BY ORDER OF THE CITY COUNCIL
CITY OF CHASKA, MINNESOTA

By s/_______________________________________
Matt Podhradsky, City Administrator

NOTICE OF REDEMPTION

$2,180,000 General Obligation Improvement Bonds, Series 2010C
Dated as of September 15, 2010
City of Chaska, Minnesota

NOTICE IS HEREBY GIVEN that the City of Chaska, Minnesota, has called for redemption and prepayment on February 1, 2020 (the "Redemption Date"), the outstanding Bonds of the above-referenced issue (the "Bonds") maturing on February 1 in the following years, in the principal amounts and having the interest rates and CUSIP numbers listed below:

Year	Amount	Interest Rate	CUSIP Number*
2021	$165,000	2.375%	1616635Y1
2022	130,000	2.500	1616635Z8
2023	135,000	2.625	1616636A2
2024	140,000	2.850	1616636B0
2027	215,000	3.125	1616636E4
2030	240,000	3.500	1616636H7
2033	270,000	3.750	1616636L8

*Denotes Full Call.

The Bonds will be redeemed at a price of 100% of their principal amount plus accrued interest to the Redemption Date. On the Redemption Date, interest thereon shall cease to accrue. Such redemption price will be payable upon each such bond on the next succeeding business day following the Redemption Date.

A Form W-9, Payer's Request for Taxpayer Identification Number, must be completed and returned with the called Bond or 31% of the redemption proceeds will be withheld. Payment of bonds to be redeemed will be made on and after February 1, 2020, by submitting said Bond along with the completed form W-9 to Wells Fargo Bank, National Association at the following address:

By Mail or Courier Service:	By Registered or Certified Mail:
Wells Fargo Bank, N.A. Corporate Trust Operations N9300-070 600 South 4th Street, 7th Floor Minneapolis, MN 55415-1526	Wells Fargo Bank, N.A. Corporate Trust Operations P. O. Box 1517 Minneapolis, MN 55480-1517

Pursuant to U.S. federal tax laws, you have a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue Service ("IRS") to Wells Fargo Bank, N.A. Corporate Trust Services to ensure payments are reported accurately to you and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by Wells Fargo Bank, N.A. Corporate Trust Services before payment of the redemption proceeds is made to you. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to you.

Additional information may be obtained from the undersigned or from Baker Tilly Municipal Advisors, 380 Jackson Street, Suite 300, St. Paul, Minnesota (651-223-3000), municipal advisor to the City.

Dated: ____________, 2019.

BY ORDER OF THE CITY COUNCIL
CITY OF CHASKA, MINNESOTA

By s/____
Matt Podhradsky, City Administrator

CARVER COUNTY AUDITOR'S
CERTIFICATE AS TO REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Carver County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on November 4, 2019, by the City Council of Chaska, Minnesota, setting forth the form and details of an issue of $[PAR] General Obligation Improvement Refunding Bonds, Series 2019E dated the date of issuance thereof.

I further certify that the issue has been entered on my bond register and the taxes required by law have been levied as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal on the _____ day of ____________, 2019.

____
Carver County Auditor

(SEAL)

S&P Global
Ratings

RatingsDirect®

Summary:

Chaska, Minnesota; General Obligation

Primary Credit Analyst:
Blake E Yocom, Chicago (1) 312-233-7056; blake.yocom@spglobal.com

Secondary Contact:
Emma Drilias, Chicago (1) 312-233-7132; emma.drilias@spglobal.com

Table Of Contents

Summary:

Chaska, Minnesota; General Obligation

Credit Profile		
US$4.63 mil taxable GO bnds ser 2019D due 02/01/2040		
Long Term Rating	AA/Stable	New
US$1.965 mil GO imp rfdg bnds ser 2019E due 02/01/2033		
Long Term Rating	AA/Stable	New

Rationale

S&P Global Ratings assigned its 'AA' rating to Chaska, Minn.'s series 2019D taxable general obligation (GO) bonds and series 2019E GO improvement refunding bonds. The outlook is stable.

The city's full faith and credit unlimited ad valorem tax GO pledge secures the bonds. Series 2019D bond proceeds will be used to finance various improvement and utility projects. Series 2019E bond proceeds will be used to refund the city's series 2010A and 2010C GO bonds for interest cost savings. The city is also pledging special assessments, net utility revenues, and tax-increment revenues for the series 2019D bonds and special assessments for the series 2019E bonds. The ratings are based on the city's GO pledge.

The GO rating reflects our view of Chaska's:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with balanced operating results in the general fund but an operating deficit at the total governmental fund level in fiscal 2018;
- Strong budgetary flexibility, with an available fund balance in fiscal 2018 of 13.1% of operating expenditures;
- Very strong liquidity, with total government available cash at 58.5% of total governmental fund expenditures and 3.7x governmental debt service, and access to external liquidity that we consider strong;
- Very weak debt and contingent liability profile, with debt service carrying charges at 15.9% of expenditures and net direct debt that is roughly 258.0% of total governmental fund revenue, but rapid amortization, with 63.0% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Very strong economy

We consider Chaska's economy very strong. The city, with an estimated population of 26,493, is the Carver County seat and is about 18 miles southwest of Minneapolis. It is in the Minneapolis-St. Paul-Bloomington MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 145% of the national level and per capita market value of $121,806. Overall, market value grew by 9.1% over the past year to $3.2 billion in 2019. The county unemployment rate was 2.5% in 2018.

The city reports several recent economic developments, including new data centers, redevelopment and new businesses in its downtown area, and industrial park expansions. After the planned completion of a highway interchange, it expects its southwest area to develop and eventually add 10,000 to its population and over 400 acres in office and commercial developments. Tax base growth has been strong in recent years, and the city expects continued growth in the upcoming year and we agree. Leading employers in the city include semiconductor processor Entegris Inc. (1,000 employees), biomedical firm Beckman-Coulter (900), and the local school district (880). We expect the economy to remain very strong.

Strong management

We view the city's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

In developing the budget, management uses three years of historical data, outside data sources, and line-item estimates. The council receives monthly budget-to-actual reports and the budget can be amended as necessary throughout the year. The city maintains five-year capital and financial plans that are updated annually. It has an investment policy but not a debt management policy. Investment holdings are reported quarterly to the board. The city's informal reserve policy is to maintain 35% of general fund expenditures in reserves, but it is not currently at this target amount.

Adequate budgetary performance

Chaska's budgetary performance is adequate, in our opinion. The city had balanced operating results in the general fund of 0.5% of expenditures, but a deficit result across all governmental funds of negative 4.1% in fiscal 2018.

The city expects at or near balanced general fund results in 2019. Management indicates the fiscal 2020 budget will be balanced with no use of reserves. Total governmental fund performance has been negative in recent years, a trend we expect to continue. Primary general fund revenue sources include property taxes (34%), franchise taxes (29%), charges for services (25%), and licenses and permits (6%).

In evaluating budgetary performance, we adjusted for spending of bond proceeds and certain one-time overtime costs, and treated recurring transfers as revenues. Based on the city's expectations of at least balanced general fund performance over the next two years, we expect budgetary performance to remain at least adequate.

Strong budgetary flexibility

Chaska's budgetary flexibility is strong, in our view, with an available fund balance in fiscal 2018 of 13.1% of operating expenditures, or $2.1 million.

Budgetary flexibility weakened to strong from very strong. In assessing budgetary flexibility, we included the committed general fund balance, which is legally available for operations, as part of its available reserves. Based on the city's projections of at least balanced general fund results over the next two years, we expect budgetary flexibility to remain strong.

A number of funds were negative at fiscal year-end 2018 (public improvements projects, curling center, special revenue, Chaska EDA). Management indicates many of these funds are budgeted to fund operations and not depreciation and will remain negative. However, there are no liquidity concerns.

Very strong liquidity

In our opinion, Chaska's liquidity is very strong, with total government available cash at 58.5% of total governmental fund expenditures and 3.7x governmental debt service in 2018. In our view, the city has strong access to external liquidity if necessary.

The city's $16.6 million in total cash and investments in 2018 were held primarily in money market funds, U.S. agency securities, and other highly rated securities that we do not consider aggressive. The city has strong access to external liquidity, in our opinion, because it has issued GO debt within the last 20 years. We expect liquidity to remain very strong.

We note that the city privately placed its 2017D GO bonds. The terms of the 2017D bonds do not include debt acceleration or other contingent liability risks. In March 2019, it placed a two-year $20 million line of credit ($4 million outstanding) related to the large interchange project. The city expects reimbursement for most of the funds and will put permanent financing in place for roughly $5 million.

Very weak debt and contingent liability profile

In our view, Chaska's debt and contingent liability profile is weak. Total governmental fund debt service is 15.9% of total governmental fund expenditures, and net direct debt is roughly 258% of total governmental fund revenue. Approximately 63% of the direct debt is scheduled to be repaid within 10 years, which is, in our view, a positive credit factor.

The city will likely issue additional debt in 2019 and we expect its debt and contingent liabilities to remain weak to very weak.

Chaska's combined required pension and actual other postemployment benefit (OPEB) contributions totaled 4.7% of total governmental fund expenditures in 2018. The city made 123% of its annual required pension contribution in 2018.

It participates in two cost-sharing multiple-employer defined-benefit pension plans, the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), both administered by the Public Employees Retirement Assn. of Minnesota (PERA). Required pension contributions to these plans are determined by state statute. Statutory contributions rates have generally not kept pace with actuarially determined contribution (ADC) rates, indicating potential for future payment acceleration. In May 2018, the state passed pension legislation that will marginally increase contributions (for PEPFF only), reduce the investment rate of return to 7.5% (from 8%), and reduce some employee benefits (primarily cost-of-living adjustments). While we view these as positive changes for future plan funding levels, the lack of an actuarial funding policy remains a weakness in these plans. For more information about the reforms included in the 2018 omnibus retirement bill and the potential for future cost increases see our article titled "Minnesota's New Pension Bill Is A Positive Step Toward Sustainable Funding," published June 7, 2018, on RatingsDirect.

The GERF and PEPFF were 79.5% and 87.1% funded, respectively, in fiscal 2018. The combined net pension liabilities for these plans totaled $12 million in fiscal 2017, the most recent year of data we have available for the city's proportionate share. While we consider plan funding levels somewhat weak, and we believe that the history of pension contributions below the ADC increases the risk of payment acceleration, we believe the city has sufficient taxing and operational flexibility to manage future increases in pension contributions. However, in the future, if pension contributions absorb a larger share of the city's budget, our view of its debt and contingent liability profile could weaken.

It also participates in a single-employer pension plan for its firefighters. In 2017, the plan was over 100% funded. The city does not provide explicit OPEB benefits, but allows retirees to remain on its plan at their own cost, thereby benefiting from an implicit rate subsidy. It funds this cost on a pay-as-you-go basis. As of Jan. 1, 2016, the most recent actuarial valuation date, its unfunded actuarial accrued liability was $1.1 million.

Strong institutional framework

The institutional framework score for Minnesota cities with a population greater than 2,500 is strong.

Outlook

The stable outlook reflects our expectation that Chaska will maintain balanced general fund results and begin to restore general fund reserves while maintaining very strong liquidity. It also reflects the strong management conditions of the city and its participation in the Twin Cities MSA, which has a moderating effect on local economic fluctuations. We do not expect a rating change within the two-year outlook period.

Downside scenario

We could lower the rating if due to budgetary imbalance, reserves declined significantly. Also, should negative balances outside the general fund pressure the city's liquidity, the rating would be pressured.

Upside scenario

Although unlikely, we could raise the rating if the debt profile moderates while financial performance improves.

Related Research

2019 Update Of Institutional Framework For U.S. Local Governments

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 23, 2019

NEW ISSUES **S&P Ratings: Requested**
NOT BANK QUALIFIED – The Series 2019E Bonds

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019E Bonds (i) is excluded from gross income for federal income tax purposes, (ii) is not an item of tax preference for federal alternative minimum tax purposes, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Series 2019E Bonds is included, however, in taxable income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions. The City will not designate the Series 2019E Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the U.S. Internal Revenue Code of 1986 (the "Code") relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to carrying and acquiring tax-exempt obligations. Interest on the Series 2019D Bonds is included in gross income for federal income tax purposes, taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and taxable income for purposes of the Minnesota franchise tax on corporations and financial institutions. See "TAX CONSIDERATIONS" herein.

City of Chaska, Minnesota

$4,630,000*
Taxable General Obligation Bonds, Series 2019D
(the "Series 2019D Bonds")

$1,965,000*
General Obligation Improvement Refunding Bonds, Series 2019E
(the "Series 2019E Bonds")

(Book Entry Only)

Dated Date: Date of Delivery **Interest Due: Each February 1 and August 1, commencing August 1, 2020**

The Bonds (as defined herein) will mature as shown on the inside front cover of this Official Statement.

The City may elect on February 1, 2029, and on any day thereafter, to redeem the Series 2019D Bonds due on or after February 1, 2030, at a price of par plus accrued interest. The City may elect on February 1, 2028, and on any day thereafter, to redeem the Series 2019E Bonds due on or after February 1, 2029, at a price of par plus accrued interest.

The Bonds will be general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security for the Bonds are discussed herein. The proceeds of the Bonds will be used for various purposes as discussed herein.

A separate proposal must be submitted for each issue subject to the minimum bid amounts shown below, plus accrued interest, if any. Proposals shall specify rates in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal of each issue must be 98.0% or greater. Following receipt of proposals, a good faith deposit for each issue will be required to be delivered to the City by the lowest bidder as described in each "Terms of Proposal" herein. Award of the Bonds will be made on the basis of True Interest Cost (TIC).

	Minimum Bid
The Series 2019D Bonds	$4,560,550
The Series 2019E Bonds	1,949,280

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (the "Depository"). The Depository will act as securities depository of the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association in Saint Paul, Minnesota, will serve as registrar (the "Registrar") for the Bonds. The Bonds will be available for delivery at DTC on or about December 4, 2019.

PROPOSALS RECEIVED: **Monday, November 4, 2019 until 10:00 A.M., Central Time**
CONSIDERATION OF AWARD: **City Council meeting commencing at 7:00 P.M., Central Time on Monday, November 4, 2019**

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Further information may be obtained from Baker Tilly Municipal Advisors LLC, Municipal Advisor to the City, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* *Preliminary; subject to change.*

City of Chaska, Minnesota

$4,630,000* Taxable General Obligation Bonds, Series 2019D

The Series 2019D Bonds will mature February 1 in the years and amounts* as follows:

2021	$135,000	2025	$240,000	2029	$280,000	2033	$220,000	2037	$155,000
2022	$155,000	2026	$250,000	2030	$285,000	2034	$225,000	2038	$165,000
2023	$190,000	2027	$255,000	2031	$195,000	2035	$195,000	2039	$175,000
2024	$235,000	2028	$270,000	2032	$215,000	2036	$145,000	2040	$645,000

$1,965,000* General Obligation Improvement Refunding Bonds, Series 2019E

The Series 2019E Bonds will mature February 1 in the years and amounts* as follows:

2021	$330,000	2024	$190,000	2027	$130,000	2030	$135,000	2032	$ 85,000
2022	$185,000	2025	$120,000	2028	$125,000	2031	$135,000	2033	$ 90,000
2023	$190,000	2026	$120,000	2029	$130,000				

* *Preliminary; subject to change.*

CITY OF CHASKA, MINNESOTA

CITY COUNCIL

Mark Windschitl	Mayor
Jon Grau	Council Member
McKayla Hatfield	Council Member
Mike Huang	Council Member
Taylor Hubbard	Council Member

CITY ADMINISTRATOR

Matthew Podhradsky

ADMINISTRATIVE SERVICES DIRECTOR

Noel Graczyk

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors LLC
Saint Paul, Minnesota

BOND COUNSEL

Dorsey & Whitney LLP
Minneapolis, Minnesota

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time, may be treated as a Preliminary Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the City.

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded copies of the Final Official Statement in the amount specified in each Terms of Proposal.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds are assigned by an organization unaffiliated with the City. The City is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given by the City that the CUSIP numbers for the Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Bonds.

TABLE OF CONTENTS

* *Preliminary; subject to change.*

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

$4,630,000*

CITY OF CHASKA, MINNESOTA

TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019D

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2019D Bonds") will be received by City of Chaska, Minnesota (the "City") on Monday, November 4, 2019, (the "Sale Date") until 10:00 A.M., Central Time at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2019D Bonds will be by the City Council at its meeting commencing at 7:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder to reach Baker Tilly MA prior to the time of sale specified above. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2019D Bonds regardless of the manner in which the proposal is submitted.

(a) ***Sealed Bidding.*** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Baker Tilly MA. Signed proposals, without final price or coupons, may be submitted to Baker Tilly MA prior to the time of sale. The bidder shall be responsible for submitting to Baker Tilly MA the final proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted proposal.

OR

(b) ***Electronic Bidding.*** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal*. Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2019D Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

> PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
> Customer Support: (212) 849-5000

* *Preliminary; subject to change.*

DETAILS OF THE SERIES 2019D BONDS

The Series 2019D Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2019D Bonds will mature February 1 in the years and amounts* as follows:

2021	$135,000	2025	$240,000	2029	$280,000	2033	$220,000	2037	$155,000
2022	$155,000	2026	$250,000	2030	$285,000	2034	$225,000	2038	$165,000
2023	$190,000	2027	$255,000	2031	$195,000	2035	$195,000	2039	$175,000
2024	$235,000	2028	$270,000	2032	$215,000	2036	$145,000	2040	$645,000

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2019D Bonds or the amount of any maturity or maturities in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Series 2019D Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2019D Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2019D Bonds will be issued by means of a book entry system with no physical distribution of Series 2019D Bonds made to the public. The Series 2019D Bonds will be issued in fully registered form and one Series 2019D Bond, representing the aggregate principal amount of the Series 2019D Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2019D Bonds. Individual purchases of the Series 2019D Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2019D Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 2019D Bonds, will be required to deposit the Series 2019D Bonds with DTC.

REGISTRAR

The City will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2029, and on any day thereafter, to redeem Series 2019D Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Series 2019D Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2019D Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge; (i) special assessments against benefited properties; (ii) net revenues of the City's water, sewer, and storm water funds; and (iii) tax increment revenues derived from Tax Increment Districts No. 18, 20, and 21 of the Economic Development Authority of the City (the "EDA") for repayment of the Series 2019D Bonds. The proceeds of the Series 2019D Bonds will be used to finance (i) various improvement projects within the City; (ii) various utility projects within the City; and (iii) various improvements related to Tax Increment Districts No. 18, 20, and 21 of the EDA.

TAXABILITY OF INTEREST

Interest on the Series 2019D Bonds is included in (a) gross income for federal income tax purposes, (b) net investment income for purposes of the new 3.8% unearned income Medicare contribution tax imposed by Section 1411 of the Code on certain individuals, estates and trusts with income exceeding specified amounts, (c) taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (d) taxable income for purposes of the Minnesota franchise tax on corporations and financial institutions.

No other opinion has been obtained or is given regarding the federal, state or local tax consequences of the purchase, ownership, retirement or disposition of the Series 2019D Bonds. Prospective purchasers or bondholders should consult with their own tax advisors concerning such tax issues, including, without limitation, anticipated and potential changes in tax rates on interest income, the treatment of interest in jurisdictions other than Minnesota, the calculation and timing of the inclusion of interest in income, the tax consequences of dispositions of Series 2019D Bonds at a gain or loss and the determination of the amount thereof, rules applicable if Series 2019D Bonds are issued or acquired at a premium or discount from their face amount (including without limitation the possible treatment of accrued market discount as ordinary income, deferral of certain interest deductions attributable to indebtedness incurred or continued to purchase or hold Series 2019D Bonds, and the amortization of market premium).

Interest payments and proceeds of the sale, exchange, redemption or retirement of Series 2019D Bonds are expected to be reported to the Internal Revenue Service to the extent required by law. A backup withholding tax might apply to payments to bondholders under circumstances described in section 3406 of the Code, including without limitation failure of the bondholder to provide the bondholder's tax identification number or certain other information. Payments to bondholders who are not U.S. residents or which are foreign entities might also be subject to tax withholding in certain circumstances.

BIDDING PARAMETERS

Proposals shall be for not less than $4,560,550 plus accrued interest, if any, on the total principal amount of the Series 2019D Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 2019D Bonds is adjourned, recessed, or continued to another date without award of the Series 2019D Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Rates must be in level or ascending order. Series 2019D Bonds of the same maturity shall bear a single rate from the date of the Series 2019D Bonds to the date of maturity. No conditional proposals will be accepted.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit to the City in the amount of $46,300 (the "Deposit") no later than 1:00 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the City; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the

City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the City if it is made payable to the City and delivered to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 2019D Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2019D Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2019D Bonds. If the Series 2019D Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any proposal specifying municipal bond insurance, even though such proposal may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2019D Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2019D Bonds.

CUSIP NUMBERS

If the Series 2019D Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2019D Bonds; however, neither the failure to print such numbers on any Series 2019D Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2019D Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about December 4, 2019, the Series 2019D Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Dorsey & Whitney LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2019D Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2019D Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Series 2019D Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 2019D Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2019D Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2019D Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2019D Bonds, together with any other information required by law. By awarding the Series 2019D Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated October 21, 2019 BY ORDER OF THE CITY COUNCIL

/s/ Matthew Podhradsky
City Administrator

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

$1,965,000*

CITY OF CHASKA, MINNESOTA

GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2019E

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Series 2019E Bonds”) will be received by City of Chaska, Minnesota (the “City”) on Monday, November 4, 2019, (the “Sale Date”) until 10:00 A.M., Central Time at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2019E Bonds will be by the City Council at its meeting commencing at 7:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder to reach Baker Tilly MA prior to the time of sale specified above. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2019E Bonds regardless of the manner in which the proposal is submitted.

(a) ***Sealed Bidding.*** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Baker Tilly MA. Signed proposals, without final price or coupons, may be submitted to Baker Tilly MA prior to the time of sale. The bidder shall be responsible for submitting to Baker Tilly MA the final proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted proposal.

OR

(b) ***Electronic Bidding.*** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal*. Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2019E Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

> PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
> Customer Support: (212) 849-5000

* *Preliminary; subject to change.*

DETAILS OF THE SERIES 2019E BONDS

The Series 2019E Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2019E Bonds will mature February 1 in the years and amounts* as follows:

2021	$330,000	2024	$190,000	2027	$130,000	2030	$135,000	2032	$ 85,000
2022	$185,000	2025	$120,000	2028	$125,000	2031	$135,000	2033	$ 90,000
2023	$190,000	2026	$120,000	2029	$130,000				

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2019E Bonds or the amount of any maturity or maturities in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Series 2019E Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2019E Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2019E Bonds will be issued by means of a book entry system with no physical distribution of Series 2019E Bonds made to the public. The Series 2019E Bonds will be issued in fully registered form and one Series 2019E Bond, representing the aggregate principal amount of the Series 2019E Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2019E Bonds. Individual purchases of the Series 2019E Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2019E Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 2019E Bonds, will be required to deposit the Series 2019E Bonds with DTC.

REGISTRAR

The City will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2028, and on any day thereafter, to redeem Series 2019E Bonds due on or after February 1, 2029. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Series 2019E Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2019E Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties for repayment of a portion of the Series 2019E Bonds. The proceeds of the Series 2019E Bonds, along with available City funds, will be used to refund (i) the February 1, 2021 through February 1, 2031 maturities of the City's General Obligation Improvement Bonds, Series 2010A, dated July 1, 2010; and (ii) the February 1, 2021 through February 1, 2033 maturities of the City's General Obligation Improvement Bonds, Series 2010C, dated September 15, 2010.

BIDDING PARAMETERS

Proposals shall be for not less than $1,949,280 plus accrued interest, if any, on the total principal amount of the Series 2019E Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 2019E Bonds is adjourned, recessed, or continued to another date without award of the Series 2019E Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2019E Bonds of the same maturity shall bear a single rate from the date of the Series 2019E Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to establish the issue price of the Series 2019E Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a proposal, each bidder agrees to the following.

If a proposal is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Series 2019E Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the proposal and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, third-party distribution agreement or other agreement relating to the initial sale of the Series 2019E Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2019E Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Series 2019E Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Series 2019E Bonds.

If, however, a proposal is submitted for the bidder's own account in a capacity other than as an underwriter of the Series 2019E Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Series 2019E Bonds, the bidder shall notify the District to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

<u>If the City advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies</u>, the Purchaser will be required to deliver to the City at or prior to closing a certification, substantially in the form attached hereto as Exhibit A, as to the reasonably expected initial offering price as of the award date.

<u>If the City advises the Purchaser that the requirements for a competitive sale have not been satisfied, the hold-the-offering price rule will apply.</u> The Purchaser shall (1) upon the request of the City confirm that the underwriters did not offer or sell any maturity of the Series 2019E Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and

ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification substantially in the form attached hereto as Exhibit B, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

Bidders should prepare their proposals on the assumption that the Series 2019E Bonds will be subject to the "hold-the-offering-price" rule. Any proposal submitted pursuant to the Terms of Proposal shall be considered a firm offer for the purchase of the Series 2019E Bonds, and proposals submitted will not be subject to cancellation or withdrawal.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit to the City in the amount of $19,650 (the "Deposit") no later than 1:00 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the City; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the City if it is made payable to the City and delivered to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 2019E Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2019E Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2019E Bonds. If the Series 2019E Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any proposal specifying municipal bond insurance, even though such proposal may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2019E Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2019E Bonds.

CUSIP NUMBERS

If the Series 2019E Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2019E Bonds; however, neither the failure to print such numbers on any Series 2019E Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2019E Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about December 4, 2019, the Series 2019E Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Dorsey & Whitney LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2019E Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2019E Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Series 2019E Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 2019E Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2019E Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2019E Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2019E Bonds, together with any other information required by law. By awarding the Series 2019E Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated October 21, 2019 BY ORDER OF THE CITY COUNCIL

/s/ Matthew Podhradsky
City Administrator

EXHIBIT A

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

$[PRINCIPAL AMOUNT]
[BOND CAPTION]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the obligations named above (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *City* means [DESCRIBE CITY].

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the City[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]

By:______________________________________

Name:____________________________________

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES

(*Attached*)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(*Attached*)

EXHIBIT B

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS

$[PRINCIPAL AMOUNT]
[BOND CAPTION]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”)][the “Representative”)][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Initial Offering Price of the Bonds***. [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. ***First Price at which Sold to the Public.*** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. ***Hold the Offering Price Rule***. [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) *City* means [DESCRIBE CITY].

(c) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the City[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:______________________________________

Name:____________________________________

Dated: [ISSUE DATE]

SCHEDULE A

INITIAL OFFERING PRICES OF THE BONDS

(*Attached*)

SCHEDULE B

PRICING WIRE

(*Attached*)

SCHEDULE C

SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE AT THE INITIAL OFFERING PRICE

(*Attached*)

OFFICIAL STATEMENT

CITY OF CHASKA, MINNESOTA

$4,630,000*
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2019D

$1,965,000*
GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2019E

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to the City of Chaska, Minnesota (the "City") and its issuance of $4,630,000* Taxable General Obligation Bonds, Series 2019D (the "Series 2019D Bonds") and $1,965,000* General Obligation Improvement Refunding Bonds, Series 2019E (the "Series 2019E Bonds," and, together with the Series 2019D Bonds, the "Bonds"). The Bonds will be general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security for the Bonds are discussed herein. The proceeds of the Bonds will be used for various purposes as discussed herein.

Inquiries may be directed to Mr. Noel Graczyk, Administrative Services Director, City of Chaska, One City Hall Plaza, Chaska, Minnesota 55318-1962, by telephoning (952) 448-9200, or by emailing ngraczyk@chaskamn.com. Inquiries may also be made to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, by telephoning (651) 223-3000, or by e-mailing bond_services@bakertilly.com.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph h (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Resolutions, to provide annual reports of specified information and notice of the occurrence of certain events as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix II to this Official Statement.

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule, except as follows:

- The City's $30,735,000 Electric Revenue Refunding Bonds (Generating Facilities), Series 2005A (CUSIP 161670) (the "Series 2005A Bonds") contained heightened continuing disclosure obligations that required the City to annually file audited financial information of certain other members of the Minnesota Municipal Power Agency ("MMPA" or the "Agency") and quarterly financial statements of the MMPA, in addition to other annual City and MMPA financial information. The City acknowledges that it did not affirmatively make all of the required filings on EMMA; however, the City did annually update certain electrical system annual information as required for the Series 2005A Bonds. The Series 2005A Bonds were refunded in full on October 2, 2015 and are no longer outstanding.

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* *Preliminary, subject to change.*

- On July 18, 2014, Moody's Investors Service upgraded the rating related to the Series 2005A Bonds (CUSIP 161670) from "A3" to "A2". The material event notice related to this rating change was filed with the MSRB through EMMA on December 2, 2014.

The City has adopted specific disclosure policies and procedures to further ensure ongoing compliance with its continuing disclosure obligations. A failure by the City to comply with the Disclosure Covenants will not constitute an event of default on the Bonds (although holders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General Information

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the inside front cover of this Official Statement. The Bonds are issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled "Book Entry System." U.S. Bank National Association, Saint Paul, Minnesota, will serve as Registrar for the Bonds, and the City will pay for registrar services.

Redemption Provisions

Thirty days' written notice of redemption shall be given to the registered owner(s) of the Bonds. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

Optional Redemption

The City may elect on February 1, 2029, and on any day thereafter, to redeem the Series 2019D Bonds due on or after February 1, 2030, at a price of par plus accrued interest. The City may elect on February 1, 2028, and on any day thereafter, to redeem the Series 2019E Bonds due on or after February 1, 2029, at a price of par plus accrued interest. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

THE SERIES 2019D BONDS

Authority and Purpose

The Series 2019D Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444, 469 and 475. The proceeds of the Series 2019D Bonds will be used to finance (i) various improvement projects within the City (the "Improvement Portion"); (ii) various utility projects within the City (the "Utility Portion"); and (iii) various improvements related to Tax Increment Districts No. 18, 20, and 21 of the Economic Development Authority of the City (the "EDA") (the "Tax Increment Portion").

Sources and Uses

The composition of the Series 2019D Bonds is estimated to be as follows:

	Improvement Portion	Utility Portion	Tax Increment Portion	Total
Sources of Funds:				
Principal Amount	$1,250,000	$780,000	$2,600,000	$4,630,000
Prepaid Assessments	156,031	0	0	156,031
First Year Assessment Collection	119,930	0	0	119,930
Total Sources of Funds	$1,525,961	$780,000	$2,600,000	$4,905,961
Uses of Funds:				
Deposit to Project Fund	$1,483,500	$761,000	$2,517,302	$4,761,802
Costs of Issuance	23,711	7,300	43,698	74,709
Allowance for Discount Bidding	18,750	11,700	39,000	69,450
Total Uses of Funds	$1,525,961	$780,000	$2,600,000	$4,905,961

Security and Financing

The Series 2019D Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security for the Series 2019D Bonds are discussed below.

The Improvement Portion

The City will pledge special assessments against benefited properties for repayment of a portion of the Improvement Portion of the Series 2019D Bonds. Special assessments in the principal amounts of approximately (i) $598,444 were filed on April 30, 2018 for first collection in 2019; (ii) $728,430 were filed in the fall of 2019 for first collection in 2020; and (iii) $183,762 were filed on April 30, 2018 for first collection in 2019. The City has received prepayments in the amounts of $211,014 and $64,948. Assessments will be spread over terms of 10 and 15 years with equal annual payments of principal and interest. Interest on the unpaid balances will be charged at interest rates of 4.75%, 4.75% and 6.00%, respectively. Pursuant to Minnesota Statutes 429, at least 20% of the City's share of project costs must be assessed to benefited properties. The projects being financed with the Improvement Portion of the Series 2019D Bonds meet this requirement.

The City will also levy taxes for repayment of a portion of the Improvement Portion of the Series 2019D Bonds, and will make its first levy in 2019 for collection in 2020. Each year's collection of taxes and special assessments, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

The Utility Portion

Pursuant to Minnesota Statutes, Chapter 444, and the resolution awarding the sale of the Series 2019D Bonds, the City will covenant to impose and collect charges for the service, use, availability and connection to the water, sewer and stormwater utilities to produce net revenues in amounts sufficient to support the operation of the water, sewer and stormwater funds and to pay 105% of the debt service due on obligations to which it has pledged its water, sewer and stormwater fund revenues, including the Utility Portion of the Series 2019D Bonds. The City is required to annually review the budget of the water, sewer and stormwater funds to determine whether current rates and charges are sufficient and to adjust such rates and charges as necessary. The City does not anticipate the need to levy taxes for repayment of the Utility Portion of the Series 2019D Bonds.

The Tax Increment Portion

The City will pledge tax increment revenues derived from Tax Increment Districts No. 18, 20, and 21 of the City's EDA for repayment of a portion of the Tax Increment Portion of the Series 2019D Bonds. The City will also levy taxes for repayment of a portion of the Tax Increment Portion of the Series 2019D Bonds, and will make its first levy in 2019 for collection in 2020. Each year's collection of taxes and tax increment revenues, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

THE SERIES 2019E BONDS

Authority and Purpose

The Series 2019E Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475. The Series 2019E Bonds have been structured as a current refunding, and are being issued to achieve debt service savings. The proceeds of the Series 2019E Bonds, along with available City funds, will be used to refund (i) the February 1, 2021 through February 1, 2031 maturities (the "Series 2010A Refunded Maturities") of the City's General Obligation Improvement Bonds, Series 2010A, dated July 1, 2010 (the "Series 2010A Bonds") (the "Series 2010A Refunding Portion"); and (ii) the February 1, 2021 through February 1, 2033 maturities (the "Series 2010C Refunded Maturities") of the City's General Obligation Improvement Bonds, Series 2010C, dated September 15, 2010 (the "Series 2010C Bonds") (the "Series 2010C Refunding Portion"). It is anticipated that the Refunded Maturities (as defined below) will be called and prepaid at a price of par plus accrued interest on February 1, 2020, which is within 90 days of settlement of the Series 2019E Bonds.

The Series 2010A Refunded Maturities and the Series 2010C Refunded Maturities are collectively referred to as the "Refunded Maturities." The Series 2010A Bonds and the Series 2010C Bonds are collectively referred to as the "Refunded Bonds."

Sources and Uses

The composition of the Series 2019E Bonds is estimated to be as follows:

	2010A Refunding Portion	2010C Refunding Portion	Total
Sources of Funds:			
Principal Amount	$640,000	$1,325,000	$1,965,000
Available City Funds	300,000	0	300,000
Total Sources of Funds	$940,000	$1,325,000	$2,265,000
Uses of Funds:			
Deposit for Refunding Purposes	$920,000	$1,295,000	$2,215,000
Costs of Issuance	14,880	19,400	34,280
Allowance for Discount Bidding	5,120	10,600	15,720
Total Uses of Funds	$940,000	$1,325,000	$2,265,000

Security and Financing

The Series 2019E Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City pledges special assessments against benefited properties originally pledged to the Series 2010A Bonds and the Series 2010C Bonds for repayment of a portion of the Series 2010A Refunding Portion and the Series 2010C Refunding Portion, respectively.

The City will also levy taxes for repayment of the Series 2019E Bonds, and will make its first levy in 2019 for collection in 2020. Each year's collection of taxes and special assessments, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

FUTURE FINANCING

The City anticipates issuing general obligation bonds in the first quarter of 2020.

LITIGATION

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

LEGALITY

The Bonds are subject to approval as to certain matters by Dorsey & Whitney LLP of Minneapolis, Minnesota, as Bond Counsel ("Bond Counsel"). Bond Counsel has not participated in the preparation of this Official Statement, and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify, any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. Legal opinions in substantially the forms set out in Appendix I to this Official Statement will be delivered at closing.

TAX CONSIDERATIONS

The following is a summary of certain U.S. federal and Minnesota income tax considerations relating to the purchase, ownership, and disposition of the Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the Series 2019E Bonds. The City has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the application of the alternative minimum tax or the additional tax on net investment income with respect to the Series 2019D Bonds, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Minnesota income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the "issue price" of a maturity of Bonds is the first price at which a substantial amount of Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

Series 2019D Bonds

Interest

Stated interest on the Series 2019D Bonds will be taxable as ordinary income at the time it is received or accrued, in accordance with the holder's regular method of accounting for U.S. federal income tax purposes.

Original Issue Discount

The Series 2019D Bonds are not expected to be issued with "original issue discount" ("OID") for U.S. federal income tax purposes. Series 2019D Bonds of a given maturity will be treated as issued with OID if their principal amount exceeds their issue price by at least a *de minimis* amount (0.25% of the principal amount multiplied by the number of complete years from the issue date of such Series 2019D Bonds until their maturity). If Series 2019D Bonds are treated as issued with OID pursuant to these rules, a holder of those Series 2019D Bonds would be required to include OID in income as it accrues based on a constant yield to maturity method before the receipt of corresponding cash payments. The remainder of this discussion assumes that the Series 2019D Bonds are issued with less than a *de minimis* amount of OID.

Market Discount

If a Series 2019D Bond is purchased for a cost that is less than the Series 2019D Bond's issue price, the purchaser will be treated as having purchased the Series 2019D Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Series 2019D Bond (to the extent that the gain realized does not exceed the accrued market discount on the Series 2019D Bond).

Bond Premium

A holder that acquires a Series 2019D Bond for an amount in excess of its principal amount may elect to treat the excess as amortizable bond premium, in which case the amount to be included in the holder's income each year with respect to interest on the Series 2019D Bond will be reduced by the amount of amortizable bond premium allocable (based on the Bond's yield to maturity) to that year and the holder's federal tax basis in the Series 2019D Bond will be reduced by a corresponding amount. Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excluded from gross income for U.S. federal income tax purposes) held by the holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the holder, and is irrevocable without the consent of the IRS.

Sale or Other Disposition

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Series 2019D Bond (including in a deemed exchange resulting from a defeasance of the Series 2019D Bonds) equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest (which will be taxable as ordinary income to the extent not previously included in income) and (ii) the holder's adjusted tax basis in the Series 2019D Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Series 2019D Bond. A holder's adjusted tax basis in a Series 2019D Bond generally will be equal to the amount that the holder paid for the Series 2019D Bond, reduced by the amount of any amortized bond premium on the Series 2019D Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Series 2019D Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Series 2019E Bonds

Tax-Exempt Interest

In the opinion of Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019E Bonds (i) is excluded from gross income for federal income tax purposes, (ii) is not an item of tax preference for federal alternative minimum tax purposes, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Series 2019E Bonds is included, however, in taxable income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

The Code establishes certain requirements that must be met after the issuance of the Series 2019E Bonds in order that interest on the Series 2019E Bonds be excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. These requirements include, but are not limited to, provisions regarding the use of Series 2019E Bond proceeds and the facilities financed or refinanced with such proceeds and restrictions on the investment of Series 2019E Bond proceeds and other amounts. The City has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the Series 2019E Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the Series 2019E Bonds to be included in federal gross income or in Minnesota taxable net income retroactively to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the Series 2019E Bonds in the event that interest on the Series 2019E Bonds is included in federal gross income or in Minnesota taxable net income.

Original Issue Discount

Series 2019E Bonds may be issued at a discount from their principal amount (any such Series 2019E Bonds being "Discount Bonds"). The excess of the principal amount payable on Series 2019E Bonds of a given maturity over their issue price constitutes OID. OID that accrues to a holder of a Discount Bond is excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder's federal and Minnesota tax bases. OID is taxable under the Minnesota franchise tax on corporations and financial institutions.

OID on a Discount Bond generally accrues pursuant to a constant-yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of OID that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For this purpose, the adjusted issue price is determined by adding to the issue price for such Discount Bonds the OID that is treated as having accrued during all prior accrual periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then the original issue discount that would have accrued for that accrual period for federal income tax purposes is allocated ratably to the days in that accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of the Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Series 2019E Bonds, even if the Series 2019E Bonds are sold, redeemed, or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

Market Discount

If a Series 2019E Bond is purchased for a cost that is less than the Series 2019E Bond's issue price (plus accrued original issue discount, if any), the purchaser will be treated as having purchased the Series 2019E Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Series 2019E Bond (to the extent that the gain realized does not exceed the accrued market discount on the Series 2019E Bond).

Bond Premium

A holder that acquires a Series 2019E Bond for an amount in excess of its principal amount generally must, from time to time, reduce the holder's federal and Minnesota tax bases for the Series 2019E Bond. Premium generally is amortized for federal income tax purposes and Minnesota income and franchise tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, holders who acquire Series 2019E Bonds at a premium might recognize taxable gain upon sale of the Series 2019E Bonds, even if such Series 2019E Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes or for purposes of the Minnesota income tax applicable to individuals, estates, and trusts.

Related Tax Considerations

Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain social security and railroad retirement benefits to take interest on the Series 2019E Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2019E Bonds, and Minnesota law similarly denies a deduction for such interest in the case of individuals, estates, and trusts. In the case of a financial institution, generally, no deduction is allowed under section 265(b) the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the Series 2019E Bonds, unless the obligations are "qualified tax-exempt obligations." Indebtedness may be allocated to the Series 2019E Bonds for this purpose even though not directly traceable to the purchase of the Series 2019E Bonds. The Series 2019E Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2019E Bonds may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depends upon the particular tax status of the holder and the holder's other items of income or deduction.

Sale or Other Disposition

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Series 2019E Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the Series 2019E Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Series 2019E Bond. A holder's adjusted tax basis in a Series 2019E Bond generally will be equal to the amount that the holder paid for the Series 2019E Bond, increased by any accrued original issue discount with respect to the Series 2019E Bond and reduced by the amount of any amortized bond premium on the Series 2019E Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Series 2019E Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Information Reporting and Backup Withholding

Payments of interest on the Bonds (including any allocable bond premium or accrued original issue discount) and proceeds from the sale or other disposition of the Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

THE FOREGOING IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF COLLATERAL TAX CONSEQUENCES ARISING FROM OWNERSHIP OR DISPOSITION OF THE BONDS OR RECEIPT OF INTEREST ON THE BONDS. PROSPECTIVE PURCHASERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF, OR TAX CONSIDERATIONS FOR, PURCHASING OR HOLDING THE BONDS.

RATINGS

Application for ratings of the Bonds has been made to S&P Global Ratings ("S&P"), 55 Water Street, New York, New York. If ratings are assigned, they will reflect only the opinion of S&P. Any explanation of the significance of the ratings may be obtained only from S&P.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such rating will not be revised or withdrawn if, in the judgment of S&P, circumstances so warrant. A revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC, of Saint Paul, Minnesota as municipal advisor in connection with certain aspects of the issuance of the Bonds. In preparing this Official Statement, Baker Tilly Municipal Advisors, LLC has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for this Official Statement. Baker Tilly Municipal Advisors, LLC has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. Baker Tilly Municipal Advisors, LLC is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The Purchaser(s) will be furnished with a certificate signed by the appropriate officers of the City stating that the City examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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CITY PROPERTY VALUES

Trend of Values[(a)]

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio[(b)]	Economic Market Value[(c)]	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2018/19	$3,007,913,300	93.3%	$3,226,995,665	$75,920,831	$2,877,351,100	$33,313,863
2017/18	2,847,274,600	96.4	2,955,184,464	80,120,100	2,709,319,900	31,516,766
2016/17	2,652,305,300	92.2	2,868,854,408	84,947,100	2,508,978,900	29,097,139
2015/16	2,573,342,000	97.5	2,639,625,878	84,625,400	2,430,342,100	28,212,129
2014/15	2,380,806,300	95.1	2,502,084,309	89,219,900	2,241,076,300	26,325,639

(a) *For a description of the Minnesota property tax system, see Appendix III.*

(b) *Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, https://www.revenue.state.mn.us/economic-market-values.*

(c) *Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, https://www.revenue.state.mn.us/economic-market-values.*

Source: Carver County, Minnesota, March 2019, except as otherwise noted.

2018/19 Adjusted Taxable Net Tax Capacity: $33,313,863*

Real Estate:		
Residential Homestead	$19,098,023	56.3%
Commercial/Industrial, Railroad, and Public Utility	9,060,705	26.7
Residential Non-Homestead	4,960,321	14.6
Agricultural/Seasonal Recreational	395,846	1.2
Personal Property	428,354	1.2
2018/19 Net Tax Capacity	$33,943,249	100.0%
Less: Captured Tax Increment Tax Capacity	(1,052,097)	
Contribution to Fiscal Disparities	(3,523,591)	
Plus: Distribution from Fiscal Disparities	3,946,302	
2018/19 Adjusted Taxable Net Tax Capacity	$33,313,863	

* *Excludes mobile home valuation of $116,028.*

Ten of the Largest Taxpayers in the City

Taxpayer	Type of Property	2018/19 Net Tax Capacity
United Healthcare Services Inc.	Commercial	$ 485,324
Aurora Investment LLC	Commercial/Agricultural	387,670
Hazeltine National Golf Club	Golf Club	323,806
Ameriprise Financial Inc.	Financial Services	302,059
Centerpoint Energy	Utility	286,292
Chaska Heights Senior Living LLC	Senior Living Facility	279,451
Target Corporation	Retail and Grocery	255,426
Aurora-Chaska Medical LLC	Medical Facilities	242,694
Via West Inc.	Commercial	242,540
SB Chaska Partners LLC	Rental/Residential	207,568
Total		$3,012,830*

* *Represents 9.0% of the City's 2018/19 adjusted taxable net tax capacity.*

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (3% of 2018/19 Estimated Market Value)	$ 90,237,399
Less: Outstanding Debt Subject to Limit	(32,175,000)
Legal Debt Margin as of December 4, 2019	$ 58,062,399

* *The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.*

NOTE: Certain types of debt are not subject to the legal debt limit. See Appendix III – Debt Limitations.

General Obligation Debt Supported Solely by Taxes*

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
8-15-13	$ 915,000	Equipment Certificates	2-1-2023	$ 440,000
12-30-14	2,705,000	Equipment Certificates	2-1-2024	1,590,000
11-29-17	1,960,000	Equipment Certificates	2-1-2027	1,800,000
11-6-19	1,240,000	Equipment Certificates	2-1-2029	1,240,000
Total				$5,070,000

* *These issues are subject to the legal debt limit.*

General Obligation Special Assessment Debt[(a)]

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
7-1-10	$3,220,000	Improvements	2-1-2020	$ 260,000[(b)]
9-15-10	2,180,000	Improvements	2-1-2020	140,000[(c)]
9-15-11	2,375,000	Improvements	2-1-2027	1,230,000
8-15-12	2,430,000	Improvements	2-1-2028	1,480,000
8-15-12	3,295,000	Improvement Refunding	2-1-2027	1,370,000
8-15-13	3,330,000	Improvements	2-1-2035	2,570,000
12-30-14	3,230,000	Improvements	2-1-2030	2,360,000
8-19-15	5,940,000	Improvements	2-1-2031	5,130,000
11-29-17	6,875,000	Improvements	2-1-2038	6,745,000
11-29-17	1,790,000	Taxable Improvements	2-1-2033	1,670,000
12-27-17	995,000	Improvements Refunding	2-1-2029	995,000
11-6-19	4,440,000	Improvements	2-1-2039	4,440,000
12-4-19	1,250,000	Taxable Improvements (the Improvement Portion of the Series 2019D Bonds)	2-1-2035	1,250,000
12-4-19	1,965,000	Improvements Refunding (the Series 2019E Bonds)	2-1-2033	1,965,000
Total				$31,605,000

(a) *On October 7, 2019 the City authorized the prepayment of the December 1, 2020 maturity of its General Obligation Bonds, Series 2009B, dated October 1, 2009 (the "Series 2009B Bonds) in the amount of $105,000. The City will make its December 1, 2019 payment in the amount of $110,000 on the Series 2009B Bonds as regularly scheduled. Therefore, this debt excludes the Series 2009B Bonds which will be prepaid in full on December 1, 2019.*

(b) *Excludes the Series 2010A Refunded Maturities.*

(b) *Excludes the Series 2010C Refunded Maturities.*

General Obligation Tax Increment Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
8-15-13	$ 595,000	Taxable Tax Increment Refunding	12-1-2021	$ 150,000
12-27-17	460,000	Taxable Tax Increment Refunding	2-1-2031	460,000
12-4-19	2,600,000	Taxable Tax Increment (the Tax Increment Portion of the Series 2019D Bonds)	2-1-2040	2,600,000
Total				$3,210,000

General Obligation Tax Abatement Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
9-15-10	$405,000	Taxable Tax Abatement	2-1-2033	$375,000
11-29-17	245,000	Taxable Tax Abatement	2-1-2039	245,000
Total				$620,000

General Obligation Utility Revenue Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
10-1-09	$ 1,495,000	Water Revenue Refunding	12-1-2022	$ 425,000
9-15-11	11,435,000	Water Revenue Refunding	12-1-2032	8,625,000
8-15-12	1,380,000	Water/Sewer Revenue Refunding	2-1-2027	645,000
12-30-15	5,170,000	Utility Revenue	2-1-2036	4,540,000
11-29-17	735,000	Utility Revenue	2-1-2038	715,000
11-6-19	2,135,000	Utility Revenue	2-1-2035	2,135,000
12-4-19	780,000	Taxable Utility Revenue (the Utility Portion of the Series 2019D Bonds)	2-1-2030	780,000
Total				$17,865,000

General Obligation Housing Revenue Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
8-15-10	$2,850,000	Governmental Refunding	1-1-2040	$2,330,000*

* *Issued by the Carver County Community Development Agency and secured by the general obligation of the City. Rental revenue and other related sources are used to pay this debt.*

Lease Obligations*

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
7-18-13	$ 3,850,000	Community Center Upgrades	12-1-2033	$ 2,905,000
4-15-15	12,855,000	Taxable Lease Revenue	2-1-2035	10,525,000
4-15-15	9,000,000	Lease Revenue	2-1-2035	8,485,000
12-30-15	3,410,000	Taxable Lease Revenue	2-1-2031	2,855,000
12-30-15	1,085,000	Lease Revenue	2-1-2026	785,000
12-27-17	1,880,000	Senior Center Addition Refunding	12-1-2027	1,550,000
Total				$27,105,000

* *Issued by the EDA and payable from annual appropriation lease payments made by the City to the EDA. These issues are subject to the legal debt limit.*

Electric Revenue Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 12-4-19
12-22-11	$ 3,535,000	Electric Revenue	10-1-2031	$ 2,320,000
10-1-15	21,760,000	Electric Revenue Refunding (MMPA)	10-1-2030	17,245,000*
9-6-17	7,220,000	Electric Revenue	10-1-2037	6,725,000
Total				$26,290,000

* *Issued by the City but payable from payments made by the Minnesota Municipal Power Agency to the City pursuant to an agency contract and not from the operation of the electric system of the City.*

Estimated Calendar Year Debt Service Payments

	G.O. Debt Supported Solely by Taxes		G.O. Special Assessment Debt	
Year	Principal	Principal & Interest	Principal	Principal & Interest[(a)]
2019 (at 12-4)	(Paid)	(Paid)	(Paid)	(Paid)
2020	$ 595,000	$ 661,138	$ 1,985,000	$ 2,624,288
2021	715,000	770,775	2,195,000	3,149,436
2022	750,000	780,900	2,170,000	3,054,227
2023	785,000	784,550	2,110,000	2,922,861
2024	700,000	787,800	2,505,000	3,238,483
2025	380,000	445,050	2,540,000	3,183,542
2026	400,000	445,550	2,625,000	3,176,260
2027	415,000	440,175	2,745,000	3,199,232
2028	160,000	170,800	2,470,000	2,828,846
2029	170,000	173,400	2,380,000	2,659,083
2030			2,060,000	2,268,672
2031			1,825,000	1,965,965
2032			1,255,000	1,346,333
2033			1,290,000	1,346,243
2034			580,000	610,939
2035			430,000	447,925
2036			130,000	140,491
2037			130,000	136,872
2038			135,000	138,094
2039			45,000	45,563
Total	$5,070,000	$5,460,138	$31,605,000[(b)]	$38,483,355

(a) *Includes the Improvement Portion of the Series 2019D Bonds and the Series 2019E Bonds at assumed average annual interest rates of 2.69% and 1.81%, respectively. Excludes the Refunded Maturities and the Series 2009B Bonds*

(b) *75.1% of this debt will be retired within ten years.*

Estimated Calendar Year Debt Service Payments (Continued)

Year	G.O. Tax Increment Debt Principal	G.O. Tax Increment Debt Principal & Interest(a)	G.O. Tax Abatement Debt Principal	G.O. Tax Abatement Debt Principal & Interest
2019 (at 12-4)	(Paid)	(Paid)	(Paid)	(Paid)
2020	$ 110,000	$ 176,391	$ 20,000	$ 45,413
2021	110,000	198,353	25,000	49,725
2022	40,000	125,185	25,000	48,923
2023	70,000	153,730	30,000	53,005
2024	115,000	196,510	30,000	51,973
2025	120,000	198,725	30,000	50,825
2026	125,000	200,650	35,000	54,438
2027	125,000	196,040	35,000	52,913
2028	135,000	201,225	40,000	56,253
2029	145,000	207,373	45,000	59,333
2030	150,000	208,285	45,000	57,234
2031	155,000	209,020	55,000	64,866
2032	125,000	175,205	55,000	62,279
2033	130,000	176,858	60,000	64,545
2034	130,000	173,380	15,000	17,846
2035	140,000	179,700	15,000	17,329
2036	145,000	180,745	15,000	16,811
2037	155,000	186,506	15,000	16,294
2038	165,000	191,905	15,000	15,776
2039	175,000	196,931	15,000	15,259
2040	645,000	654,675		
Total	$3,210,000(b)	$4,387,392	$620,000(c)	$871,040

(a) *Includes the Tax Increment Portion of the Series 2019D Bonds at an assumed average annual interest rate of 2.88%.*

(b) *34.1% of this debt will be retired within ten years.*

(c) *50.8% of this debt will be retired within ten years.*

Estimated Calendar Year Debt Service Payments (Continued)

Year	G.O. Utility Revenue Debt Principal	G.O. Utility Revenue Debt Principal & Interest[(a)]	G.O. Housing Revenue Debt Principal	G.O. Housing Revenue Debt Principal & Interest
2019 (at 12-4)	(Paid)	(Paid)	(Paid)	(Paid)
2020	$ 905,000	$ 1,443,432	$ 75,000	$ 162,356
2021	1,135,000	1,668,511	75,000	160,106
2022	1,205,000	1,701,709	80,000	162,781
2023	1,100,000	1,563,064	80,000	160,381
2024	1,145,000	1,576,945	85,000	162,800
2025	1,195,000	1,592,478	90,000	164,956
2026	1,250,000	1,610,408	90,000	161,975
2027	1,290,000	1,610,408	95,000	163,794
2028	1,245,000	1,522,158	100,000	165,319
2029	1,315,000	1,549,816	105,000	166,406
2030	1,365,000	1,555,769	110,000	167,106
2031	1,325,000	1,470,594	90,000	143,106
2032	1,385,000	1,485,628	115,000	164,006
2033	525,000	576,463	125,000	169,206
2034	535,000	571,659	130,000	169,106
2035	460,000	482,272	135,000	168,722
2036	385,000	394,256	140,000	168,050
2037	50,000	52,313	140,000	162,275
2038	50,000	50,781	150,000	166,294
2039			155,000	165,003
2040			165,000	168,403
Total	$17,865,000[(b)]	$22,487,664	$2,330,000[(c)]	$3,442,151

(a) Includes the Utility Portion of the Series 2019D Bonds at an assumed average annual interest rate of 2.68%.

(b) 66.0% of this debt will be retired within ten years.

(c) 37.6% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

Year	Lease Obligations Principal	Lease Obligations Principal & Interest	Electric Revenue Debt Principal	Electric Revenue Debt Principal & Interest
2019 (at 12-4)	(Paid)	(Paid)	(Paid)	(Paid)
2020	$ 1,620,000	$ 2,599,716	$ 1,650,000	$ 2,807,795
2021	1,670,000	2,604,980	1,720,000	2,802,395
2022	1,705,000	2,590,057	1,805,000	2,808,485
2023	1,760,000	2,591,234	1,885,000	2,805,265
2024	1,805,000	2,577,646	1,980,000	2,813,115
2025	1,885,000	2,595,780	2,065,000	2,806,385
2026	1,840,000	2,484,035	2,160,000	2,805,135
2027	1,770,000	2,346,652	2,270,000	2,814,005
2028	1,615,000	2,122,860	2,375,000	2,812,455
2029	1,675,000	2,117,227	2,480,000	2,812,240
2030	1,745,000	2,117,702	2,580,000	2,799,065
2031	1,820,000	2,119,288	640,000	741,128
2032	1,585,000	1,814,166	415,000	495,400
2033	1,650,000	1,812,790	425,000	492,950
2034	1,450,000	1,543,190	440,000	495,200
2035	1,510,000	1,541,480	455,000	497,000
2036			465,000	493,350
2037			480,000	494,400
Total	$27,105,000[(a)]	$35,578,803	$26,290,000[(b)]	$34,595,768

(a) *64.0% of this debt will be retired within ten years.*

(b) *77.6% of this debt will be retired within ten years.*

Other Debt Obligations

Letter of Credit

In March of 2019 the City issued $20,000,000 General Obligation Temporary State Aid Street Bonds, Series 2019A in the form of a draw down line of credit. The temporary bonds will be used to pay for the costs of constructing the Highway 212 and CSAH 44 interchange and CSAH 44 improvement project (the "Project"). The total Project cost is approximately $21,000,000; however, the State of Minnesota is paying $10,500,000 towards the costs of the Project and Carver County is contributing approximately $5,700,000 towards the Project. The expected City portion of the Project is approximately $4,800,000. The construction is expected to last for two years. The City will issue permanent bonds when the City portion of the Project cost is finalized.

Authority Promissory Note

On November 21, 2016 the Authority entered into a promissory note related to a property. The note bears an interest rate of 4.75% and matures on November 15, 2021. The annual note payments are offset by lease revenue collected from the current tenant and the note paid from the Chaska EDA fund. Note payments required to maturity are as follows:

Year Ending December 31	
2019	$ 16,800
2020	16,800
2021	73,524
Total	$107,124

Capital Lease

On March 15, 2018, the City entered into a lease for the acquisition of fitness equipment for the Chaska Community Center. The lease bears an interest rate of 6.57% and matures on February 15, 2022. The future minimum lease obligation and the net present value of these minimum lease payments are as follows:

Year Ending December 31	
2019	$ 47,927
2020	52,284
2021	52,284
2022	8,714
Total Minimum Lease Payments	$161,209
Less: Amount Representing Interest	(15,639)
Present Value of Minimum Lease Payments	$145,570

Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds (IRBs) and Housing Revenue Bonds (HRBs) (collectively the "Revenue Bonds") to provide financial assistance to private-sector entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The Revenue Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Revenue Bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the Revenue Bonds. Accordingly, the Revenue Bonds are not reported as liabilities in the accompanying financial statements.

Overlapping Debt

Taxing Unit(a)	2018/19 Adjusted Taxable Net Tax Capacity	Est. G.O. Debt As of 12-4-19(b)	Debt Applicable to Tax Capacity in City Percent	Amount
Carver County	$ 153,858,855	$ 31,360,000	21.7%	$ 6,805,120
ISD No. 112 (Eastern Carver County)	88,654,071	147,130,000	37.6	55,320,880
Metropolitan Council	3,972,802,150	5,375,000(c)	0.9	48,375
Total				$62,174,375

(a) *Only those units with outstanding general obligation debt are shown here.*

(b) *Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.*

(c) *Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.*

Debt Ratios*

	G.O. Direct Debt	G.O. Direct & Overlapping Debt
To 2018/19 Estimated Market Value ($3,007,913,300)	2.25%	4.31%
Per Capita - (27,622 - 2018 MN State Demographer Estimate)	$2,448	$4,699

* *Excludes general obligation utility revenue debt, general obligation housing revenue debt, electric revenue debt, other debt obligations, and conduit debt. Includes lease obligations.*

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CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in the City of Chaska

					2018/19	
	2014/15	2015/16	2016/17	2017/18	Total	For Debt Only
Carver County	40.488%	38.880%	38.851%	37.436%	36.488%	2.946%
City of Chaska	24.928	26.118	27.564	27.234	27.678	- 0 -
ISD No. 112 (Eastern Carver County)[(a)]	39.120	39.245	37.005	33.837	33.631	21.317
Special Districts[(b)]	6.585	6.834	6.903	6.490	6.422	1.484
Total	111.121%	111.077%	110.323%	104.997%	104.219%	25.747%

(a) *In addition, Independent School District No. 112 (Eastern Carver County) has a 2018/19 market value tax rate of 0.2251189% spread across the market value of property in support of an excess operating levy.*

(b) *Special Districts include the Metropolitan Council, Metropolitan Transit District, Mosquito Control, the Lower Minnesota River Watershed District #1, the Carver County Rail Authority, the Carver County Community Development Agency, and the City of Chaska Housing and Redevelopment Authority.*

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix III.

Tax Levies and Collections

		Collected During Collection Year		Collected and/or Abated As of 5-20-19	
Levy/Collect	Net Levy*	Amount	Percent	Amount	Percent
2018/19	$9,201,811	(In Process of Collection)			
2017/18	8,600,666	$8,577,751	99.7%	$8,577,751	99.7%
2016/17	7,923,620	7,898,899	99.7	7,919,859	99.9
2015/16	7,263,136	7,223,076	99.4	7,261,904	99.9
2014/15	6,569,063	6,513,418	99.2	6,563,768	99.9

* *The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.*

FUNDS ON HAND
As of July 31, 2019

Fund	Cash and Investments
General	$ 2,261,003
Special Revenue	(999,615)*
Debt Service	6,032,158
Capital Projects	1,361,661
Enterprise	17,878,360
Internal Service	6,102,554
Trust and Agency	381,331
Total	$33,017,452

* *The negative balance is due to timing of receipt of funds in the EDA Fund.*

INVESTMENTS

The City may invest funds as authorized by Minnesota Statutes, as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- General obligations rated “A” or better.
- Revenue obligations rated “AA” or better.
- General obligations of the Minnesota Housing Finance Agency rated “A” or better.
- Banker's acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories.
- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The City's investments are managed to attain a market rate of return while protecting capital. The City has the following mix of investment types as of July 31, 2019: 25.6% in U.S. Government Agency Securities, 63.5% in mutual funds and money markets, 1.7% in state and local bonds, and 9.2% in Commercial Paper. The Administrative Services Director (Treasurer) and City Administrator are charged with the responsibility of conducting investment transactions.

GENERAL INFORMATION CONCERNING THE CITY

The City is the county seat of Carver County, and is located approximately 18 miles southwest of Minneapolis and is part of the Minneapolis-Saint Paul metropolitan area. The City encompasses an area of approximately 17 square miles (10,880 acres).

Population

The City's population trend is shown below.

	Population	Percent Change
2018 MN Demographic Center	27,622	16.2%
2010 U.S. Census	23,770	36.2
2000 U.S. Census	17,449	53.9
1990 U.S. Census	11,339	35.9
1980 U.S. Census	8,346	--

Source: United States Census Bureau, http://www.census.gov/.

The City's approximate population by age group for the past five years is as follows:

Data Year/ Report Year	0-17	18-34	35-64	65 and Over
2018/19	7,303	5,466	11,473	2,721
2017/18	7,168	5,486	11,259	2,580
2016/17	7,172	5,538	11,080	2,385
2015/16	7,062	5,486	10,904	2,230
2014/15	7,002	5,402	10,731	2,081

Sources: Environics Analytics, Claritas, Inc., and The Nielsen Company.

Transportation

Major transportation routes serving the City include U.S. Highways 212 and 169 and State Highway 41. In addition, Interstate 494 is approximately 10 miles northeast of the City. Twin Cities and Western Railroad provides rail service to the City. Air transportation by major airlines is available at the Minneapolis-St. Paul International Airport, less than a half-hour drive from the City, and at the Flying Cloud Airport, approximately 10 miles east of the City.

Major Employers

Employer	Product/Service	Approximate Number of Employees
Entegris Inc.	Semicondpuctors processing	1,000
Beckman-Coulter, Inc.	Diagnostic regents	925
Independent School District No. 112 (Eastern Carver County)	Public education	880
TEL-FSI, Inc.[(a)]	Semi-centrifugal products	850
Carver County	County government	700
The Bernard Group	Visual merchandising company	646
Lake Region Manufacturing Co., Inc.	Catheter components	600
Old National Bank[(c)]	Banking services	560
City of Chaska	City government	509[(b)]
Apex International, MFG	Home-care product manufacturer	400
Import Specialties, Inc.	Automotive services	325

(a) *Formerly known as FSI International.*

(b) *Includes seasonal and part-time employees.*

(c) *Formerly known as Klein Financial, Inc.*

Source: This does not purport to be a comprehensive list and is based on a March 2019 and September2019 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

Labor Force Data

	Annual Average				September
	2015	2016	2017	2018	2019
Labor Force:					
Carver County	55,168	56,485	57,424	57,859	58,846
Minneapolis-St. Paul Bloomington MSA	1,916,011	1,938,642	1,979,780	2,016,208	2,030,308
State of Minnesota	2,997,748	3,033,406	3,057,014	3,070,223	3,122,656
Unemployment Rate:					
Carver County	3.2%	3.3%	2.9%	2.5%	2.4%
Minneapolis-St. Paul Bloomington MSA	3.5	3.6	3.3	2.7	2.4
State of Minnesota	3.7	3.9	3.4	2.9	2.5

Source: Minnesota Department of Employment and Economic Development, https://apps.deed.state.mn.us/lmi/laus. 2019 data are preliminary

Retail Sales and Effective Buying Income (EBI)

City of Chaska

Data Year/ Report Year	Total Retail Sales ($000)	Total EBI ($000)	Median Household EBI
2018/19	$293,460	$954,752	$68,736
2017/18	347,510	940,908	69,753
2016/17	302,498	820,255	63,618
2015/16	277,948	753,798	61,327
2014/15	274,565	716,138	61,776

Carver County

Data Year/ Report Year	Total Retail Sales ($000)	Total EBI ($000)	Median Household EBI
2018/19	$1,271,040	$4,219,638	$77,524
2017/18	1,267,182	4,120,274	78,545
2016/17	1,114,035	3,548,604	71,765
2015/16	1,077,082	3,035,078	70,504
2014/15	1,064,148	3,191,178	72,491

The 2018/19 Median Household EBI for the State of Minnesota was $58,777. The 2018/19 Median Household EBI for the United States was $52,468.

Sources: Environics Analytics, Claritas, Inc., and The Nielsen Company.

Permits Issued by the City

	New Single Family Residential		New Commercial/Industrial		Total Value* (All Permits)
Year	Number	Value	Number	Value	
2019(to 7-31)	64	$17,828,194	18	$ 2,690,340	$ 25,240,976
2018	78	18,788,936	49	14,207,139	57,621,735
2017	103	24,339,375	45	69,759,098	105,409,067
2016	134	34,199,578	38	14,769,385	70,331,176
2015	135	35,690,048	43	26,204,786	87,170,651
2014	138	35,216,150	51	11,117,620	57,981,994
2013	130	34,957,157	44	37,794,640	82,407,161
2012	115	30,700,695	44	14,301,328	60,403,296
2011	54	13,638,503	46	54,355,421	77,891,062
2010	43	11,016,526	53	23,016,775	41,339,669

* *In addition to building permits, the total value includes all other permits issued by the City (i.e. heating, lighting, plumbing, roof replacement, etc.).*

Source: City of Chaska.

Residential Development

According to the Metropolitan Council Community Profile of the City, in 2018 there were approximately 5,780 single-family homes, 1,417 single-family attached townhomes, 307 multi-family homes (consisting of two, three, and four units), 2,227 multi-family homes (consisting of five or more units), and

677 manufactured homes located within the City. In 2018, over 12 months, there were 55 new detached single-family homes, 23 single-family townhomes, and 117 new multi-family units constructed. The average value of a new home has increased by 5.7%, from $258,893 in 2017 to $273,699 as of December 31, 2018.

The status of single-family lot availability as of August 27, 2019 is as follows:

Subdivision Name	Available Lots	Total Lots	Permits Issued to Date
Chaska Bluffs	25	25	0
Clover Field 7th	9	11	2
Club West Fourth Addition	5	38	33
Club West Sixth Addition	4	28	24
Club West Seventh Addition	20	42	22
Club West Eighth Addition	42	43	1
Club West Ninth Addition	12	13	1
Harvest West	72	72	0
Klein Brickyard Thirteenth Addition	6	20	14
Red Cedar Creek 3rd Addition	3	7	4
Sagewood	1	14	13
Sagewood 2nd Addition	41	41	0
Savanna Estates	2	15	13
Savanna Estates 2nd Addition	10	11	1
Savanna Estates 3rd Addition	26	26	0
Subtotal	278	406	128
Arbor Fields*	18	50	32
Totals	296	456	160

* *Multi-family.*

Commercial and Industrial Development

The construction of Trunk Highway 212 has spurred development in the community as a job creation area. In 2012, the State of Minnesota Department of Employment and Economic Development awarded the City a grant of $900,000 to expedite the expansion of infrastructure into its developing industrial area along Trunk Highway 212. An additional $10 million in assistance was committed by the Minnesota State Legislature in its 2017 bonding bill to create a new interchange at County Road 44 and Trunk Highway 212.

Other development activities include:

- *Downtown Master Plan.* As part of the City's 2009 Strategic Plan, the City Council desired to complete a formal downtown master plan with the intention of developing an integrated plan and marketing strategy for a long-term sustainable downtown. In early 2012, the City approved the Downtown Master Plan, which includes several goals and implementation methods that will help encourage new redevelopment projects.

  Currently, City continues its multi-year program to reconstruct streets in the historic downtown core. This reconstruction has reinvigorated the coordination and planning efforts for the transformation of another downtown block, which will be called City Square West. The City envisions a gathering space that attracts citizens to come downtown to enjoy new and readily accessible services. Construction is estimated to start in late 2019 or early 2020.

- *SW Chaska Master Plan*. The City has completed its SW Chaska Master Plan, which guides development and land use of an undeveloped 2+ square mile area in the southwest area of the City along Highway 212. While most of the area was originally determined to be residential, the new master plan allows for more corporate uses and allows residential development to be most consistent with current market conditions.

- *Highway 212 Interchange*. The City received $10.5 million in state funds to create an interchange at County Highway 44 and Trunk Highway 212. Construction of the $20.5 million interchange and improvements to County Highway 44 began in 2019. The City and Carver County will split the costs for the remaining $10 million portion of the project. Completion of the project will improve access to neighborhoods recently developed in the southwest area of the City and facilitate the planned industrial development in this area.

- *Chaska Creek*. The City approved the Chaska Creek Concept Plan in late 2013. The 84-acre parcel is located in the southwest corner of County Road 10 (Engler Boulevard) and Highway 212. The corporate site allows for industrial use as well as a 15-acre neighborhood retail center. Hy-Vee received final approval for a full-service grocery store in 2017. Infrastructure improvements, including a collector road to service the area, were completed in 2018. A 30,000 square foot multi-user medical building opened in spring 2018.

- *Block 6/Firemen's Park Redevelopment.* This site was identified as a "catalyst site" in the City's Downtown Master Plan. The City developed the block and park area as a 40,000 square-foot City-owned events center that includes a curling facility, bar and restaurant, and event/reception space for parties up to 300 people. In addition, the 10+ acre park has been redeveloped and enhanced with more walking trails, improved recreation facilities, and better connections to the rest of the City. The project's grand opening was in July of 2016.

- *Data Centers*. Several data centers have open in the West Creek Corporate Campus, which is north of Engler Boulevard and just west of Clover Ridge Drive. A 200,000 square-foot data center used by United Health Group opened in 2012. ViaWest bought the old Entegris Headquarters and redeveloped the building into a 70,000 square-foot data center, which opened in late spring of 2014. Also in 2014, Stream Data completed construction of a 115,000 square-foot data center. In 2017, a 100,000 square-foot data center located in the West Creek Corporate Campus was completed by U.S. Bank National Association. The City is also actively recruiting data centers to locate in the remaining vacant parcels in the northern industrial park area.

- *Chaska Building Center Site*. The City has been working to redevelop a former building center site on County Road 61 just east of downtown. The 12-acre site was previously home to dilapidated industrial buildings, which have since been demolished. To date, a portion of the site has been developed for affordable multi-family housing, another portion has been redeveloped into a cabinet milling facility for DDK Construction, Inc., and another portion is being redeveloped into a 30,000 square-foot medical device manufacturer for Formacoat (scheduled to open in late 2019). The remaining four acres of the site is currently under a letter of intent with the Authority and is going through the planning process. The proposed project includes 24,000 square feet of office/condo space and another 20,000 square feet for multi-user industrial.

- *Schram Brew Haus*. The City has facilitated the redevelopment of a former Carver County public works building on the west side of downtown on County Road 61 into a brewery and taproom called Schram Brew Haus, which opened in spring of 2019. The City helped transfer ownership from Carver County to a development team who in turn renovated the building. This project will return the property to the tax rolls, establish a productive use, and add an attraction in proximity to the City's historic downtown.

- *Job Growth Grants*. The City has a well-established history of assisting local industrial employers in accessing state assistance for expansion and job growth. The City assisted Beckman-Coulter in accessing $700,000 for business investment in 2013, which resulted in 100 new jobs. Lifecore Biomedical was awarded $500,000 in 2015 to add 50 jobs. In 2018, Jabil, Inc., was awarded $210,000 to support 35 new jobs. In 2019, Formacoat was awarded $270,000 to support 15 new jobs.

Industrial Parks

There are two industrial parks located within the City with a combined capacity of 679 acres. Currently, there are over 100 enterprises occupying the parks, the larger of which include Lake Region Manufacturing, TEL-FSI, Inc., Beckman Coultier, Bailiwick, and Lifecore Biomedical. There are only two remaining sites in this industrial park, one with approximately 17 acres and one with approximately five acres. The five-acre site would be marketed for approximately $3 million, while the 17-acre site would be marketed for approximately $7 million. The City recently worked with three existing companies in the industrial parks on expansions totaling an additional 100,000 square feet.

The City has approximately 390 acres of corporate/industrial land planned for development since the opening of the new Highway 212. There is room for 5.5 million square feet of office/industrial space that will be marketed toward bioscience and high-tech companies. This is expected to add between $300 million and $500 million of taxable market value as well as 4,000 to 6,000 quality jobs when completed.

Financial Institutions*

Banking and financial services in the City are provided by branches of BankVista; Charter Bank; Old National Bank; Security Bank Waconia; and Wells Fargo Bank, National Association.

* *This does not purport to be a comprehensive list.*

Source: Federal Deposit Insurance Corporation, https://www.fdic.gov/.

Health Care Facilities

Two Twelve Medical Center is owned and operated by Ridgeview Medical Center and is a free-standing emergency and urgent care facility located in the City. Two Twelve Medical Center offers 24/7 emergency care and urgent care, comprehensive family and specialty care, advance diagnostics, and access to leading physicians and clinics.

St. Francis Regional Medical Center, a general and acute care hospital with 93 beds and 18 infant bassinets, is located in the City of Shakopee, approximately seven miles from the City. Ridgeview Medical Center, a general and acute care hospital with 109 beds and 20 infant bassinets, is located in the nearby City of Waconia. Auburn Manor, a 61-bed nursing home, is located in the City.

Source: Minnesota Department of Health, https://www.health.state.mn.us/facilities/regulation/directory/index.html.

Education

Public Education

Independent School District No. 112 (Eastern Carver County) operates a kindergarten center, an education center, seven elementary schools, a middle school campus (encompassing three schools), and two high schools. Enrollment for the 2018/19* school year is approximately 9,829 for kindergarten through grade 12.

* *2019/20 enrollment figures are not yet available.*

Source: Minnesota Department of Education, www.education.state.mn.us.

Non-Public Education

City residents are also served by the following private schools:

School	Location	Grades	2018/19 Enrollment
Guardian Angels Catholic	City of Chaska	PreK-8	57*
Jonathan Montessori	City of Chaska	PreK	8
St. John's Lutheran	City of Chaska	K-8	125*
Southwest Christian High School	City of Chaska	9-12	357*

* *Accredited by the Minnesota Non-public School Accrediting Association.*

Source: Minnesota Department of Education, www.education.state.mn.us.

Post-Secondary Education

City residents have access to various colleges and universities located throughout the Minneapolis/Saint Paul metropolitan area.

GOVERNMENTAL ORGANIZATION AND SERVICES

The City was organized as a municipality in 1891 and became a statutory city in 1974. The City's governing body is the City Council, comprised of the Mayor and four Council members. The Mayor serves a two-year term of office; Council members are elected by ward to serve overlapping four-year terms.

		Expiration of Term
Mark Windschitl	Mayor	December 31, 2020
Jon Grau	Council Member, First Ward	December 31, 2022
Taylor Hubbard	Council Member, Second Ward	December 31, 2020
McKayla Hatfield	Council Member, Third Ward	December 31, 2022
Mike Huang	Council Member, Fourth Ward	December 31, 2020

The daily management and administration of the City is under the direction of the City Administrator, Mr. Matthew Podhradsky. Mr. Podhradsky has served in this capacity since August 4, 2008. Mr. Podhradsky also serves as the City Clerk.

Mr. Noel Graczyk serves as Administrative Services Director and has been in this position since 1988. The Administrative Services Director also serves as City Treasurer and, with direction from the City Council, shares responsibility for financial management with the City Administrator.

The City has 147 regular full-time employees, 318 part-time employees, and 44 paid on-call volunteer firefighters.

Municipal Services

The Water Utility System has approximately 7,098 municipal and 30 private connections served by three elevated water storage facilities and a ground storage tank with a combined capacity of 4.5 million gallons. In addition, there are six wells that have the capacity to pump 8,360 gallons per minute or approximately 13,400,000 gallons per day. In 2018, average demand was 2,843,411 gallons per day while peak demand reached 6,579,000 gallons per day. Total tap water hardness is 29 parts per million gallons of water. The water treatment plant has the capacity to treat 12.6 million gallons per day for iron and manganese removal to only trace levels.

The 2018 operating revenues of the water utility system were $2,861,416 with an average annual charge per household and commercial connection at approximately $379. In 2010, the City began billing water usage based on a rate structure with inclining steps. Rates for 2019 range from $1.94 to $4.37 per thousand gallons.

The Sewer Utility System has approximately 7,333municipal and 27 private connections. Average demand in 2018 was 2,317,392 gallons per day while peak demand reached 3,334,000 gallons per day. All sewage treatment services are operated through Metropolitan Council Environmental Services.

The 2018 operating revenues of the sewer utility system were $3,789,275 with an average annual charge per household and commercial connection at approximately $532. The 2019 sewage use charge is $4.16 per thousand gallons.

The established rates and charges for both the water and sewer systems produce revenues sufficient to operate the systems and pay debt service on those general obligation bonds that are payable from these revenues.

The Electric Utility System has approximately 10,541 connections. The electric utility's mission is to provide reliable electric service to its customers at competitive rates while making a profit that will be used to reduce community property taxes. The City owns and operates its own electric distribution system, purchasing electricity from the Minnesota Municipal Power Agency (the "Agency"). The Agency is a joint venture on the part of the City with eleven other cities that have entered into agreements to purchase wholesale electric power.

Storm Water Utility System. All property within the City is charged a rate for storm water utility services based on land use. The 2018 operating revenues of the storm water utility system were $1,581,812. The Resistance Equivalency Rate (RER) is $9.79 for 2019.

Fire and Rescue Department. The City currently has five full-time employees: a fire chief, fire marshal, an administrative assistant, and two fire inspectors. There are also 44 paid on-call firefighters. The City has a fully-equipped fire station with two engines (pumpers), one 100-foot ladder truck, one tanker, two grass rigs, two utility vehicles, four command vehicles, and one fulltime ALS ambulance (contracted with Ridgeview Medical), and other miscellaneous firefighting and rescue equipment. The department responds to approximately 900 calls annually and member total training hours exceed 5,000 annually.

Police Department. The City operates its own police department with 25 licensed police officers, including a chief of police and four full-time community service officers. Dispatching and jail facilities are coordinated through the Carver County Sheriff's Department.

Park and Recreational Facilities. The City's municipal park system encompasses approximately 1,340 acres of land consisting of 29 active recreation areas connected by a greenway system running from the Minnesota River to the Minnesota Landscape Arboretum. Virtually every home in the City is located no more than a quarter mile from the park system and most are connected by internal greenways within subdivisions. The City has over 60 miles of trails to connect neighborhoods to parks and amenities. The 29 recreational areas offer a variety of facilities and activities to City residents including picnic areas with tables and electricity, cooking grills, drinking water, restrooms and shelter buildings, swimming, fishing, general playground equipment, baseball/softball fields, tennis courts, volleyball and basketball courts, hockey/skating rinks and horseshoe courts. The parks vary in size from two acres to 100 acres.

Community Center. The City operates an approximately 200,000 square-foot community center consisting of two ice arenas, gymnasiums, indoor running track, exercise machines, aquatic pools, racquetball courts, community rooms, offices, stage and auditorium, fitness center and the Lodge for Active Older Adults. The Center had 2018 operating revenues of $3,085,972.

Curling Arena and Event Center. The City operates a curling center with six lanes for curling and a restaurant. An event center that seats 350 people is adjacent the arena. The first full year of operations was 2016 with operating revenues of $1,173,795. Operating revenues were $1,221,472 and $1,299,997 in 2017 and 2018, respectively.

Municipal Golf Courses. The City operates two golf courses: the Par Thirty Golf Course, a nine-hole executive course; and the Chaska Town Course, an 18-hole course. The golf courses had 2018 operating revenues of $154,621 and $1,966,812, respectively.

Labor Contracts

The status of labor contracts in the City is as follows:

Bargaining Unit	No. of Employees	Expiration Date of Current Contract
Teamsters No. 320	41	December 31, 2020
LELS (Patrol)	16	December 31, 2020
Police Supervisors	4	December 31, 2020
Total all labor contracts	61	
Non-unionized employees	86	
Total full-time employees	147	
Total part-time employees	318	
Volunteer Fire Department paid on-call employees	44	
Total employees	509	

Employee Pensions

All full-time and certain part-time employees of the City, including employees of the City's electric utility, are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost sharing, multiple-employer retirement plans. GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated

Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers who qualify for membership by statute are covered by the PEPFF.

The City's contributions to GERF and PEPFF are equal to the contractually required contributions for each year as set by State Statute, and are as follows for the past five years:

	GERF	PEPFF
2018	$684,782	$471,427
2017	645,781	431,127
2016	622,514	421,074
2015	573,571	384,775
2014	517,375	357,005

Four Council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax-qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. Plan benefits depend solely on the amounts contributed to the plan plus investment earnings less administrative expenses. An eligible elected official who chooses to participate in the plan contributes 5% of their salary, which is matched by the elected official's employer. PERA receives 2% of employer contributions and 0.025% of the assets in each member's account annually for administering the plan.

The City's contributions to PEDCP for the past five years are as follows:

	PEDCP
2018	$1,481
2017	1,540
2016	1,453
2015	1,453
2014	1,453

Volunteer firefighters of the City are eligible for pension benefits through membership in the Chaska Fire Department Relief Association (CFDRA) organized under Minnesota Statutes, Chapter 69, and administered by a separate Board elected by the membership. State aids, investment earnings and City contributions fund the plan.

- *Monthly Service Pension*: $2.185 per month of service with a maximum of 360 months for members starting prior to November 4, 2013. In lieu of monthly payments, a member may elect a lump sum benefit. (Note – On October 15, 2018, the City Council modified benefit provisions to increase the monthly benefit from $2.185 to $2.4525 per month of service effective as of January 1, 2019.)
- *Lump Sum Service Pension*: $6,486 per year of service for members starting on or after November 4, 2013 based on completed years of service up to 30 years. (Note – On October 15, 2018, the City Council modified benefit provisions to increase the lump sum benefits from $6,486 to $7,100 per year of service effective as of January 1, 2019.)
- *Deferred Service Pensions*: with termination prior to age 50 and at least ten years of service, a deferred pension is payable at age 50 and reduced four percent for each year of service less than 20 years.
- *Survivor Benefits*: spouse, children or estate receive 100 percent of the member's lump sum benefit.

- *Disability Benefit*: A disabled member will receive the amount of their monthly service pension based on credited service as of the date eligible.

The CFDRA issues a publicly available financial report that can be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by phone (952) 448-9200. City contributions to CFDRA for the past five years are as follows:

	CFDRA
2018	$307,845
2017	285,081
2016	276,146
2015	254,641
2014	225,283

For more information regarding the liability of the City with respect to its employees, please reference "Note 14, Defined Pension Plans – State-wide," "Note 15, Defined Contribution Plan," "Note 16, Defined Benefit Pension Plans – Fire Relief Association," and "Required Supplementary Information" of the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

Sources: City's Comprehensive Annual Financial Reports.

GASB 68

The Government Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB 68, which revised existing standards for measuring and reporting pension liabilities for pension plans provided to City employees and require recognition of a liability equal to the City's proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position.

The City's proportionate shares of the pension costs and the City's net pension liability for the GERF and the PEPFF for the past four years are as follows:

	GERF		PEPFF	
	Proportionate Share of Pension Costs	Net Pension Liability	Proportionate Share of Pension Costs	Net Pension Liability
2018	0.13%	$ 7,350,557	0.26%	$2,788,387
2017	0.13	8,439,559	0.26	3,564,313
2016	0.13	10,441,682	0.25	9,992,803
2015	0.13	6,504,061	0.26	2,908,759

For more information regarding GASB 68 with respect to the City, please reference "Note 14, Defined Pension Plans – State-wide" and "Required Supplementary Information" of the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

Additional and detailed information about GERF's net position is available in a separately-issued PERA financial report, which may be obtained at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, Saint Paul, Minnesota, 55103-2088; or by calling 1-800-652-9026.

Sources: City's Comprehensive Annual Financial Reports.

Other Post-Employment Benefits

The Government Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), establishing new accounting and financial reporting requirements related to post-employment healthcare and other non-pension benefits (referred to as Other Postemployment Benefits or “OPEB”). The implementation of GASB 75 required the restatement of the City’s beginning net position for the fiscal year ended December 31, 2017. Please see “Note 1, Summary of Significant Accounting Policies: S) Change in Accounting Principle” in the City’s Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018 for this calculation.

The City’s defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible employees. The plan offers group health insurance benefits. It is the City’s policy to periodically review its group health insurance plans and to obtain requests for proposals in order to provide the most favorable benefits and premiums for the City’s employees and retirees. No assets are accumulated in a trust.

The City is required by State Statute to allow retirees to continue participation in the City’s group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree’s death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee’s death.

Retiree are required to pay 100 percent of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City’s plan becomes secondary.

The following employees were covered by the benefit terms as of January 1, 2018:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	134
Total	137

The City’s net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The discount rate used to measure the total OPEB liability was 3.30%. Components of the City’s OPEB liability and related ratios for the fiscal year ended December 31, 2018 are as follows:

Service cost	$ 73,812
Interest	39,586
Benefit payments	(41,413)
Net change in total OPEB liability	$ (71,985)
Total OPEB liability – beginning of year	1,146,292
Total OPEB liability – end of year	$ 1,218,277
Covered Payroll	$10,383,422
Total OPEB Liability as a Percentage of Covered Payroll	11.7%

For more information regarding GASB 75 with respect to the City, please reference "Note 17, Other Post-Employment Benefits (OPEB) Plan" and "Required Supplementary Information" of the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

Sources: City's Comprehensive Annual Financial Reports.

General Fund Statement of Revenues, Expenditures and Changes in Fund Balance

	2018 Budget	2018 Actual	2019 Budget
Revenues			
Taxes	$ 9,850,094	$ 9,999,388	$ 10,422,906
Licenses and Permits	1,444,371	928,825	1,409,762
Intergovernmental	613,594	687,796	655,663
Charges for Services	3,888,262	3,912,324	4,213,511
Fines and Forfeitures	119,454	109,319	121,845
Special Assessments	-	143	-
Other Revenue	101,705	146,613	115,930
Total Revenues:	$ 16,017,480	$ 15,784,408	$ 16,939,617
Expenditures			
Current			
General Government	$ 5,861,436	$ 5,536,453	$ 5,453,017
Public Safety	5,663,200	5,989,659	6,426,280
Public Works	3,263,416	3,506,060	3,460,554
Parks, Recreation and Arts	1,023,864	797,197	1,074,766
Unallocated	-	-	-
Capital Outlay	-	-	-
Total Expenditures:	$ 15,811,916	$ 15,829,369	$ 16,414,617
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 205,564	$ (44,961)	$ 525,000
Other Financing Sources (Uses)			
Operating Transfers In	$ -	$ 250,000	$ -
Operating Transfers Out	(128,000)	(128,000)	(525,000)
Total Other Financing Sources (Uses):	$ (128,000)	$ 122,000	$ (525,000)
Net Change in Fund Balance:	$ 77,564	$ 77,039	$ -
Fund Balance, January 1:	2,011,915	2,011,915	2,088,954
Fund Balance, December 31:	$ 2,089,479	$ 2,088,954	$ 2,088,954

Sources: The City and the City's Comprehensive Annual Financial Reports.

Major General Fund Revenue Sources

Revenue	2014	2015	2016	2017	2018
Taxes	$7,352,384	$9,394,993	$8,511,170	$9,439,333	$9,999,388
Charges for Services	1,909,673	2,556,276	2,791,405	2,952,236	3,912,324
Licenses and Permits	995,263	1,259,621	1,033,383	1,302,593	928,825
Intergovernmental	1,069,589	1,144,263	1,135,212	926,001	687,796
Other Revenue	139,218	113,769	156,048	149,227	146,613
Transfers In	113,000	166,000	91,257	14,622	250,000
Fines and Forfeitures	128,966	95,736	104,226	113,158	109,319

Sources: City's Comprehensive Annual Financial Reports.

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PROPOSED FORMS OF LEGAL OPINIONS

DORSEY
DORSEY & WHITNEY LLP

City of Chaska
Chaska, Minnesota

[Purchaser]
[City, State]

Re: $[_______] Taxable General Obligation Bonds, Series 2019D
City of Chaska, Minnesota

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Chaska, Minnesota (the "City"), of the obligations described above, dated, as originally issued, as of December [__], 2019 (the "Bonds"). In that capacity, we have reviewed copies of certain proceedings taken by the City Council in the authorization, sale, and issuance of the Bonds, including the form of the Bonds and certain other proceedings and documents furnished by the City and others. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits, and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits, and certificates and on the basis of existing law, it is our opinion that:

1. The Bonds are valid and binding general obligations of the City, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from special assessments to be levied on property specially benefited by the improvements financed by the Bonds, net revenues of the municipal water, sewer, and storm sewer systems, ad valorem tax increments to be received by the City from Tax Increment Financing Districts No. 20, No. 21, and No. 22 within Redevelopment Project No. 4 in the City, and ad valorem taxes duly levied on all taxable property in the City, which assessments, revenues, tax increments, and ad valorem taxes are expected to produce amounts sufficient to pay the principal and interest on the Bonds when due; but, if necessary for the payment of such principal and interest, additional ad valorem taxes are required by law to be levied on all taxable property in the City without limitation as to rate or amount.

The opinions expressed in paragraphs 1 and 2 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the application of equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may occur after the date hereof and which may be retroactive.

Dated this [___] day of December, 2019.

Very truly yours,

DORSEY
DORSEY & WHITNEY LLP

City of Chaska
Chaska, Minnesota

[Purchaser]
[City, State]

Re: $[_______] General Obligation Improvement Refunding Bonds, Series 2019E
City of Chaska, Minnesota

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Chaska, Minnesota (the "City"), of the obligations described above, dated, as originally issued, as of December [__], 2019 (the "Bonds"). In that capacity, we have reviewed copies of certain proceedings taken by the City Council in the authorization, sale, and issuance of the Bonds, including the form of the Bonds and certain other proceedings and documents furnished by the City and others. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits, and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits, and certificates and on the basis of existing law, it is our opinion that:

1. The Bonds are valid and binding general obligations of the City, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from special assessments to be levied on property specially benefited by the improvements refinanced by the Bonds and ad valorem taxes duly levied on all taxable property in the City, which assessments and ad valorem taxes are expected to produce amounts sufficient to pay the principal and interest on the Bonds when due; but, if necessary for the payment of such principal and interest, additional ad valorem taxes are required by law to be levied on all taxable property in the City without limitation as to rate or amount.

3. Interest on the Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Code.

4. Interest on the Bonds (a) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes and (b) is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates.

The opinions expressed in paragraphs 1 and 2 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the application of equitable principles, whether considered at law or in equity.

The opinions expressed in paragraphs 3 and 4 above are subject to the compliance by the City with certain requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. Noncompliance with these requirements could result in the inclusion of interest on the Bonds in gross income for federal income tax purposes and taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds.

Except as stated herein, we express no opinion regarding federal, state, or other tax consequences to the owner of the Bonds. We note, however, that notwithstanding the opinion expressed in paragraph 4 above, interest on the Bonds is included in net income of corporations and financial institutions for purposes of the Minnesota franchise tax.

In providing this opinion, we have relied upon representations of the City and its officers as to (i) the intended application of the proceeds of the Bonds, (ii) the nature, use, cost, and economic life of the facilities and equipment financed by the Bonds, and (iii) other matters relating to the exemption of the interest on the Bonds from federal income taxation.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may occur after the date hereof and which may be retroactive.

Dated this [___] day of December, 2019.

Very truly yours,

CONTINUING DISCLOSURE COVENANTS

Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2019, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: "City Property Values;" "City Indebtedness;" and "City Tax Rates, Levies and Collections."

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System ("EMMA") or the SEC. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact," as hereinafter defined):

(A) principal and interest payment delinquencies;
(B) non-payment related defaults, if material;
(C) unscheduled draws on debt service reserves reflecting financial difficulties;
(D) unscheduled draws on credit enhancements reflecting financial difficulties;
(E) substitution of credit or liquidity providers, or their failure to perform;
(F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
(G) modifications to rights of Bond holders, if material;
(H) Bond calls, if material and tender offers;
(I) defeasances;

(J) release, substitution, or sale of property securing repayment of the Bonds if material;
(K) rating changes;
(L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
(M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term "financial obligation" means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

As used herein, for those events that must be reported if material, an event is material if a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also material if it would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
(C) the termination of the obligations of the City under this section pursuant to subsection (d);
(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).

(2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of

operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Property Valuations (Chapter 273, Minnesota Statutes)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to $413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the City's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

Property Tax Payments and Delinquencies (Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

Property Tax Credits (Chapter 273, Minnesota Statutes)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

Debt Limitations

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

2. Warrants or orders having no definite or fixed maturity.

3. Obligations payable wholly from the income from revenue producing conveniences.

4. Obligations issued to create or maintain a permanent improvement revolving fund.

5. Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.

8. Obligations to repay loans made under Minnesota Statutes, Section 216C.37.

9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.

10. Obligations issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

11. Obligations issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Levies for General Obligation Debt
(Sections 475.61 and 475.74, Minnesota Statutes)

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes)
"Fiscal Disparities Law"

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS

Property Type	Local Tax Payable 2015-2019
Residential Homestead (1a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Residential Non-homestead	
Single Unit (4bb)	
Up to $500,000	1.00%
Over $500,000	1.25%
1-3 unit and undeveloped land (4b1)	1.25%
Market Rate Apartments	
Regular (4a)	1.25%
Low-Income (4d)	
Up to $139,000[c]	0.75%
Over $139,000[c]	0.25%
Commercial/Industrial/Public Utility (3a)	
Up to $150,000	1.50%[a]
Over $150,000	2.00%[a]
Electric Generation Machinery	2.00%
Commercial Seasonal Residential	
Homestead Resorts (1c)	
Up to $600,000	0.50%
$600,000 - $2,300,000	1.00%
Over $2,300,000	1.25%[a]
Seasonal Resorts (4c)	
Up to $500,000	1.00%[a]
Over $500,000	1.25%[a]
Non-Commercial (4c12)	
Up to $500,000	1.00%[a][b]
Over $500,000	1.25%[a][b]
Disabled Homestead (1b)	
Up to $50,000	0.45%
Agricultural Land & Buildings	
Homestead (2a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Remainder of Farm	
Up to $1,900,000[d]	0.50%[b]
Over $1,900,000[d]	1.00%[b]
Non-homestead (2b)	1.00%[b]

[a] *State tax is applicable to these classifications.*

[b] *Exempt from referendum market value based taxes.*

[c] *Legislative increases, payable 2019. Historical valuations are: Payable 2018 - $121,000; Payable 2017 - $115,000; Payable 2016 - $106,000; and Payable 2015 - $100,000.*

[d] *Legislative increases, payable 2019. Historical valuations are: Payable 2018 - $1,940,000; Payable 2017 - $2,050,000; Payable 2016 - $2,140,000; and Payable 2015 - $1,900,000.*

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First $76,000 – 0.40%; $76,000 to $500,000 – 1.00%; and over $500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

EXCERPT OF 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Data on the following pages was extracted from the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018. The reader should be aware that the complete financial statements may contain additional information which may interpret, explain or modify the data presented here.

The City's comprehensive annual financial reports for the years ending 1989 through 2017 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The City has submitted its CAFR for the 2018 fiscal year to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Chaska, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chaska, Minnesota (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2018, the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 26, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 26, 2019

As management for the City of Chaska (the City), we offer readers of the City's financial statements with this narrative overview and analysis to the financial activities of the City for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, located earlier in the report and the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by $197,760,608 *(net position).* Of that amount, $36,545,935 is restricted for specific purposes *(restricted net position)* and $179,866,300 represents the net investment in capital assets.

- The City's governmental funds reported combined ending fund balances of $8,381,210. This is a decrease of $10,387,050 from the prior year.

- At the end of the current fiscal year, the General fund had a fund balance of $2,088,954. While these funds are not legally restricted, the City has committed $1,010,606 for compensated absences, leaving $1,078,348 unassigned.

- Total bonds and premium payable decreased $9,039,785 during the current year. At the end of the year, the City reported $113,852,933 in bonds payable.

- The City recorded a change in accounting principle in the current year with the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The change reflects standards established for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses as they relate to other post-employment benefit (OPEB) obligations. The implementation of this standard reduced beginning net position on the government-wide financial statements by $373,908.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

These financial statements include not only the City itself (known as the primary government), but also the Chaska Economic Development Authority (EDA). The EDA has been presented as a blended component unit of the City's financial statements in accordance with accounting principles generally accepted in the United States of America.

Government-wide Financial Statements – The government-wide statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private sector business.

The *Statement of Net Position* presents information on the City's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g., uncollected taxes and earned, but unused employee leave benefits).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Public Safety, Public Works, Parks, Recreation and Arts, and Economic Development. The business-type activities of the City include Electric, Water, Sewer, and Storm Water utilities, along with the Community Center, Par 30 Golf Course, Chaska Town Course, Turbine Generator, Internet Service Provider (ended in 2018), and Curling Center operations.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Public Improvement Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements or schedules elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Mount Pleasant Maintenance & Care Fund, Chaska EDA Fund, and Equipment Acquisition Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

Proprietary Funds – The City maintains two different types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Electric, Water, Sewer, and Storm Water utilities, along with the Community Center, Par 30 Golf, Chaska Town Course, Turbine Generator, Internet Service Provider, and Curling Center operations. Data from the non-major enterprise funds are combined into a single, aggregated presentation.

- *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City has one internal service fund that is used to account for the purchase of property, liability, and worker's compensation insurance. This internal service fund is included in the governmental activities in the government-wide financial statements. The internal service fund is presented in a single column in the proprietary funds financial statements.

- Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the Electric, Water, Community Center, Turbine Generator, and Curling Center operations, all of which are considered to be major funds of the City. Data from the non-major enterprise funds are combined into a single, aggregated presentation.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. All the City's fiduciary activities are reported in a separate statement of fiduciary net position.

Notes to the Financial Statements - The notes to the financial statements provide additional narrative and financial information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located immediately following Fiduciary fund financial statements.

Other Information - In addition to the basic financial statements, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules. These statements and schedules are presented immediately following the notes to the financial statements.

Further, a statistical section has been included to facilitate additional analysis and is the last section of the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $197,760,608 at the close of 2018.

By far, the largest portion of the City's net position (91.0 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less outstanding debt used to acquire those assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

City of Chaska - Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	$ 29,726,863	$ 39,997,184	$ 48,538,240	$ 53,038,171	$ 78,265,103	$ 93,035,355
Capital Assets	188,231,207	179,899,176	69,705,234	69,468,609	257,936,441	249,367,785
Total Assets	$ 217,958,070	$ 219,896,360	$ 118,243,474	$ 122,506,780	$ 336,201,544	$ 342,403,140
Deferred Outflows of Resources						
Pension Plan Deferments	$ 5,121,120	$ 6,397,999	$ 760,653	$ 1,174,718	$ 5,881,773	$ 7,572,717
OPEB Plan Deferments	15,097	-	6,394	-	21,491	-
Total Deferred Outflows of Resources	$ 5,136,217	$ 6,397,999	$ 767,047	$ 1,174,718	$ 5,903,264	$ 7,572,717
Total Assets and Deferred Outflows	$ 223,094,287	$ 226,294,359	$ 119,010,521	$ 123,681,498	$ 342,104,808	$ 349,975,857
Liabilities						
Other Liabilities	$ 4,540,271	$ 3,758,505	$ 5,007,643	$ 4,855,039	$ 9,547,914	$ 8,613,544
Noncurrent Liabilities	56,601,970	60,649,578	70,422,540	76,490,959	127,024,510	137,140,537
Total Liabilities	$ 61,142,241	$ 64,408,083	$ 75,430,183	$ 81,345,998	$ 136,572,424	$ 145,754,081
Deferred Inflows of Resources						
Debt Refunding Deferments	$ -	$ -	$ 444,312	$ 481,338	$ 444,312	$ 481,338
Pension Plan Deferments	6,361,652	7,016,880	965,812	777,568	7,327,464	7,794,448
Total Deferred Inflows of Resources	$ 6,361,652	$ 7,016,880	$ 1,410,124	$ 1,258,906	$ 7,771,776	$ 8,275,786
Net Position						
Net Investment in Capital Assets	$ 146,659,763	$ 137,122,192	$ 33,206,537	$ 30,523,279	$ 179,866,300	$ 167,645,471
Restricted	20,434,329	19,807,677	16,111,606	17,986,742	36,545,935	37,794,419
Unrestricted	(11,503,698)	(2,060,473)	(7,147,929)	(7,433,427)	(18,651,627)	(9,493,900)
Total Net Position	$ 155,590,394	$ 154,869,396	$ 42,170,214	$ 41,076,594	$ 197,760,608	$ 195,945,990
Total Liabilities, Deferred Inflows, and Net Position	$ 223,094,287	$ 226,294,359	$ 119,010,521	$ 123,681,498	$ 342,104,808	$ 349,975,857

An additional portion of the City's net position represents resources that are subject to external restriction on how they may be used. The amount of restricted net position is $36,545,935. After restrictions, the City is reporting an unrestricted net position deficit of $18,651,627 a decrease of $9,157,727 from the prior year.

Governmental activities – Total net position of the governmental activities increased $720,998. The change in net position was largely due to a $9,537,571 increase in net investment in capital assets related to construction in progress and developer donated infrastructure, coupled with unrestricted net position decreasing $9,443,225 due to construction in progress, which had not received funding sources as of year-end.

Business-type activities – Total net position of the business-type activities increased $1,093,620 to $42,170,214. Net investment in capital assets increased $2,683,258 due to construction in progress for a new electric substation and community center project. Restricted net position decreased $1,875,136 due to payment of debt using restricted escrow funds.

City of Chaska - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services	$ 7,255,529	$ 6,120,772	$ 57,683,986	$ 53,532,768	$ 64,939,515	$ 59,653,540
Operating Grants & Contributions	777,833	1,477,224	99,052	1,626	876,885	1,478,850
Capital Grants & Contributions	7,951,347	14,086,637	198,433	704,759	8,149,780	14,791,396
General Revenues:						
Property Taxes	10,129,998	9,089,057	-	-	10,129,998	9,089,057
Franchise Taxes	4,576,985	4,300,526	-	-	4,576,985	4,300,526
Grants & Contributions Not Restricted	26,334	310,188	211	41,184	26,545	351,372
Other General Revenues	767,516	670,220	444,968	319,934	1,212,484	990,154
Total Revenues	31,485,542	36,054,624	58,426,650	54,600,271	89,912,192	90,654,895
Expenses						
General Government	6,025,119	6,603,240	-	-	6,025,119	6,603,240
Economic Development	4,352,049	2,005,808	-	-	4,352,049	2,005,808
Public Safety	6,189,888	6,063,781	-	-	6,189,888	6,063,781
Public Works	10,088,913	9,042,167	-	-	10,088,913	9,042,167
Parks, Recreation & Arts	1,526,003	1,286,155	-	-	1,526,003	1,286,155
Interest on Long-term Debt	1,550,437	1,264,604	-	-	1,550,437	1,264,604
Electric	-	-	38,896,423	35,744,098	38,896,423	35,744,098
Water	-	-	3,015,694	2,883,350	3,015,694	2,883,350
Sewer	-	-	3,801,595	3,494,259	3,801,595	3,494,259
Community Center	-	-	4,752,021	4,536,723	4,752,021	4,536,723
Par 30 Golf Course	-	-	189,814	193,856	189,814	193,856
Chaska Town Course	-	-	2,452,056	2,512,410	2,452,056	2,512,410
Turbine Generator	-	-	1,016,539	1,019,671	1,016,539	1,019,671
Internet Service Provider	-	-	159,357	184,840	159,357	184,840
Storm Water	-	-	1,072,424	960,334	1,072,424	960,334
Chaska Curling Center	-	-	2,635,334	2,330,918	2,635,334	2,330,918
Total Expenses	29,732,409	26,265,755	57,991,257	53,880,459	87,723,666	80,146,214
Excess Before Transfers	1,753,133	9,788,869	435,393	719,812	2,188,526	10,508,681
Transfers	(769,471)	(1,007,167)	769,471	1,007,167	-	-
Change in Net Position	983,662	8,781,702	1,204,864	1,726,979	2,188,526	10,508,681
Net Position - Beginning, as Previously Reported	154,869,396	146,087,694	41,076,594	39,349,615	195,945,990	185,437,309
Change in Accounting Principle	(262,664)	-	(111,244)	-	(373,908)	-
Net Position - Beginning, Restated	154,606,732	146,087,694	40,965,350	39,349,615	195,572,082	185,437,309
Net Position - Ending	$ 155,590,394	$ 154,869,396	$ 42,170,214	$ 41,076,594	$ 197,760,608	$ 195,945,990

As a whole, the City had total revenues of $89,912,192 for the year ended December 31, 2018. This is a decrease of $742,703 from the prior year.

The total cost of all programs and services was $87,723,666, an increase of $7,577,452 from the prior year. The City's expenses are predominantly related to providing services such as police, fire, building inspections, street maintenance, and snow removal, purchasing power for electric service and other utility operations for the citizens of Chaska. Other expenses include economic development, public project construction and interest on long-term debt.

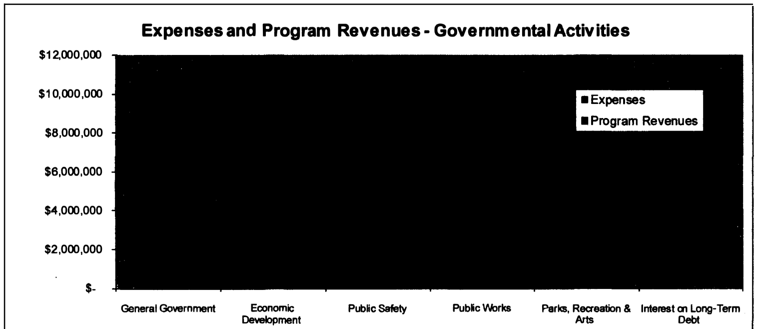
Governmental activities – Governmental Activities revenue decreased $4,569,082 from the prior year and expenses increased $3,466,654. Significant components of revenue and expenses include:

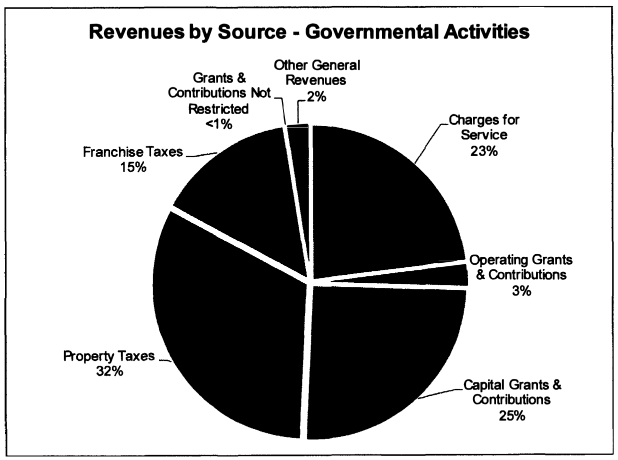
- The City's largest source of revenue was property taxes at $10,129,998 or 32.2 percent.
- Capital Grants and Contributions were the next major source of revenues at 25.3 percent. This revenue is related to special assessments, state aids for street reconstruction, and developer donated infrastructure improvements.
- While Capital Grants and Contributions were a major source of revenue, this revenue decreased $6,135,290 compared to the prior year. 2018 assessment levies returned to an average level, following a high year of levied assessments in 2017.
- Charges for Services made up 23.0 percent of total revenue and increased $1,134,757 from the prior year, partly due to higher budgeted administration fees.
- The total costs of all programs and services were $29,732,409. The cost of providing street maintenance/construction makes up 33.9 percent of this total and public safety accounts for 20.8 percent of this total.
- Economic Development expenses were $2,346,241 higher than the prior year related to redevelopment projects located in new and expanding Tax Increment Districts.
- Additional comparisons can be found in the accompanying graphs.

Business-type activities – Business-type Activities revenue increased $3,826,379 from the prior year and expenses increased $4,110,798. Significant components of revenue and expenses include:

- Charges for services for business-type activities includes charges for Electric, Water, Sewer and Storm Water utilities. Also included in charges for services are Community Center, Par 30 golf course, Chaska Town Course golf course, Turbine Generator, Internet Service Provider, and Chaska Curling Center operations.
- The Electric fund comprises about 71 percent of all business-type revenue and 67 percent of all business-type expenses.
- Charges for services increased $4,151,218 or 7.8 percent from the prior year. The majority of this increase was in the Electric fund, which increased $3,650,817. Both residential and industrial service revenues significantly increased.
- Capital Grants and Contributions decreased $506,326. There were fewer construction projects in 2018 as compared to 2017.
- Electric fund expenses increased $3,152,325 due to higher purchased power costs, administration costs, and depreciation.

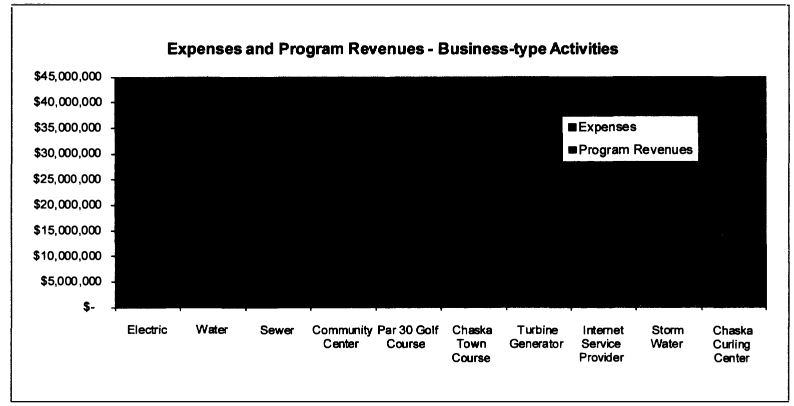
- The Internet Service Provider operations to outside customers ended in 2018. At year-end, the City transferred assets valued at $435,590 (net of depreciation) to governmental activities.
- The Chaska Curling Center expenses increased $304,416 due to the popularity of the facility and expansion of events at the arena, such as Curling Night in America.
- Additional comparisons can be found in the accompanying graphs.

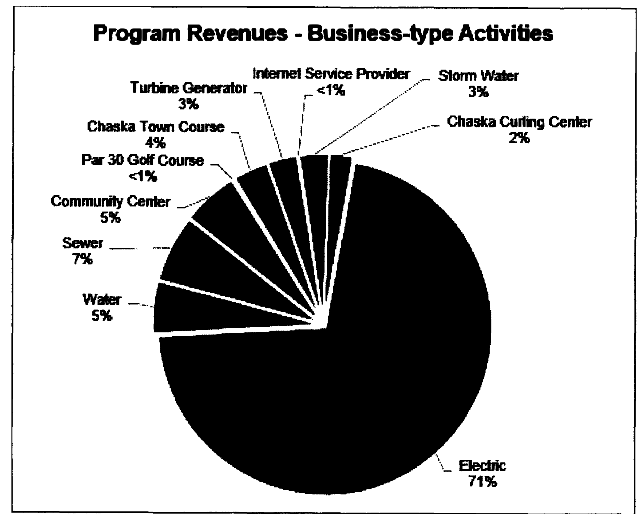




Management's Discussion and Analysis

City of Chaska, Minnesota For the Year Ended December 31, 2018





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Chaska uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Chaska's financing requirements. In particular, assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported a combined fund balance of $8,381,210. Revenues for the City's governmental funds were $27,197,021, while total expenditures were $36,662,986. Property taxes, charges for services and franchise taxes were the most significant sources of revenue (77.0 percent) while capital outlay was the most significant expenditure (22.6 percent) followed by Public Works (21.0 percent) and Public Safety (16.9 percent).

The **General fund** is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $1,078,348. Total fund balance increased $77,039 to $2,088,954, as of December 31, 2018.

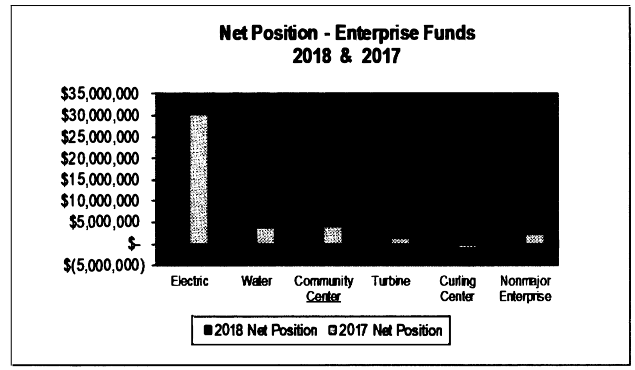
- For the year, total revenues and other financing sources were $16,034,408 and total expenditures and other financing uses were $15,957,369, resulting in a $77,039 increase in fund balance. Total revenues were $44,961 less than total expenditures, due to lower than expected permit revenue. This decrease was offset by transfers to the General fund, from the Internal Service fund, resulting in the increase in fund balance.
- The City has committed $1,010,606 in the general fund for compensated absences.

The **Public Improvement Projects fund** is a capital project fund used to account for the revenues and expenditures for public improvement costs. Fund balance decreased $6,692,688 in 2018 due to capital outlay and other project costs that had not received funding sources as of year-end.

Proprietary Funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The combined net position of all current year enterprise funds operations increased $1,062,705 (including the change in accounting principle) to $41,920,831. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

The following table shows net position changes in individual major enterprise funds and combined non-major enterprise funds between 2017 and 2018.



General Fund Budgetary Highlights

The final amended budget for the General fund includes the original adopted budget plus any additional supplemental appropriations that were approved by the City Council during the year. In 2018, the original budget was amended, increasing revenues $13,000, decreasing other financing sources $8,000, decreasing expenditures $200,564, and increasing other financing uses $128,000.

The City's final budget for the General fund anticipated that revenues and other financing sources would be $77,564 more than expenditures and other financing uses. At year-end, the increase was $77,039, $525 less than the final budget.

Budgetary variances – Revenues

- Total General Fund property taxes were $5,422,403, slightly more than the final budget of $5,411,040.
- General Fund revenue from electric franchise taxes was $151,670 more than final budget due to increased electric sales.
- Licenses and Permit revenue was $515,546 under budget due a decrease in total building permits issued.
- Intergovernmental revenue surpassed the final budget by $74,202. State aid and state training aid for Police and Fire comprised $47,171 of the variance.
- Investment earnings were $19,607 more than final budget due to better returns.

Budgetary variances - Expenditures

- General Government expenditures were $324,983 under budget. Professional services and maintenance costs related to upgrades to improve safety in City Hall common areas and services related to the City's initiative to re-invest in employees were over budget, however these items were offset by budgeted contingency of $795,000, resulting in the positive change.
- Public Safety expenditures were $326,459 more than the final budget. Overages include overtime costs in both police and fire. Staffing expansions in the police and fire departments resulted in higher costs for equipping and training new employees. The increase compared to budget also includes employee wages related to billable services, which are not budgeted.
- Public Works was $242,644 over budget related to higher than expected snow removal costs and utility costs.
- Parks, Recreation and Arts were under budget by $226,667 due to vacant full-time positions as Parks, Recreation and Arts re-organizes its staffing structure.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in capital asset table below, at the end of 2018, the City had $257.9 million (net of depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads and highways, and utility infrastructure. More detailed information on the City of Chaska's capital assets can be found in **Note 4** of the basic financial statements.

Capital Assets at Year End - Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 51,583,265	$ 51,768,931	$ 1,231,421	$ 1,231,421	$ 52,814,686	$ 53,000,352
Works of Art/Historical Treasures	105,027	105,027	-	-	105,027	105,027
Buildings	2,416,629	2,598,135	36,160,012	38,300,505	38,576,641	40,898,640
Other Improvements	11,966,322	12,599,631	1,081,052	1,135,327	13,047,374	13,734,958
Furniture & Equipment	4,080,492	3,550,613	5,088,132	4,709,249	9,168,624	8,259,862
Infrastructure	95,779,033	97,355,548	20,376,465	21,095,485	116,155,498	118,451,033
Construction in Progress	22,300,439	11,921,291	5,768,152	2,996,622	28,068,591	14,917,913
Total Capital Assets, Net of Depreciation	$ 188,231,207	$ 179,899,176	$ 69,705,234	$ 69,468,609	$ 257,936,441	$ 249,367,785

In 2018, a significant increase to Construction is Progress is reported in both governmental activities and business-type activities.

- Governmental activities construction in progress is related to ongoing and extensive development of the southwest Chaska area.

- Business-type activities construction in progress includes a substation and expansion of the electric distribution system, and an arena locker room project at the Chaska Community Center.

Long-Term Debt

At year-end, the City had $108.2 million in bonds, notes, and capital leases outstanding, as shown in the table below. More detailed information about the City's long-term liabilities is presented in **Note 6** to the financial statements.

City of Chaska's Outstanding Debt
(Does Not Include Premiums, Compensated Absences, Other Post-Employment Benefit or Net Pension Liabilities)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Equipment Certificates	$ 2,505,000	$ 2,605,000	$ -	$ -	$ 2,505,000	$ 2,605,000
General Obligation Bonds	1,435,000	1,635,000	15,100,000	15,820,000	16,535,000	17,455,000
General Obligation Tax Increment Bonds	1,125,000	1,220,000	-	-	1,125,000	1,220,000
General Obligation Abatement Bonds	2,420,000	2,430,000	-	-	2,420,000	2,430,000
General Obligation Improvement Bonds	28,780,000	30,995,000	-	-	28,780,000	30,995,000
Revenue Bonds	-	-	27,905,000	29,440,000	27,905,000	29,440,000
EDA Lease Revenue Bonds	9,545,000	9,815,000	19,145,000	22,575,000	28,690,000	32,390,000
Promissory Note Payable	96,139	107,998	-	-	96,139	107,998
Capital Lease Payable	-	-	145,571	-	145,571	-
Total	$ 45,906,139	$ 48,807,998	$ 62,295,571	$ 67,835,000	$ 108,201,710	$ 116,642,998

- During 2018, the City made principal payments of $8,575,000 on outstanding bonds and $11,859 in notes payable.
- During the year, the City entered into a capital lease agreement for fitness equipment at the Community Center. As of year-end, the balance outstanding is $145,571.

The City of Chaska's General Obligation bonds carry an AA rating by Standard and Poor's, the City of Chaska Electric Revenue Bonds are rated Al by Moody's and the Chaska EDA Lease Revenue Bonds carry an AA- rating by Standard and Poor's, as of last review.

Under Minnesota State Statutes, the general obligation bonded debt issued by the City is subject to a legal debt limitation based on 3 percent of market value. At December 31, 2018, the City's legal debt margin was $80,030,573. The statutes provide that debt issues supported by tax increment, special assessment revenues or available dedicated reserves are excluded from the total limited debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget. Specifically, six major economic issues were considered:

1. Market values across the community increased by an average of 5.72 percent. This will increase our overall property values in the community to just under $3 billion, the highest level in our City's history. 1.7 percent of this change came from new construction, existing property value increased about 4 percent.

2. Based on State formulas, the City receives minimal Local Government Aid to help reduce our tax levy need. In setting taxes payable 2018, the City did recapture half of the $250,000 lost annually from LGA reductions.

3. Both residential and commercial building permit activity is expected to be stable in 2019.

4. The City is once again seeing an increase in population with an estimated 2018 population of more than 27,000 residents.

5. Electric revenue has continued to increase with continued economic development activity occurring in the last five years, including data center development and additions to existing industrial businesses, driving up this usage. This has had a positive impact on the electric franchise fee coming back to the General fund.

6. The City continues to see a good mix of commercial, industrial and residential growth in the community.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, City of Chaska, One City Hall Plaza, Chaska, MN 55318.

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash And Investments	$ 11,626,617	$ 4,962,102	$ 16,588,719
Receivables:			
Taxes	119,625	-	119,625
Special Assessments	13,804,201	41,688	13,845,889
Accounts, Net Of Allowance	217,717	7,102,934	7,320,651
Interest	18,163	153,691	171,854
Leases	99,383	18,901,549	19,000,932
Notes	26,595	-	26,595
Internal Balances	1,088,408	(1,088,408)	-
Due From Other Governments	129,128	57,778	186,906
Inventories	-	2,079,403	2,079,403
Net Pension Asset	242,430	-	242,430
Restricted Assets:			
Cash And Investments For Operating And Maintenance	-	10,432,000	10,432,000
Cash With Escrow Agent - Debt Service	2,354,596	5,895,503	8,250,099
Capital Assets:			
Not Depreciated	73,988,731	6,999,573	80,988,304
Net Of Depreciation	114,242,476	62,705,661	176,948,137
TOTAL ASSETS	217,958,070	118,243,474	336,201,544
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan Deferments	5,121,120	760,653	5,881,773
OPEB Plan Deferments	15,097	6,394	21,491
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,136,217	767,047	5,903,264
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 223,094,287	$ 119,010,521	$ 342,104,808
LIABILITIES			
Accounts Payable	$ 1,299,076	$ 528,420	$ 1,827,496
Salaries Payable	403,471	243,970	647,441
Deposits Payable	312,443	379,202	691,645
Accrued Interest Payable	676,389	618,989	1,295,378
Due To Other Governments	21,035	2,524,126	2,545,161
Unearned Revenue	1,827,857	712,936	2,540,793
Non-Current Liabilities:			
Due Within One Year	5,267,646	4,110,548	9,378,194
Due In More Than One Year	51,334,324	66,311,992	117,646,316
TOTAL LIABILITIES	61,142,241	75,430,183	136,572,424
DEFERRED INFLOWS OF RESOURCES			
Debt Refunding Deferments	-	444,312	444,312
Pension Plan Deferments	6,361,652	965,812	7,327,464
TOTAL DEFERRED INFLOWS OF RESOURCES	6,361,652	1,410,124	7,771,776
NET POSITION			
Net Investment in Capital Assets	146,659,763	33,206,537	179,866,300
Restricted for:			
Special Purposes	58,718	-	58,718
Capital Projects	4,445,171	-	4,445,171
Debt Service	13,984,852	16,111,606	30,096,458
Economic Development	1,329,325	-	1,329,325
Fire Relief Pensions	616,263	-	616,263
Unrestricted	(11,503,698)	(7,147,929)	(18,651,627)
TOTAL NET POSITION	155,590,394	42,170,214	197,760,608
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 223,094,287	$ 119,010,521	$ 342,104,808

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General Government	$ 6,025,119	$ 4,235,869	$ 71,029	$ -	$ (1,718,221)	$ -	$ (1,718,221)
Economic Development	4,352,049	80,000	71,248	111,912	(4,088,889)	-	(4,088,889)
Public Safety	6,189,888	331,251	572,685	186,437	(5,099,515)	-	(5,099,515)
Public Works	10,088,913	2,178,832	57,634	7,466,457	(385,990)	-	(385,990)
Parks, Recreation And Arts	1,526,003	429,577	5,237	186,541	(904,648)	-	(904,648)
Interest On Long-Term Debt	1,550,437	-	-	-	(1,550,437)	-	(1,550,437)
Total Governmental Activities	29,732,409	7,255,529	777,833	7,951,347	(13,747,700)	-	(13,747,700)
Business-type Activities:							
Electric	38,896,423	41,193,202	8,431	169,322	-	2,474,532	2,474,532
Water	3,015,694	2,861,416	2,810	29,111	-	(122,357)	(122,357)
Sewer	3,801,595	3,789,275	2,810	-	-	(9,510)	(9,510)
Community Center	4,752,021	3,085,972	7,869	-	-	(1,658,180)	(1,658,180)
Par 30 Golf Course	189,814	154,621	562	-	-	(34,631)	(34,631)
Chaska Town Course	2,452,056	1,966,812	3,935	-	-	(481,309)	(481,309)
Turbine Generator	1,016,539	1,650,646	-	-	-	634,307	634,307
Internet Service Provider	159,357	100,033	-	-	-	(59,324)	(59,324)
Storm Water	1,072,424	1,581,812	70,387	-	-	579,775	579,775
Chaska Curling Center	2,635,334	1,299,997	2,248	-	-	(1,333,089)	(1,333,089)
Total Business-type Activities	57,991,257	57,683,986	99,052	198,433	-	(9,786)	(9,786)
TOTAL	$ 87,723,666	$ 64,939,515	$ 876,885	$ 8,149,780	(13,747,700)	(9,786)	(13,757,486)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
General Revenues:			
Property Taxes	10,129,998	-	10,129,998
Franchise Taxes	4,576,985	-	4,576,985
Grants & Contributions Not Restricted to Specific Functions	26,334	211	26,545
Investment Earnings	400,814	362,111	762,925
Other	366,702	82,857	449,559
Transfers	(769,471)	769,471	-
Total General Revenues & Transfers	14,731,362	1,214,650	15,946,012
Change in Net Position	983,662	1,204,864	2,188,526
Net Position - Beginning, As Previously Reported	154,869,396	41,076,594	195,945,990
Change in Accounting Principle	(262,664)	(111,244)	(373,908)
Net Position - Beginning, Restated	154,606,732	40,965,350	195,572,082
Net Position - Ending	$ 155,590,394	$ 42,170,214	$ 197,760,608

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	$ 2,236,237	$ 228,793	$ 8,962,103	$ 11,427,133
Cash With Escrow Agent	-	-	2,354,596	2,354,596
Receivables:				
Taxes	87,300	-	32,325	119,625
Special Assessments	-	2,554,345	11,249,856	13,804,201
Accounts, Net of Allowance	199,998	-	17,719	217,717
Interest	2,735	-	9,405	12,140
Lease	-	-	99,383	99,383
Notes	-	-	26,595	26,595
Due From Other Funds	-	-	4,920,000	4,920,000
Due From Other Governments	129,128	-	-	129,128
Interfund Receivable	-	-	2,328,540	2,328,540
Advance To Other Funds	-	-	1,119,940	1,119,940
TOTAL ASSETS	$ 2,655,398	$ 2,783,138	$ 31,120,462	$ 36,558,998
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	$ 107,483	$ 815,592	$ 376,001	$ 1,299,076
Salaries Payable	403,471	-	-	403,471
Deposits Payable	174	35,069	277,200	312,443
Due To Other Funds	-	6,340,000	1,450,348	7,790,348
Due To Other Governments	21,035	-	-	21,035
Interfund Payable	-	-	2,169,131	2,169,131
Advance From Other Funds	-	-	2,201,210	2,201,210
Unearned Revenue	-	65,292	1,762,565	1,827,857
TOTAL LIABILITIES	532,163	7,255,953	8,236,455	16,024,571
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	34,281	-	21,064	55,345
Unavailable Revenue - Special Assessments	-	2,489,053	9,482,841	11,971,894
Unavailable Revenue - Notes Receivable	-	-	26,595	26,595
Unavailable Revenue - Lease Receivable	-	-	99,383	99,383
TOTAL DEFERRED INFLOWS OF RESOURCES	34,281	2,489,053	9,629,883	12,153,217
FUND BALANCES:				
Restricted	-	208,021	10,504,624	10,712,645
Committed	1,010,606	-	3,746,951	4,757,557
Assigned	-	-	8,011,826	8,011,826
Unassigned	1,078,348	(7,169,889)	(9,009,277)	(15,100,818)
TOTAL FUND BALANCES	2,088,954	(6,961,868)	13,254,124	8,381,210
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,655,398	$ 2,783,138	$ 31,120,462	$ 36,558,998

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total fund balances - governmental funds	$	8,381,210
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Cost of Capital Assets		278,052,733
Less: Accumulated Depreciation		(89,821,526)
Certain revenues are not recognized under the governmental fund statements until available; however, under full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received.		
Delinquent Taxes		55,345
Special Assessments		11,971,894
Notes Receivable		26,595
Leases Receivable		99,383
Governmental funds do not report long-term amounts related to pensions and other post employment benefits that are included in governmental activities net position.		
Deferred Outflows - Pension Plan Deferments		5,121,120
Deferred Inflows - Pension Plan Deferments		(6,361,652)
Deferred Outflows - OPEB Plan Deferments		15,097
Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		5,335,507
Internal balances from business-type activities for internal service fund services.		(249,383)
Governmental funds do not report net pension assets.		242,430
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		(676,389)
Long-term liabilities, including bonds payable, notes payable, compensated absences, other post-employment benefits and net pension liabilities are not payable with current financial resources and, therefore, are not reported in governmental funds.		
Due within one year		(5,267,646)
Due in more than one year		(51,334,324)
Net position of governmental activities	$	155,590,394

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Property	$ 5,422,403	$ -	$ 4,710,395	$ 10,132,798
Franchise	4,576,985	-	-	4,576,985
Licenses And Permits	928,825	-	-	928,825
Intergovernmental	687,796	-	1,038,706	1,726,502
Charges For Services	3,912,324	-	2,307,972	6,220,296
Fines And Forfeitures	109,319	-	-	109,319
Special Assessments	143	65,829	2,284,377	2,350,349
Investment Earnings (Charges)	41,607	(39,497)	307,115	309,225
Other Revenue	105,006	4,500	733,216	842,722
TOTAL REVENUES	15,784,408	30,832	11,381,781	27,197,021
EXPENDITURES				
CURRENT:				
General Government	5,536,453	22,754	137,241	5,696,448
Economic Development	-	-	3,183,480	3,183,480
Public Safety	5,989,659	-	203,390	6,193,049
Public Works	3,506,060	3,386,280	807,341	7,699,681
Parks, Recreation And Arts	797,197	-	265,372	1,062,569
DEBT SERVICE:				
Principal	-	-	2,901,859	2,901,859
Interest	-	-	1,618,919	1,618,919
Issuance Costs And Fiscal Agent Fees	-	-	11,850	11,850
CAPITAL OUTLAY	-	3,379,797	4,915,334	8,295,131
TOTAL EXPENDITURES	15,829,369	6,788,831	14,044,786	36,662,986
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(44,961)	(6,757,999)	(2,663,005)	(9,465,965)
OTHER FINANCING SOURCES (USES)				
Transfers In	250,000	65,311	3,981,833	4,297,144
Transfers Out	(128,000)	-	(5,124,205)	(5,252,205)
Sale Of Capital Assets	-	-	33,976	33,976
TOTAL OTHER FINANCING SOURCES AND (USES)	122,000	65,311	(1,108,396)	(921,085)
NET CHANGE IN FUND BALANCES	77,039	(6,692,688)	(3,771,401)	(10,387,050)
FUND BALANCES, JANUARY 1	2,011,915	(269,180)	17,025,525	18,768,260
FUND BALANCES, DECEMBER 31	$ 2,088,954	$ (6,961,868)	$ 13,254,124	$ 8,381,210

The notes to the financial statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Total net change in fund balances - governmental funds	$	(10,387,050)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Further detail on increases and decreases can be found in the note on capital assets. (Increases include donations of capital assets and capital contribution from business-type activities.)		
Capital Outlay		16,582,006
Less: Depreciation Expense		(7,032,123)
Net Book Value of assets sold or disposed		(1,653,442)
Capital Outlay transfer from business-type activities		435,590
Under modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period. Under the full accrual basis of accounting, these revenues are recognized when earned.		
Delinquent Taxes		(2,800)
Special Assessments		(215,102)
Notes Receivable		(7,666)
Leases Receivable		(29,520)
Long-term debt and other long-term liabilities provide current financial resources to governmental funds, while the repayment of long-term debt and liabilities consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Further detail on the additions and reductions can be found in the note on long-term liabilities.		
Additions to long-term liabilities (increases governmental fund balances)		(1,651,876)
Reductions to long-term liabilities (decreases governmental fund balances)		5,991,241
Net pension and OPEB activity is not recognized in the governmental funds but recognized as the expense/revenue is incurred in the Statement of Activities.		
Net Pension Asset		(312,733)
Deferred Outflows - Pension Plan Deferments		(1,276,879)
Deferred Inflows - Pension Plan Deferments		655,228
Deferred Outflows - OPEB Deferments		(13,996)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recongnized as the interest accrues, regardless of when it is due.		(129,530)
Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		63,229
Internal service fund profit allocated to business-type activities.		(30,915)
Change in net position - governmental activities	$	983,662

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
Property	$ 5,411,040	$ 5,411,040	$ 5,422,403	$ 11,363
Franchise	4,434,054	4,439,054	4,576,985	137,931
Licenses And Permits	1,444,371	1,444,371	928,825	(515,546)
Intergovernmental	613,594	613,594	687,796	74,202
Charges For Services	3,888,262	3,888,262	3,912,324	24,062
Fines And Forfeitures	119,454	119,454	109,319	(10,135)
Special Assessments	-	-	143	143
Investment Earnings	14,000	22,000	41,607	19,607
Other Revenue	79,705	79,705	105,006	25,301
TOTAL REVENUES	16,004,480	16,017,480	15,784,408	(233,072)
EXPENDITURES:				
Current:				
General Government	5,761,436	5,861,436	5,536,453	324,983
Public Safety	5,758,200	5,663,200	5,989,659	(326,459)
Public Works	3,468,980	3,263,416	3,506,060	(242,644)
Parks, Recreation And Arts	1,023,864	1,023,864	797,197	226,667
TOTAL EXPENDITURES	16,012,480	15,811,916	15,829,369	(17,453)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,000)	205,564	(44,961)	(250,525)
OTHER FINANCING SOURCES (USES):				
Transfers In	8,000	-	250,000	250,000
Transfers Out	-	(128,000)	(128,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	8,000	(128,000)	122,000	250,000
NET CHANGE IN FUND BALANCES	-	77,564	77,039	(525)
FUND BALANCES, January 1	2,011,915	2,011,915	2,011,915	-
FUND BALANCES, December 31	$ 2,011,915	$ 2,089,479	$ 2,088,954	$ (525)

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
ASSETS								
Current Assets:								
Cash And Investments	$ 2,268,855	$ 1,157,309	$ 5,797	$ 265,310	$ 6,037	$ 1,258,794	$ 4,962,102	$ 199,484
Restricted Assets:								
Cash And Investments For Operating And Maintenance	10,432,000	-	-	-	-	-	10,432,000	-
Cash And Investments For Debt Service	182,537	-	500	1,195,900	13	-	1,378,950	-
Receivables:								
Special Assessments	-	-	-	-	-	41,688	41,688	-
Accounts:								
Current	3,642,293	197,295	145,994	-	43,782	490,471	4,519,835	-
Unbilled	2,339,995	111,080	-	-	-	197,896	2,648,971	-
Allowance For Uncollectible Accounts	(54,634)	(2,959)	(269)	-	(657)	(7,353)	(65,872)	-
Interest	9,081	2,591	-	140,836	-	1,183	153,691	6,023
Due From Other Funds	850,000	2,050,000	-	515,000	-	1,360,348	4,775,348	5,130,000
Due From Other Governments	27,429	2,473	-	-	-	27,876	57,778	-
Interfund Receivable	-	-	-	51,560	-	-	51,560	-
Lease Receivable	-	-	-	903,266	-	-	903,266	-
Inventories	1,849,135	169,082	-	-	-	61,186	2,079,403	-
Total Current Assets	21,546,691	3,686,871	152,022	3,071,872	49,175	3,432,089	31,938,720	5,335,507
Noncurrent Assets:								
Restricted Cash And Investments	737,578	-	271,813	2,083,000	1,424,162	-	4,516,553	-
Lease Receivable	-	-	-	17,998,283	-	-	17,998,283	-
Advance To Other Funds	2,201,210	-	-	820,271	-	-	3,021,481	-
Capital Assets:								
Land	778,843	222,130	90,466	-	-	139,982	1,231,421	-
Buildings	4,774,312	17,255,218	25,271,730	-	17,040,442	8,380,433	72,722,135	-
Other Improvements	-	1,271,864	546,340	-	-	387,171	2,205,375	-
Furniture And Equipment	1,986,020	751,611	2,519,021	-	1,866,701	3,731,339	10,654,692	-
Infrastructure	27,106,739	5,154,468	-	-	-	4,025,938	36,287,145	-
Construction In Progress	5,047,007	3,197	619,527	-	-	98,421	5,768,152	-
Less: Accumulated Depreciation	(17,309,488)	(12,761,176)	(17,501,130)	-	(1,382,376)	(10,409,516)	(59,363,686)	-
Total Net Capital Assets	22,383,433	11,897,312	11,545,954	-	17,524,767	6,353,768	69,705,234	-
Total Noncurrent Assets	25,322,221	11,897,312	11,817,767	20,901,554	18,948,929	6,353,768	95,241,551	-
TOTAL ASSETS	46,868,912	15,584,183	11,969,789	23,973,426	18,998,104	9.785,857	127,180,271	5,335,507
DEFERRED OUTFLOWS OF RESOURCES								
Pension Plan Deferments	215,279	71,760	200,927	-	57,408	215,279	760,653	-
OPEB Plan Deferments	2,798	511	986		169	1,930	6,394	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	218,077	72,271	201,913	-	57,577	217,209	767,047	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 47,086,989	$ 15,656,454	$ 12,171,702	$ 23,973,426	$ 19,055,681	$ 10,003,066	$ 127,947,318	$ 5,335,507
LIABILITIES								
Current Liabilities:								
Accounts Payable	$ 303,953	$ 30,344	$ 154,381	$ -	$ 6,632	$ 33,110	$ 528,420	$ -
Salaries Payable	60,918	21,927	78,041	-	25,886	57,198	243,970	-
Deposits Payable	142,754	5,000	109,045	-	16,000	106,403	379,202	-
Compensated Absences	150,013	34,440	61,191	-	13,649	91,005	350,298	-
Accrued Interest Payable	77,287	40,928	13,400	221,538	210,776	55,060	618,989	-
Due To Other Funds	-	-	2,215,000	-	4,720,000	100,000	7,035,000	-
Due To Other Governments	2,410,318	4,899	11,927	90,557	1,578	4,847	2,524,126	-
Interfund Payable	51,560	11,630	-	-	-	147,779	210,969	-
Revenue Bonds Payable	420,000	594,000	330,000	1,195,000	980,000	201,000	3,720,000	-
Capital Lease Payable	-	-	40,250	-	-	-	40,250	-
Unearned Revenue	-	-	281,170	-	236,724	195,042	712,936	-
Total Current Liabilities	3,616,803	743,168	3,294,405	1,507,095	6,211,245	991,444	16,364,160	-
Noncurrent Liabilities:								
Compensatsd Absences	64,241	7,950	58,314	-	20,481	60,756	211,742	-
Advance From Other Funds	820,271	131,370	-	-	-	988,570	1,940,211	-
Revenue Bonds Payable	9,415,094	10,177,274	4,546,926	19,807,852	13,380,000	4,408,746	61,735,892	-
Capital Lease Payable	-	-	105,321	-	-	-	105,321	-
Other PostEmployment Benefits	154,197	30,501	58,520	-	4,308	115,715	363,241	-
Net Pension Liability	1,102,584	367,528	1,029,078	-	294,022	1,102,584	3,895,796	-
Total Noncurrent Liabilities	11,556,387	10,714,623	5,798,159	19,807,852	13,698,811	6,676,371	68,252,203	-
TOTAL LIABILITIES	15,173,190	11,457,791	9,092,564	21,314,947	19,910,056	7,667,815	84,616,363	-
DEFERRED INFLOWS OF RESOURCES								
Debt Refunding Deferments	-	-	-	444,312	-	-	444,312	-
Pension Plan Deferments	273,343	91,114	255,120	-	72,892	273,343	965,812	-
TOTAL DEFERRED INFLOWS OF RESOURCES	273,343	91,114	255,120	444,312	72,892	273,343	1,410,124	-
NET POSITION								
Net Investment In Capital Assets	15,873,395	2,135,950	6,669,028	-	3,184,767	5,363,397	33,206,537	-
Restricted For Debt Service	11,352,115	-	272,313	3,063,003	1,424,175	-	16,111,606	-
Unrestricted	4,414,946	1,971,599	(4,117,323)	(848,836)	(5,516,209)	(3,301,489)	(7,397,312)	6,335,507
TOTAL NET POSITION	31,640,456	4,107,549	2,824,018	2,214,167	(927,267)	2,061,908	41,920,831	5,335,507
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 47,086,989	$ 15,656,454	$ 12,171,702	$ 23,973,426	$ 19,055,681	$ 10,003,066	127,947,318	$ 5,335,507

Adjustment to reflect the consolidation of internal service fund activites related to enterprise funds	249,383
Net Position of business-type activities	$ 42,170,214

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
OPERATING REVENUES:								
Sales	$ 41,193,202	$ 2,861,416	$ 3,085,972	$ 1,650,846	$ 1,299,997	$ 7,592,553	$ 57,683,986	$ 823,899
OPERATING EXPENSES:								
Production	28,654,423	515,557	-	-	-	2,451,571	31,621,551	-
Distribution / Collections	2,225,361	713,927	-	-	-	1,125,983	4,065,271	-
Administration	2,712,763	631,464	3,834,757	342,286	1,497,227	3,168,129	12,186,626	749,710
Franchise Fees	3,820,670	-	-	-	-	-	3,820,670	-
Depreciation	1,131,126	791,340	729,338	-	628,587	778,005	4,058,396	-
TOTAL OPERATING EXPENSES	38,544,343	2,652,288	4,564,095	342,286	2,125,814	7,523,688	55,752,514	749,710
OPERATING INCOME (LOSS)	2,648,859	209,128	(1,478,123)	1,308,560	(825,817)	68,865	1,931,472	74,189
NON-OPERATING REVENUES:								
Investment Earnings (Charges)	320,467	46,652	(16,262)	61,735	(76,340)	25,859	362,111	91,589
Intergovernmental	8,534	2,826	7,869	-	2,248	77,786	99,263	-
Payments	-	-	-	55,595	-	-	55,595	-
Gain On Sale Of Capital Assets	25,854	-	1,408	-	-	-	27,262	-
Miscellaneous Refunds	-	-	-	-	-	-	-	147,451
TOTAL NON-OPERATING REVENUES	354,855	49,478	(6,985)	117,330	(74,092)	103,645	544,231	239,040
NON-OPERATING EXPENSES:								
Interest	360,981	365,159	182,641	669,753	507,283	161,489	2,247,306	-
Issuance Costs And Fiscal Agent Fees	450	-	12,100	4,500	3,200	-	20,250	-
Loss On Sale Of Capital Assets	-	-	2,102	-	-	-	2,102	-
Contribution to Governmental Activities	-	-	-	-	-	435,590	435,590	-
TOTAL NON-OPERATING EXPENSES	361,431	365,159	196,843	674,253	510,483	597,079	2,705,248	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,642,283	(106,553)	(1,681,951)	751,637	(1,410,392)	(424,569)	(229,545)	313,229
CAPITAL CONTRIBUTIONS	169,322	29,111	-	-	-	-	198,433	-
TRANSFERS IN (OUT):								
Transfers In	-	466,964	432,000	-	1,594,230	481,076	2,974,270	-
Transfers Out	(1,375,809)	(66,500)	-	-	-	(326,900)	(1,769,209)	(250,000)
TOTAL TRANSFERS IN (OUT)	(1,375,809)	400,464	432,000	-	1,594,230	154,176	1,205,061	(250,000)
CHANGE IN NET POSITION	1,435,796	323,022	(1,249,951)	751,637	183,838	(270,393)	1,173,949	63,229
NET POSITION, JANUARY 1, As Previously Reported	30,253,348	3,793,413	4,091,118	1,462,530	(1,108,162)	2,365,879	40,858,126	5,272,278
Change in Accounting Principle	(48,688)	(8,886)	(17,149)	-	(2,943)	(33,578)	(111,244)	-
NET POSITION, JANUARY 1, Restated	30,204,660	3,784,527	4,073,969	1,462,530	(1,111,105)	2,332,301	40,746,882	5,272,278
NET POSITION, DECEMBER 31	$ 31,640,456	$ 4,107,549	$ 2,824,018	$ 2,214,167	$ (927,267)	$ 2,061,908	41,920,831	$ 5,335,507

Change in net position - total Enterprise Funds	$ 1,173,949
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	30,915
Change in net position - Business-type Activities	$ 1,204,864

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts From Customers And Users	$ 40,378,291	$ 2,823,515	$ 3,331,868	$ 1,650,846	$ 1,284,504	$ 7,537,187	$ 57,006,211	$ 823,899
Payments To Suppliers	(35,971,060)	(1,460,971)	(1,645,573)	(314,787)	(716,258)	(4,778,363)	(44,887,012)	(749,710)
Payments To Employees	(1,610,079)	(615,891)	(2,053,261)	-	(577,500)	(2,035,869)	(6,892,400)	147,451
Net Cash Provided (Used) By Operating Activities	2,797,152	746,853	(366,966)	1,336,059	(9,254)	722,955	5,226,799	221,640
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
Transfers From Other Funds	-	466,964	432,000	-	1,594,230	481,076	2,974,270	-
Transfers To Other Funds	(1,375,809)	(66,500)	-	-	-	(326,900)	(1,769,209)	(250,000)
Due From Other Funds	(850,000)	(2,050,000)	-	(515,000)	-	(1,221,088)	(4,636,088)	(361,717)
Due To Other Funds	-	-	955,707	-	(48,283)	(39,260)	868,164	-
Interfund Loans To Other Funds	(42,923)	-	-	48,624	-	-	5,701	-
Interest Payments On Interfund Loans	-	-	-	55,595	-	-	55,595	-
Intergovernmental	8,534	2,826	7,869	-	2,248	77,786	99,263	-
Net Cash Provided (Used) By Non-Capital Financing Activities	(2,260,198)	(1,646,710)	1,395,576	(410,781)	1,548,195	(1,028,386)	(2,402,304)	(611,717)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Proceeds From Capital Leases	-	-	183,475	-	-	-	183,475	-
Capital Contributions	169,322	29,111	-	-	-	-	198,433	-
Principal Paid On Bonds	(395,000)	(529,000)	(2,465,000)	(1,140,000)	(965,000)	(191,000)	(5,685,000)	-
Principal Paid on Capital Leases	-	-	(37,904)	-	-	-	(37,904)	-
Interest And Fiscal Charges	(336,610)	(372,799)	(207,957)	(936,250)	(517,589)	(130,284)	(2,501,489)	-
Proceeds From Sale Of Capital Assets	25,854	-	1,408	-	-	-	27,262	-
Construction And Acquisition of Capital Assets	(3,369,685)	(311,742)	(658,447)	-	-	(392,839)	(4,732,713)	-
Lease Payments Received	-	-	-	834,960	-	-	834,960	-
Interfund Loans From Other Funds	(48,624)	143,000	-	-	-	39,334	133,710	-
Interest Payments On Interfund Loans	(55,595)	(4,806)	-	-	-	(33,792)	(94,193)	-
Net Cash Provided (Used) By Capital And Related Financing Activities	(4,010,338)	(1,046,236)	(3,184,425)	(1,241,290)	(1,482,589)	(708,581)	(11,673,459)	-
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest (Charges) On Investments	319,281	45,703	(16,262)	56,094	(76,340)	25,594	354,070	90,074
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,154,103)	(1,900,390)	(2,172,077)	(259,918)	(19,888)	(988,418)	(8,494,894)	(300,003)
CASH AND CASH EQUIVALENTS, January 1	16,775,073	3,057,699	2,450,187	3,804,128	1,450,200	2,247,212	29,784,499	499,487
CASH AND CASH EQUIVALENTS, December 31	$ 13,620,970	$ 1,157,309	$ 278,110	$ 3,544,210	$ 1,430,212	$ 1,258,794	$ 21,289,605	$ 199,484
CASH AND CASH EQUIVALENTS:								
Cash And Investments	$ 2,268,855	$ 1,157,309	$ 5,797	$ 265,310	$ 6,037	$ 1,258,794	$ 4,962,102	$ 199,484
Restricted Assets-Revenue Bonds:								
Cash And Investments	11,352,115	-	272,313	3,278,900	1,424,175	-	16,327,503	-
Total Cash And Cash Equivalents	$ 13,620,970	$ 1,157,309	$ 278,110	$ 3,544,210	$ 1,430,212	$ 1,258,794	$ 21,289,605	$ 198,484

	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating Income (Loss)	$ 2,648,859	$ 209,128	$ (1,478,123)	$ 1,308,560	$ (825,817)	$ 68,865	$ 1,931,472	$ 74,189
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:								
Depreciation Expense	1,131,126	791,340	729,338	-	628,587	778,005	4,058,396	-
Miscellaneous Receipts	-	-	-	-	-	-	-	147,451
(Increase) Decrease In Assets And Deferred Outflows:								
Special Assessments	352	66	-	-	-	9,155	9,573	-
Accounts Receivable	(828,022)	(36,311)	56,701	-	24,850	(84,359)	(867,141)	-
Allowance For Uncollectible Accounts	1,758	9	(1,061)	-	(372)	609	943	-
Due From Other Governments	4,038	(49)	60,634	-	-	9,479	74,102	-
Inventory	(340,990)	(45,382)	-	-	-	6,441	(379,931)	-
Deferred Outflows	184,390	51,501	104,675	-	(57,251)	136,676	419,991	-
Increase (Decrease) In Liabilities And Deferred Inflows:								
Accounts Payable	106,341	(106,572)	98,445	-	(79,860)	(66,167)	(47,813)	-
Salaries Payable	453	3,188	10,826	-	5,579	9,533	29,579	-
Deposits Payable	7,315	(1,550)	23,935	-	(6,350)	(26,939)	(3,589)	-
Compensated Absences Payable	36,578	3,705	(4,759)	-	8,197	21,835	65,556	-
Net Pension Liability	(285,120)	(119,491)	(133,106)	-	293,353	(228,390)	(472,754)	-
Due To Other Governments	85,955	(16,586)	(2,911)	27,499	(116)	(3,424)	90,417	-
Unearned Revenue	(352)	(66)	105,887	-	(33,621)	36,689	108,337	-
Other Post Employment Benefits	9,373	1,711	3,302	-	566	6,465	21,417	-
Deferred Inflows - Pensions	35,098	12,212	59,451	-	33,001	48,482	188,244	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 2,797,152	$ 746,853	$ (366,966)	$ 1,336,059	$ (9,254)	$ 722,955	$ 5,226,799	$ 221,640
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:								
Amortization Of Bond Premiums	$ 19,829	$ 16,574	$ 11,977	$ 213,571	$ -	$ 4,822	$ 266,773	$ -
Amortization Of Gain On Refunding	$ -	$ -	$ -	$ 37,026	$ -	$ -	$ 37,026	$ -
Capital Contributions to Governmental Activities	$ -	$ -	$ -	$ -	$ -	$ 435,590	$ 435,590	$ -
Net Book Value of Capital Asset Disposals	$ -	$ -	$ 2,102	$ -	$ -	$ -	$ 2,102	$ -

The notes to the financial statements are an integral part of this statement.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

		AGENCY FUNDS
ASSETS		
Cash And Cash Equivalents	$	342,420
Accounts Receivable		4,672
Due From Other Governments		2,220
Due From Other Funds		5,149
TOTAL ASSETS	$	354,461
LIABILITIES		
Accounts Payable	$	1,743
Due To Other Funds		5,149
Deposits Payable		317,749
Due To Other Governments		29,820
TOTAL LIABILITIES	$	354,461

The notes to the financial statements are an integral part of this statement.

Note 1 Summary of Significant Accounting Policies

The City of Chaska (the City) operates under the Optional Plan A form of government pursuant to applicable Minnesota laws and statutes. The Plan A form of government prescribes an Administrator-Council form of organization. The Council consists of an elected mayor and four council members. The City provides the following services: public safety, highways and streets, culture-recreation, public improvements, planning and zoning and general administration. The City operates utilities in the areas of electric, water, sewer and storm water. The City also operates a community center, two golf courses, a gas turbine generator and a curling and event center. Internet services operated by the City were discontinued during the year.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB). In order to enhance the usefulness of the financial statements to the reader the following is a summary of the City's significant accounting policies.

A) The Financial Reporting Entity

These financial statements present the City (primary government) and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, one organization has been defined and is presented in this report as follows:

Blended component unit – The Chaska Economic Development Authority (Chaska EDA) was established in 1987 by Resolution No. 87-25 of the Chaska City Council. The Chaska EDA is included in these financial statements because the Chaska EDA Board is comprised of City Council members. Activities of the Chaska EDA are financed by a tax levy of the City for that purpose. There are no other statements for the Chaska EDA other than those presented in this report.

B) Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide financial statements and fund financial statements. "Government-wide financial statements" (i.e. the Statement of Net Position and the Statement of Activities) report information based on the City as a whole and exclude fiduciary activity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include allocated expenses to functional programs from centralized expenses reported in the Self Insurance fund. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meet the operational requirements of a particular function and 3) capital grants and contributions (including special assessments) that are restricted to meeting the capital requirements of a particular function. Taxes and other internally directed revenues are reported as *general revenues.*

The accounts of the City are organized on the basis of funds and separate "Fund Financial Statements" are provided for in three different fund categories (Governmental, Proprietary and Fiduciary). Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. A fund is a separate accounting entity with self-balancing accounts that include assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements present information for individual major funds in separate columns. Nonmajor funds are presented aggregately in one column in the fund financial statements.

Major Funds

The City reports the following major governmental funds:

- **General Fund** – This fund is the City's primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund.
- **Public Improvement Projects Fund** – This fund accounts for the financing and construction of public improvements projects.

The City reports the following major proprietary funds:

- **Electric Fund** – This fund accounts for revenues and expenses of the City's Electric Utility operations.
- **Water Fund** – This fund accounts for revenues and expenses of the City's Water Utility operations.
- **Community Center Fund** – This fund accounts for revenues and expenses of the Chaska Community Center operations.

- **Turbine Generator Fund –** This fund accounts for the operations of the City's Turbine Generator Utility operations.
- **Curling Center Fund –** This fund accounts for the operations of the City's Curling and Event Center operations.

Additionally, the City reports the following fund types:

- **Internal Service Funds** – Internal service funds account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City has one Internal Service fund – the Self-Insurance fund. This fund is used to account for the purchase of property, liability and workers' compensation insurance for all City departments. Costs are allocated to individual departments.
- **Fiduciary Funds** – Fiduciary funds account for assets held on behalf of outside parties, including other governments. The City's only fiduciary fund type is an agency fund. Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. The City reports the following Fiduciary funds:
  - **Builders' Deposit Fund** – This fund accounts for assets held in a custodial capacity in the form of deposits from builders that will be refunded upon project completion.
  - **Developers' Fund** – This fund accounts for assets held in a custodial capacity in the form of billings to developers for contractual services.
  - **Metropolitan Council Environmental Services (MCES) Collections Fund** – This fund accounts for the collection of assets held in a custodial capacity in the form of sewer availability charges remitted monthly to MCES.
  - **Police Evidence Cash Fund –** This fund accounts for cash funds held as evidence by the Chaska Police department.

C) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus aims to report all inflows, outflows, and balances affecting or reflecting an entity's net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Fiduciary funds report assets and liabilities only and have no measurement focus, but do use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are

Notes to the Financial Statements

City of Chaska, Minnesota For the Year Ended December 31, 2018

collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, principal and interest on long-term debt and other long-term obligations are recognized as expenditures to the extent they have matured.

Property taxes, franchise taxes, licenses and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise taxes and other administrative charges between the City's enterprise funds and other functions of the government. Elimination of these charges would misrepresent the direct costs and program revenues reported for the various functions concerned.

Proprietary funds are accounted for on a flow of *economic resources measurement focus* and *accrual basis of accounting*. This means that all assets, including capital assets, deferred outflows of resources and all liabilities, including long-term liabilities and deferred inflows of resources associated with fund activity are included on the Statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses for all the City of Chaska's enterprise funds and internal service fund are cost of sales and services, administrative expense and depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

D) Budgetary Accounting

Budgets for the General fund, two Special Revenue funds and one Capital Project fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The Non-major Special Revenue funds with budgets are the Mount Pleasant Maintenance & Care fund and the Chaska EDA fund. The budgeted capital project fund is the Equipment Acquisition fund. (Schedules are included in this financial statement). All annual appropriations lapse at fiscal year-end.

E) Cash and Investments

Cash balances from all funds are combined and invested to the extent available as authorized by Minnesota State Statutes. Earnings from such investments are allocated to the respective funds based on applicable cash balance participation by each fund. Investments are stated at fair value based on quoted market prices, except for investments in external investment pools, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three months or less. Interest on escrow investments is allocated specifically to the related fund. Investment income is accrued at the balance sheet date.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See **Note 3** for the City's recurring fair value measurements as of year-end.

F) Receivables

- **Property Tax**

Property tax levies are set by the City Council and must be levied on or before five business days after December 20th. Levied property taxes are certified to Carver County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over assessable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Property taxes are due from taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three times a year: in July, December, and January of the following year.

Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and have been offset by a deferred inflow of resources, because it is not known when they will be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

- **Special Assessments**

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with state statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. Annual installments (including interest) for special assessments are collected by the County in the same manner as property taxes.

The City recognizes special assessment revenue in the government-wide financial statements when the assessment rolls are levied. In the governmental fund financial statements, the City recognizes special assessment revenue when it becomes both measurable and available. Current assessments, which remain unpaid at December 31 are classified as delinquent receivables and together with deferred assessments are fully offset by deferred inflow of resources because it is not known when they will be available to finance current expenditures. Delinquent special assessment receivable at December 31, 2018 totaled $27,780.

- **Trade Receivables**

Utility and miscellaneous accounts receivable are shown net of an allowance for uncollectible accounts on the Statement of Net Position. On December 31, 2018, the allowance for uncollectible accounts is $68,918.

G) Short-Term and Long-Term Interfund Receivables/Payables

City operations include activity between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". The current portions of lending/borrowing arrangements are classified as "interfund receivables/payables". The long-term portions of interfund receivables are reported as "advances to other funds".

H) Inventory

Inventories in the enterprise funds are valued at cost, which approximates market, using the first in-first out (FIFO) method. Inventories are recorded as expenses when consumed.

I) Restricted Assets

In the government-wide statement of net position and proprietary fund financial statements, unspent bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Investment earnings on these assets are allocated directly to the appropriate funds.

J) Capital Assets

Capital assets, which include property, buildings, improvements, equipment and infrastructure (e.g. roads, bridges, streets, sidewalks, drainage systems and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Such assets are capitalized at historical cost, or estimated historical cost, for assets where actual historical cost is not available. Donated assets are valued at their estimated acquisition value on the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City uses the following capitalization policy:

Description	Capitalization Threshold
Machinery / Equipment and Vehicles	$5,000
Building and Building Improvements	25,000
Land and Land Improvements	25,000
Public Domain Infrastructure	50,000

Depreciation of assets on the government-wide statements for the primary government (governmental and business-type activities) and in the proprietary funds financial statements is charged as an expense against operations using the straight-line method and the following estimated useful lives:

Description	Life
Buildings and Structures	25 years
Furniture and Equipment	3 - 25 years
Improvements, other than Buildings	25 - 50 years
Public Domain Infrastructure	10 - 50 years

Capital assets not being depreciated include land, because land is believed to have an unlimited useful life; works of art/historical treasures, because these assets do not have a determinable useful life; and construction in progress, because construction on the asset has not been fully completed.

K) Compensated Absences

The City permits employees to accumulate earned, but unused personal, vacation, sick and compensatory time benefits. Employees are compensated upon termination for unused personal, vacation and compensatory time. Sick leave is accrued as used or when it becomes likely that it will be paid as termination pay, while personal, vacation, and compensatory time is recorded as an expense and liability as the benefits accrue in the government-wide and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L) Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position will sometimes report separate sections for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) in the government-wide and enterprise funds Statement of Net Position. These deferred outflows and inflows result from the difference between expected and actual economic experience, changes in actuarial assumptions, difference between projected and actual investment earnings, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The City also reports deferred inflows of resources related to debt refunding in the government-wide and enterprise funds Statement of Net Position. This deferred inflow results from the differences between the resources required to refund debt and the net carrying amount of the refunded issue. These amounts are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Unavailable revenue arises only under the modified accrual basis of accounting and therefore is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues for taxes, special assessments, notes receivable and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M) Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

N) Fund Balance Classifications

The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is "fund balance" on the governmental fund statements. In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

- **Nonspendable** – consists of amounts that cannot be spent because it is not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.
- **Committed** – consists of amounts related to internally imposed constraints that are established by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds

other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended use established by the governing body itself or by an official to which the governing body delegates authority. Pursuant to City Council Resolution, the City's Administrative Services Director is authorized to establish assignments of fund balance.

- **Unassigned** – is the residual classification for the General fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as needed. When committed, assigned or unassigned funds are available for expenditure, it is the City's policy to spend committed funds first, assigned funds second and unassigned funds last.

O) Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net position is displayed in three components:

- **Net Investment in Capital Assets** - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

- **Restricted Net Position** - consists of net position restricted by limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulation of other governments.

- **Unrestricted Net Position** – all other elements of net position that do not meet the definition of "restricted" or "net investment in capital assets" are reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as needed.

P) Interfund Transactions

Interfund services provided are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. In the ordinary course of business, transfers between funds are made to finance projects. Other interfund transactions are reported as transfers in/out. Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivable or payable between governmental and business-type activities.

Notes to the Financial Statements

City of Chaska, Minnesota For the Year Ended December 31, 2018

Q) Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

R) Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The PERA has a special funding situation created by a direct aid contribution made by the State of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement fund into the PERA on January 1, 2015.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Chaska Fire Department Relief Association (CFDRAPP) and additions to/deductions from CFDRAPP's fiduciary net position have been determined on the same basis as they are reported as of December 31, 2018. Investments are reported at fair value.

S) Change in Accounting Principle

During the year ended December 31, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement established standards for employer recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expense for OPEB. Certain amounts necessary to fully restate fiscal year 2017 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this statement in the current year resulted in the restatement of net position as of December 31, 2017. The details of the restatement are as follows:

	Governmental Activities	Business-Type Activities	Enterprise Funds
Net Position - Beginning as Previously Reported	$ 154,869,396	$ 41,076,594	$ 40,858,126
Change in Accounting Principle			
Net OPEB Obligation, Under Previous Reporting Standards	512,711	218,260	218,260
Total OPEB Liability, Under Current Reporting Standards	(804,468)	(341,824)	(341,824)
Deferred Outflows of Resources, Under Current Reporting Standards	29,093	12,320	12,320
Total Change in Accounting Principle	(262,664)	(111,244)	(111,244)
Net Position - Beginning, Restated	$ 154,606,732	$ 40,965,350	$ 40,746,882

Note 2 Compliance and Accountability

A) Budget

The City follows these procedures in establishing and monitoring the annual budget:

1. City Administrative Services Director prepares history of actual revenues and expenditures for the prior two years and an estimate for the current year.
2. Department heads review the history and estimate the coming year's revenues and expenditures and then project out five years. Department heads submit their five-year budgets to the City Administrative Services Director.
3. Department budgets are reviewed and combined into a five-year budget by the City Administrator and City Administrative Services Director.
4. The City Administrator recommends the five-year budget to the City Council and revenue and expenditure targets for the new budget year are established.
5. Department heads prepare and submit detail budgets for the new budget year.
6. Department budgets are reviewed by the City Administrator and City Administrative Services Director and submitted to the City Council for approval.
7. Public hearings are conducted to obtain public comment.
8. The City Council may amend the recommended budget and then approves the final budget and required tax levy through passage of a resolution in accordance with Minnesota State Statutes on "Truth in Taxation".
9. The legal level of budgetary control is at the fund level. Budgetary control is maintained by department heads for all assigned divisions. Department heads may reallocate budget appropriations between divisions within the same fund, but not reallocate between funds or functions. The City Administrator may reallocate budget appropriations between functions within the same fund.
10. During the year, expenditures in various categories (i.e., personal services, operating supplies, other services and charges, capital outlay and other financing uses) may exceed the level of appropriation if additional revenues or reduced expenditures in another account are identified and available to offset the additional expenditures.
11. Unused budgeted expenditure appropriations lapse at year-end.

B) Excess of Expenditures Over Appropriations

For the year ended December 31, 2018, expenditures exceeded appropriations in the General fund by $17,453, and the Chaska EDA Special Revenue fund by $303,668. Variances in the General fund were offset by a transfer into the fund, and difference in the Chaska EDA was offset with fund balance.

Notes to the Financial Statements

City of Chaska, Minnesota For the Year Ended December 31, 2018

C) Nonmajor Funds with Negative Equity

The following nonmajor funds maintained a deficit fund balance/net position at December 31, 2018:

Special Revenue Fund	
Chaska EDA	$ 1,083,766
Capital Project Funds	
Fire Protection Systems	$ 36,061
2014 Flood Event	312,740
TIF Dist #14 - Downtown Redevelopment	1,954,631
TIF Dist #17 - Chaska Preserve	190,920
TIF Dist #18 - Chaska Building Center	1,493,366
TIF Dist #20 - Brewery Project	261,511
TIF Dist #21 - Hot Spot Project	680,813
Enterprise Funds	
Par 30 Golf	$ 191,220

The deficit in the Chaska EDA fund is due to various economic development projects. Some of these projects have not received final funding. Ongoing activities of the Chaska EDA fund will eliminate this deficit.

The deficits in the Capital Project funds relate to capital projects that have incurred expenditures but have not received final financing. The TIF District deficits are due to the timing of tax increments and project costs for the district. Tax increment revenue collected in future years will eliminate these deficits. All funds are expected to recover their deficits.

The deficit in the Par 30 Golf is from ongoing operations. Revenue from future operations is expected to eliminate this deficit.

Note 3 Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide statement of net position as "cash and investments".

Deposits, investments, petty cash and change funds are reported on the City's financial statements as follows:

Statement of Net Position - Government-Wide	
Cash and Investments	$16,588,719
Restricted Cash and Investments	18,682,099
	35,270,818
Statement of Net Position - Fiduciary Funds	
Cash and Cash Equivalents	342,420
Total Cash and Investments	$35,613,238

A) Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – Is the risk that in the event of bank failure, the City's deposits may be lost and not recovered.

Minnesota Statutes require that federal deposit insurance, corporate surety bond or collateral protect all deposits. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds. Authorized collateral includes the legal investments described below under "credit risk", as well as; certain first mortgage notes and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. The City's investment policies do not further address limiting exposure to custodial credit risk for deposits.

At year-end, the carrying amount of the City's deposits was $2,403,084, while the balance on the bank records was $4,318,073. At December 31, 2018, all deposits were insured, or collateralized by securities held by the City's agent in the City's name.

B) Investments

The City has the following investments at year-end:

	Credit Risk		Fair Value Measurements	Interest Risk - Maturity Duration in Years			
Investment Type	Rating	Agency	Using	Less Than 1	1 to 5	More than 5	Total
U.S. Treasury Securities	N/R	N/R	Level 1	$ 944,374	$ -	$ -	$ 944,374
U.S. Treasury Securities	N/R	N/R	Level 2	794,464	-	-	794,464
U.S. Government Agencies	AAA	Moody	Level 2	423,665	-	-	423,665
U.S. Government Agencies	AA	S&P	Level 2	2,741,704	7,925,245	-	10,666,949
State and Local Bonds	AA	S&P	Level 2	-	495,745	-	495,745
Commercial Paper	A-1	S&P	Level 2	2,681,925	-	-	2,681,925
Investments in Mutual Funds & Money Markets							
First American Treasury Obligations	AAAm	S&P	Level 2	N/A	N/A	N/A	521
100% Treasury MM Fund	AAAm	S&P	Level 1	N/A	N/A	N/A	3,278,900
Minnesota Municipal MM Fund	N/R	N/R	N/A	N/A	N/A	N/A	13,918,711
Total Investments:				$ 7,586,132	$ 8,420,990	$ -	33,205,254
						Total Deposits	2,403,084
						Petty Cash and Change Funds	4,900
						Total Deposits and Investments	$ 35,613,238

N/A - Not Applicable
N/R - Not Rated

The Minnesota Municipal Money Market Fund (the 4M Fund) is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is a customized cash management program for Minnesota public funds. It is also, sponsored and governed by the League of Minnesota Cities since 1987. Allowable under Minnesota Statutes, the 4M Fund is comprised of top quality, rated investments.

The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC): however, it follows the same regulatory rules of the SEC. The reported value of the pool is the same as the fair value of the pool share. The City's investment in this fund is measured at amortized cost. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the Liquid Class; the redemption notice period is 14 days for the Plus Class.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not address limiting exposure to custodial credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the Unites States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City's investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the City's investment (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy does not limit the concentration of investments.

At year-end, the City had more than 5.0 percent of its investments in the following:

Issuer	Percent	Amount
Federal Home Loan Mortgage Corporation	12.8%	$ 4,253,775
Federal Home Loan Banks	11.1%	$ 3,671,470
Federal National Mortgage Association	9.5%	$ 3,165,369
U.S. Bank Commercial Paper	8.1%	$ 2,681,925

Interest Rate Risk - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policy does not limit the duration of investments.

Note 4 Capital Assets

Capital asset activity for Governmental and Business-Type activities for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Reclass & Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 51,768,931	$ 962,832	$ (1,148,498)	$ -	$ 51,583,265
Works of Art/Treasures	105,027	-	-	-	105,027
Construction In Progress	11,921,291	11,586,080	(504,944)	(701,988)	22,300,439
Total capital assets, not being depreciated:	63,795,249	12,548,912	(1,653,442)	(701,988)	73,988,731
Capital assets, being depreciated:					
Buildings	9,865,909	135,029	-	-	10,000,938
Other Improvements	20,724,509	25,995	-	-	20,750,504
Furniture & Equipment	10,175,544	466,693	(399,831)	934,261	11,176,667
Infrastructure	158,073,874	3,405,377	-	656,642	162,135,893
Total capital assets being depreciated:	198,839,836	4,033,094	(399,831)	1,590,903	204,064,002
Less accumulated depreciation for:					
Buildings	(7,267,774)	(316,535)	-	-	(7,584,309)
Other Improvements	(8,124,878)	(659,304)	-	-	(8,784,182)
Furniture & Equipment	(6,624,931)	(638,802)	399,831	(232,273)	(7,096,175)
Infrastructure	(60,718,326)	(5,417,482)	-	(221,052)	(66,356,860)
Total accumulated depreciation:	(82,735,909)	(7,032,123)	399,831	(453,325)	(89,821,526)
Total capital assets, being depreciated, net:	116,103,927	(2,999,029)	-	1,137,578	114,242,476
Governmental activities capital assets, net:	$ 179,899,176	$ 9,549,883	$ (1,653,442)	$ 435,590	$ 188,231,207

	Beginning Balance	Increases	Decreases	Reclass & Transfers	Ending Balance
Business-Type Activities					
Capital assets, not being depreciated:					
Land	$ 1,231,421	$ -	$ -	$ -	$ 1,231,421
Construction In Progress	2,996,622	3,386,295	-	(614,765)	5,768,152
Total capital assets, not being depreciated:	4,228,043	3,386,295	-	(614,765)	6,999,573
Capital assets, being depreciated:					
Buildings	72,722,135	-	-	-	72,722,135
Other Improvements	2,133,359	78,186	(6,170)	-	2,205,375
Furniture & Equipment	10,318,560	846,124	(182,771)	(127,221)	10,854,692
Infrastructure	36,011,966	422,108	-	(146,929)	36,287,145
Total capital assets, being depreciated:	121,186,020	1,346,418	(188,941)	(274,150)	122,069,347
Less accumulated depreciation for:					
Buildings	(34,421,630)	(2,140,493)	-	-	(36,562,123)
Other Improvements	(998,032)	(132,461)	6,170	-	(1,124,323)
Furniture & Equipment	(5,609,311)	(570,191)	180,669	232,273	(5,766,560)
Infrastructure	(14,916,481)	(1,215,251)	-	221,052	(15,910,680)
Total accumulated depreciation:	(55,945,454)	(4,058,396)	186,839	453,325	(59,363,686)
Total capital assets, being depreciated, net:	65,240,566	(2,711,978)	(2,102)	179,175	62,705,661
Business-type activities capital assets, net:	$ 69,468,609	$ 674,317	$ (2,102)	$ (435,590)	$ 69,705,234

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activites	
General Government	$ 329,462
Economic Development	7,970
Public Safety	339,931
Public Works	5,737,860
Parks, Recreation and Arts	616,900
Total Depreciation Expense - Governmental Activities:	$ 7,032,123

Business-Type Activities	
Electric	$ 1,131,126
Water	791,340
Community Center	729,338
Chaska Curling Center	628,587
Sewer	112,330
Chaska Par 30	3,940
Chaska Town Course	453,363
Internet Service Provider	35,505
Storm Water	172,867
Total Depreciation Expense - Business-Type Activities:	$ 4,058,396

Note 5 Lease Receivable Agreements

A) Turbine Generator Lease

The City of Chaska has entered into a Lease Receivable Agreement with the Minnesota Municipal Power Agency (MMPA) in which the City agrees to sell MMPA the peaking power and peaking power capacity of the City's gas turbine generator for a thirty-year period, commencing May 1, 2001. MMPA receives the sole right to operate the facility and to use the power generated from such operation for the term of the agreement. MMPA is responsible for all expenses of operating and maintaining the facility for this period, with the exception of insurance, which is to be purchased by the City. Under the agreement, MMPA will pay the City an amount representing the total cost to the City of constructing the facility plus a predetermined rate of return and interest. The payments are to be made in equal monthly installments over the thirty-year term of the agreement. The total project costs to the City for the constructing of the facility was $29,144,986. The total lease principal after adjusting for issuance costs and interest earnings is $28,468,092.

Under the agreement, the City retains ownership of the facility. In the event the facility is destroyed or damaged to the point of being unusable before the end of the agreement, the City would be indemnified by MMPA for any costs in excess of insurance of retiring any remaining debt incurred to build the facility.

A second agreement between the two parties gives MMPA the annual option to continue this agreement for an additional twenty-year period, commencing May 1, 2031. The agreement calls for annual payments of $500,000 to be made in equal monthly installments. MMPA will have the annual option to cancel the agreement for any of the twenty additional years by giving the City ninety days written notice in advance of May 1st of the year the option will not be exercised.

Annual lease payments through April 1, 2031 are as follows:

Year Ending December 31,	Lease Receivable Principal	Lease Receivable Interest
2019	$ 903,266	$ 1,582,918
2020	983,683	1,502,501
2021	1,071,261	1,414,923
2022	1,166,635	1,319,549
2023	1,270,501	1,215,683
2024-2028	8,264,539	4,166,381
2029-2031	5,241,664	559,432
Total:	$ 18,901,549	$ 11,761,387

B) Recovery Center Lease

In 2017, the Chaska Economic Development Authority (EDA) entered into a lease agreement with Five Star Recovery Center. The leased property is a historic single-family home, owned by the City/Chaska EDA. The term of the lease is sixty months commencing May 1, 2017.

Annual lease payments through 2022 are as follows:

Year Ending December 31,	Lease Receivable Principal
2019	$ 27,859
2020	31,241
2021	32,179
2022	8,104
Total:	$ 99,383

Note 6 Long-Term Liabilities

Long-term liabilities for the year ended December 31, 2018 are as follows:

Governmental Activities	Beginning Balance	Change in Accounting Principle *	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:						
General Obligation Bonds:						
Equipment Certificates	$ 2,605,000	$ -	$ -	$ (100,000)	$ 2,505,000	$ 265,000
General Obligation Bonds	1,635,000	-	-	(200,000)	1,435,000	205,000
Tax Increment Bonds	1,220,000	-	-	(95,000)	1,125,000	515,000
Abatement Bonds	2,430,000	-	-	(10,000)	2,420,000	130,000
Improvement Bonds	30,995,000	-	-	(2,215,000)	28,780,000	3,175,000
EDA Lease Revenue Bonds	9,815,000	-	-	(270,000)	9,545,000	275,000
Plus: Premium	2,785,053	-	-	(198,012)	2,587,041	-
Total Bonds Payable:	51,485,053	-	-	(3,088,012)	48,397,041	4,565,000
Notes Payable:						
Promissory Note Payable	107,998	-	-	(11,859)	96,139	12,443
Compensated Absences	908,494	-	807,293	(705,181)	1,010,606	690,203
Total OPEB Liability	512,711	291,757	79,660	(29,092)	855,036	-
Net Pension Liability	7,635,322	-	764,923	(2,157,097)	6,243,148	-
Governmental Activity Long-term Liabilities:	$60,649,578	$ 291,757	$ 1,651,876	$ (5,991,241)	$56,601,970	$ 5,267,646
Business-type Activities						
Bonds Payable:						
General Obligation Revenue Bonds	$15,820,000	$ -	$ -	$ (720,000)	$15,100,000	$ 795,000
Revenue Bonds	29,440,000	-	-	(1,535,000)	27,905,000	1,615,000
EDA Lease Revenue Bonds	22,575,000	-	-	(3,430,000)	19,145,000	1,310,000
Plus: Premium	3,572,665	-	-	(266,773)	3,305,892	-
Total Bonds Payable:	71,407,665	-	-	(5,951,773)	65,455,892	3,720,000
Leases Payable:						
Capital Lease Payable	-	-	183,475	(37,904)	145,571	40,250
Compensated absences	496,484	-	398,767	(333,211)	562,040	350,298
Total OPEB Liability	218,260	123,564	33,738	(12,321)	363,241	-
Net Pension Liability	4,368,550	-	368,047	(840,801)	3,895,796	-
Business-type Activity Long-term Liabilities:	$76,490,959	$ 123,564	$ 984,027	$ (7,176,010)	$70,422,540	$ 4,110,548

* The amounts in this column reflect only a portion of the change in accounting principle described earlier in these notes.

For the Governmental Activities, compensated absences, other post-employment benefits and net pension liabilities are generally liquidated by the General fund. In business-type activities, compensated absences, other post-employment benefits and net pension liabilities are liquidated within the respective Enterprise fund.

Bonds Payable:

The City issues general obligation bonds to provide funds for the construction of capital projects and acquisition of equipment. General obligation bonds have been issued for both governmental and business-type activities.

General obligation debt is supported by the "full faith and credit" of the City including tax increment and improvement bond issues. Bonds in the governmental activities will be repaid by future property tax levies, tax increments or special assessments accumulated in the specific debt service funds. In the event that a deficiency exists because of unpaid or delinquent tax increment or special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. Bonds in the business-type activities will be repaid with the net revenues of the utility issuing the bonds. In the event that a deficiency exists at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available.

The City of Chaska and the Chaska Economic Development Authority (EDA) also issue revenue bonds. Revenue bonds are supported by income derived from lease agreements or specific fee revenues to pay for debt service.

Bonds outstanding for the year ended December 31, 2018 are as follows:

Governmental Activities	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2018
Bonds Payable					
General Obligation Bonds					
Equipment Certificates					
G.O. Equipment Certificates, Series 2013C	08/15/13	02/01/23	0.90-3.10%	$ 915,000	$ 545,000
G.O. Equipment Certificates, Series 2017B	11/29/17	02/01/27	5.00%	1,960,000	1,960,000
Total Equipment Certificates				2,875,000	2,505,000
General Obligation Bonds					
G.O. Bonds, Series 2011B	09/15/11	02/01/27	2.00-3.25%	3,455,000	1,435,000
Tax Increment Bonds					
G.O. Taxable TI Bonds, Series 2008E	11/15/08	02/01/19	6.25-7.50%	565,000	440,000
G.O. Taxable TI Cross-over Refunding Bonds, Series 2013B	08/15/13	12/01/21	2.00-2.75%	580,000	225,000
G.O. Taxable Cross-over Refunding Bonds, Series 2017D	12/27/17	02/01/31	3.00-3.50%	460,000	460,000
Total Tax Increment Bonds				1,605,000	1,125,000
Taxable Abatement Bonds					
G.O. Taxable Abatement Bonds, Series 2010D	09/15/10	02/01/33	4.00-5.25%	405,000	385,000
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/39	1.70-3.45%	2,035,000	2,035,000
Total Taxable Abatement Bonds				2,440,000	2,420,000
Improvement Bonds					
G.O. Improvement Bonds, Series 2008C	11/15/08	02/01/19	3.00-5.13%	3,645,000	1,190,000
G.O. Improvement Bonds, Series 2010A	07/01/10	02/01/31	2.00-4.00%	3,220,000	1,430,000
G.O. Improvement Bonds, Series 2010C	09/15/10	02/01/33	2.00-3.75%	2,180,000	1,570,000
G.O. Improvement Bonds, Series 2012A	08/15/12	02/01/28	2.00-2.40%	2,430,000	1,655,000
G.O. Improvement Bonds, Series 2013A	08/15/13	02/01/35	2.00-4.00%	3,330,000	2,760,000
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/30	0.70-3.00%	5,785,000	4,420,000
G.O. Improvement Bonds, Series 2015B	08/15/15	02/01/31	3.00-5.00%	5,940,000	5,445,000
G.O. Improvement Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	6,875,000	6,875,000
G.O. Improvement Refunding, Series 2009B	10/01/09	12/01/20	2.00-3.00%	1,995,000	215,000
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	4,675,000	2,225,000
G.O. Cross-over Refunding, Series 2017E	12/27/17	02/01/29	2.01-2.87%	995,000	995,000
Total Improvement Bonds				41,070,000	28,780,000
EDA Lease Revenue Bonds					
Lease Revenue Bonds, Series 2015B	04/15/15	02/01/35	2.00-4.00%	9,000,000	8,660,000
Lease Revenue Bonds, Series 2015D	12/30/15	02/01/26	2.00-4.00%	1,085,000	885,000
Total EDA Lease Revenue Bonds				10,085,000	9,545,000
Premium				3,201,141	2,587,041
Total Bonds Payable - Governmental Activities				$64,731,141	$48,397,041

Business-type Activities	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2018
Bonds Payable					
General Obligation Revenue Bonds					
G.O. Water Revenue Partial Advance Refunding Bonds, Series 2009A	10/01/09	12/01/22	2.00-3.25%	$ 1,495,000	$ 555,000
G.O. Water Revenue Refunding Bonds, Series 2011A	09/15/11	12/01/32	2.00-4.00%	11,435,000	9,055,000
G.O. Utility Revenue Bonds, Series 2015C	12/30/15	02/01/36	2.00-4.00%	5,170,000	4,755,000
G.O. Utility Revenue Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	735,000	735,000
Total General Obligation Revenue Bonds				18,835,000	15,100,000
Revenue Bonds					
Electric Utility Revenue Bonds, Series 2011D	12/22/11	10/01/31	2.00-3.65%	3,535,000	2,480,000
Electric Revenue Refunding Bonds, Series 2015A	10/01/15	10/01/30	2.00-5.00%	21,760,000	18,440,000
Electric Utility Revenue Bonds, Series 2017A	09/06/17	10/01/37	2.25-4.00%	7,220,000	6,985,000
Total Revenue Bonds				32,515,000	27,905,000
EDA Lease Revenue Bonds					
Lease Revenue and Limited Tax Bonds, Series 2013A	07/18/13	12/01/33	2.00-4.00%	3,850,000	3,070,000
Taxable Lease Revenue Bonds, Series 2015A	04/15/15	02/01/35	1.22-4.40%	12,855,000	11,315,000
Taxable Lease Revenue Bonds, Series 2015C	12/30/15	02/01/31	1.53-4.57%	3,410,000	3,045,000
Lease Revenue Refunding Bonds, Series 2017A	12/27/17	12/01/27	2.00-4.00%	1,880,000	1,715,000
Total EDA Lease Revenue Bonds				24,895,000	19,145,000
Premium				4,134,703	3,305,892
Total Bonds Payable - Business-type Activities				$80,379,703	$65,455,892

General Obligation Bonds:

The City issues the following types of general obligation bonds:

- Equipment certificates provide funding for the acquisition of equipment and vehicles for various departments.
- G.O. bonds provide financing for various infrastructure improvement projects.
- Tax Increment bonds provide financing for the construction of streets and utilities and the acquisition of property for business development.
- Taxable abatement bonds provide financing for the City's Housing Improvement Areas and Tax Abatement programs.
- Improvement bonds provide financing for construction projects such as streets, infrastructure and utilities.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities: G.O. Equipment Certificates Principal	G.O. Equipment Certificates Interest	G.O. Bonds Principal	G.O. Bonds Interest	G.O. Tax Increment Bonds Principal	G.O. Tax Increment Bonds Interest	G.O. Abatement Bonds Principal	G.O. Abatement Bonds Interest	G.O. Improvement Bonds Principal	G.O. Improvement Bonds Interest
2019	$ 265,000	$ 107,075	$ 205,000	$ 40,375	$ 515,000	$ 36,875	$ 130,000	$ 70,130	$ 3,175,000	$ 933,793
2020	295,000	95,989	215,000	34,587	110,000	18,438	145,000	67,495	2,125,000	840,003
2021	305,000	83,700	215,000	28,138	110,000	15,512	155,000	64,415	2,000,000	771,463
2022	315,000	70,730	215,000	21,688	35,000	12,400	155,000	60,980	1,925,000	706,990
2023	335,000	56,782	110,000	16,813	35,000	11,350	165,000	57,179	1,970,000	642,192
2024 - 2028	990,000	102,000	475,000	31,469	190,000	39,163	900,000	213,725	10,690,000	2,079,161
2029 - 2033	-	-	-	-	130,000	6,825	680,000	70,459	6,395,000	522,250
2034 - 2038	-	-	-	-	-	-	75,000	9,056	500,000	35,956
2039	-	-	-	-	-	-	15,000	259	-	-
Total:	$ 2,505,000	$ 516,276	$ 1,435,000	$ 173,069	$ 1,125,000	$ 140,563	$ 2,420,000	$ 613,698	$28,780,000	$6,531,808

General Obligation Revenue Bonds:

G.O. Revenue bonds are issued by the City to construct or expand utility systems. Bonds will be repaid with the net revenues of the Water, Sewer and Storm Water Utilities.

Annual debt service requirements to maturity are as follows:

Year Ending	Business-type Activities G.O. Revenue Bonds	
December 31	Principal	Interest
2019	$ 795,000	$ 492,413
2020	830,000	470,137
2021	890,000	446,938
2022	935,000	416,537
2023	815,000	389,763
2024 - 2028	4,690,000	1,535,163
2029 - 2033	4,930,000	641,444
2034 - 2038	1,215,000	66,106
Total:	$ 15,100,000	$ 4,458,501

Revenue Bonds:

Revenue bonds issued by the City are supported by income derived from specific fee revenues to pay for debt service. These Electric Revenue Bonds will be repaid with net revenues of the Electric Utility and lease revenue in the Turbine Generator fund.

Annual debt service requirements to maturity are as follows:

Year Ending	Business-type Activities Revenue Bonds	
December 31	Principal	Interest
2019	$ 1,615,000	$ 1,195,295
2020	1,650,000	1,157,795
2021	1,720,000	1,082,395
2022	1,805,000	1,003,485
2023	1,885,000	920,265
2024 - 2028	10,850,000	3,201,095
2029 - 2033	6,540,000	800,783
2034 - 2037	1,840,000	139,950
Total:	$ 27,905,000	$ 9,501,063

Notes to the Financial Statements

City of Chaska, Minnesota For the Year Ended December 31, 2018

EDA Lease Revenue Bonds:

EDA Lease revenue bonds are supported by income derived from lease agreements.

Annual debt service requirements to maturity are as follows:

Year Ending	Governmental Activities EDA Lease Revenue Bonds		Business-type Activities EDA Lease Revenue Bonds	
December 31	Principal	Interest	Principal	Interest
2019	$ 275,000	$ 359,100	$ 1,310,000	$ 656,240
2020	280,000	353,050	1,340,000	626,666
2021	290,000	345,400	1,380,000	589,580
2022	300,000	336,550	1,405,000	548,507
2023	305,000	326,925	1,455,000	504,309
2024 - 2028	2,670,000	1,391,000	6,245,000	1,820,973
2029 - 2033	3,720,000	724,800	4,755,000	781,373
2034 - 2035	1,705,000	68,900	1,255,000	55,770
Total:	$ 9,545,000	$ 3,905,725	$ 19,145,000	$ 5,583,418

Revenue Pledged:

Future revenue pledged for the payment of long-term debt (revenue bonds) is as follows:

		Revenue Pledged				Current Year	
Bond Issue - Revenue Bonds	Useof Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
GO Water Revenue Bonds:	Water Treatment Plant and Water Systems						$ 2,861,416
Series 2009A Refunding Bonds	Partial Refund 2003 Bonds	Utility Charges	100%	2009 - 2022	$ 600,150	$ 140,975	
Series 2011A Refunding Bonds	Refund 2003 Bonds	Utility Charges	100%	2011 - 2032	11,761,419	710,038	
GO Utility Revenue Bonds:	Water, Sanitary Sewer and Storm Water						8,232,503
Series 2015C	Utility System Improvements	Utility Charges	100%	2015 - 2036	6,170,488	353,038	
Series 2017B	Utility System Improvements	Utility Charges	100%	2017 - 2038	1,026,444	19,032	
Electric Revenue Bonds:	Electric Utility Systems and Generating Facilities						
Series 2015A Refunding Bonds	Refund 2000 & 2005 Bonds - Turbine Generator	Lease Revenue	100%	2015 - 2030	24,915,150	2,071,750	1,650,846
Electric Utility Revenue Bonds							41,193,202
Series 2011D	Electric System Improvements	Utility Charges	100%	2011 - 2031	3,084,213	237,970	
Series 2017A	Electric System Improvements	Utility Charges	100%	2017 - 2037	9,406,700	493,191	
EDA Lease Revenue Bonds:							
	Community Center Additions and Improvments						3,085,972
Series 2013A	Ice Arena & Pool Improvements	Lease Revenue	100%	2013 - 2033	4,043,517	266,995	
Series 2017A Refunding Bonds	Refund 2007A Bonds	Lease Revenue	100%	2017 - 2027	2,008,700	220,945	
Taxable Lease Revenue Bonds 2015	Curling Center, Event Center and Restaurant						1,299,997
Series 2015A	Building Construction	Lease Revenue	100%	2015 - 2035	14,739,403	1,171,467	
Series 2015C	Furniture, Fixtures & Equipment	Lease Revenue	100%	2015 - 2031	3,936,798	307,922	
Lease Revenue Bonds 2015	Firemen's Park Improvements						637,113
Series 2015B	Park Construction	Lease Revenue	100%	2015 - 2035	12,427,000	503,300	
Series 2015D	Fixtures and Equipment	Lease Revenue	100%	2015 - 2026	1,023,725	131,250	

Arbitrage Rebate:

The Tax Reform Act of 1986 requires governmental entities to pay the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. In the option of management, any obligation would be immaterial.

Notes Payable:

The Chaska Economic Development Authority (EDA) is liable for a promissory note related to a Chaska EDA owned property. The annual note payments are offset by lease revenue collected from the current tenant. This note is paid by the Chaska EDA fund.

Promissory Note outstanding for the year ended December 31, 2018 is as follows:

	Issue Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding 12/31/2018
Governmental Activities:					
Promissory Note Payable	11/21/16	11/15/21	4.75%	$ 120,319	$ 96,139

Promissory note requirements to maturity are as follows:

Year Ending December 31	Governmental Activities Principal	Interest
2019	$ 12,443	$ 4,357
2020	13,044	3,756
2021	70,652	2,872
Total:	$ 96,139	$ 10,985

Capital Leases Payable:

The City entered into a new lease for the acquisition of fitness equipment for the Chaska Community Center. The lease agreement qualifies as a capital lease and has been recorded at the present value of the minimum lease payments. The equipment was not capitalized by the City as the equipment was below the City's capitalization threshold.

Capital Lease outstanding for the year ended December 31, 2018 is as follows:

	Issue Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding 12/31/2018
Business-type Activities:					
Capital Lease Payable	03/15/18	02/15/22	6.57%	$ 183,475	$ 145,571

Notes to the Financial Statements

City of Chaska, Minnesota — For the Year Ended December 31, 2018

The future minimum lease obligation and the net present value of these minimum lease payments are as follows:

Year Ending, December 31	Business-type Activities
2019	$ 47,927
2020	52,284
2021	52,284
2022	8,714
Total Minimum Lease Payments	161,210
Less: Amount Representing Interest	(15,639)
Present Value of Minimum Lease Payments	$ 145,571

Tax Abatements:

The City implemented a Business Incentive Policy (in accordance with Minnesota Statutes, Sections 116J.993 to 116J.995) to assist developers with solutions that increase employment opportunities, improve and develop facilities in the City and increase the availability of essential services. Under this policy, the City provides tax abatements (in accordance with Minnesota Statutes, Section 469.1813, subdivision 8) for up to three times a new developer's total property taxes. The City has seven agreements that could be considered tax abatements under GASB #77 as of December 31, 2018.

- In 2013, the City entered into a development agreement with Ridgeview Two Twelve North Addition, LLC to aid with the construction of an expansion to an existing medical building. The expansion creates employment opportunities, increases resident access to vital services, and increases the tax base of the City. The City assistance helped cover reimbursable costs, including soil correction, architectural enhancement, and fire safety. The maximum assistance is $777,926. The City's obligation is terminated after the earlier of 20 years of payments or once the Developer has been paid $777,926 in tax abatement payments. The City has rebated a total of $91,136, including $31,357 in 2018.

- In 2013, the City entered into a development agreement with IP Stream Minneapolis, LLC to aid with the construction of a data center. This new construction developed an underutilized site, creates employment opportunities, and increases the tax base of the City. The City assistance helped cover reimbursable costs, including site acquisition and site improvements. The maximum assistance is $1,228,500. The City's obligation is terminated after the earlier of 20 years of payments or once the Developer has been paid $1,228,500 in tax abatement payments. The City has rebated a total of $50,499, including $20,936 in 2018.

- In 2014, the City entered into a development agreement with Lucrum Properties, LLC to aid with the expansion of an existing manufacturing facility. The expansion of this high-quality business creates employment opportunities and increases the tax base of the City. The City assistance will help cover reimbursable costs, including storm water and grading improvements, permit fees, development charges, and parking lot improvements. The maximum assistance is $144,699. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid $144,699 in tax abatement payments. The City has rebated a total of $18,086, including $13,055 in 2018.

- In 2015, the City entered into a development agreement with Lifecore Biomedical, LLC to aid with the expansion of their existing facilities. The expansion of this high-quality business maximized the use of an underutilized site and increases the tax base of the City. The City assistance will help cover reimbursable costs, including site preparation and grading. The maximum assistance is $144,623. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid $144,623 in tax abatement payments. The City has rebated a total of $4,104, all in 2018.

- In 2016, the City entered into a development agreement with U.S. Bank National Association, to aid with the construction of a new data center. This new construction developed an underutilized site, creates employment opportunities, and increases the tax base, generating substantial revenue for the City. The City assistance will help cover reimbursable costs, including a portion of the construction costs. The maximum assistance is $548,000. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid $548,000 in tax abatement payments. The first tax abatement payment is scheduled for payment in 2019.

- In 2017, the City of Chaska entered into a development agreement with MSP/Chaska Medical, LLC to aid with construction of a medical office building. This new construction increases the City's tax base, creates employment opportunities, and encourages economic development in its vicinity. The City agreed to reimburse the Developer for eligible construction costs from the proceeds of an interfund loan to the Developer in an amount not to exceed $280,000 with interest at 3.5 percent per annum. Tax abatement on the property will be used to repay the loan. The loan will terminate the earlier of December 31, 2039 or when the City has received tax abatements in excess of an amount sufficient to repay the principal amount of the loan plus accrued interest. The City advanced $280,000 to MSP/Chaska Medical, LLC in 2018. Loan repayments will commence in 2019.

- In 2018, the City of Chaska entered into a development agreement with 3919 Bavaria Road, LLC to aid with construction of a facility for weddings, events, and recreational activities. This new construction increases the City's tax base, creates employment opportunities, and encourages economic development. The City agreed to reimburse the Developer for eligible construction costs. The City assistance will help cover reimbursable costs, including a portion of the construction costs. The maximum assistance is $630,000. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid $630,000 in tax abatement payments. The first tax abatement payment is scheduled for payment in 2019.

Tax Increment Pay-As-You-Go Financing Revenue Notes:

The Chaska Economic Development Authority (EDA) has entered into private development agreements to facilitate the financing of certain projects established by the Chaska Housing and Redevelopment Authority (pursuant to Minnesota Statutes, Sections 469.001 to 469.047). The costs of these projects are financed using tax increment generated from established tax increment financing districts (pursuant to Minnesota Statutes, Sections 469.174 to 469.179). As of December 31, 2018, the Chaska Economic Development Authority has five agreements considered Tax Increment Pay-As-You-Go Financing Revenue Notes under GASB #77. The amounts have not been included in long-term debt because of the nature of the notes in that repayment is required only if sufficient tax increments are received. The note and any outstanding balance is cancelled at the end of the agreement term, whether they have been repaid. The City's position is that these are obligations to assign future and uncertain revenue sources and as such, is not actual debt in substance.

- In 2002, the Chaska EDA entered into a development agreement with Chaska Place Apartments at 6.5 percent interest with payments due through 2024. The City rebated $210,473 in 2018. The outstanding balance as of December 31, 2018 is $1,268,026.

- In 2007, the Chaska EDA entered into a development agreement with Clover Field Sinclair Limited Partnership at 5.65 percent interest with payments due through 2029. The City rebated $143,741 in 2018. The outstanding balance as of December 31, 2018 is $4,056,624.

- In 2004, the Chaska EDA entered into a development agreement with City Square, LLC at a simple non-compounding interest rate of 5 percent with payments due through 2031. The City did not rebate in 2018. The outstanding balance as of December 31, 2018 is $147,026.

- In 2015, the Chaska EDA entered into a development agreement with Chaska Heights Senior Living, LLC at a simple non-compounding interest rate of 3.25 percent with payments due through 2044. The City rebated $101,589 in 2018. The outstanding balance as of December 31, 2018 is $3,074,638.

- In 2016, the Chaska EDA entered into a development agreement with Creek's Run Phase II, LLC at a simple non-compounding interest rate of 4.5 percent with payments due through 2036. The City rebated $3,504 in 2018. The outstanding balance as of December 31, 2018 is $257,648.

Conduit Debt:

From time to time, the City has issued Industrial Revenue Bonds (IRBs) and Housing Revenue Bonds (HRBs) (Collectively the "Revenue Bonds") to provide financial assistance to private-sector entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The Revenue Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Revenue Bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds, excluding the bonds mentioned below. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2018, there were six series of IRBs outstanding. The aggregate principal amount payable for the three series issued after July 1, 1995, was $4,946,201. The aggregate principal amount payable for the three series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled $9,625,000.

As of December 31, 2018, there were five series of HRBs outstanding. The aggregate principal amounts payable for the three series issued after July 1, 1995 was $7,985,000. The aggregate principal amount payable for the two series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled $6,260,000.

The outstanding HRB balance includes one issue that is backed by the full faith and credit of the City. In 2010, the Carver County Housing and Redevelopment Authority issued $2,850,000 in Housing Development Revenue Bonds. (These bonds refunded the $2,695,691 Housing Revenue Bonds of 2000). This issue is secured by housing revenues and, if not so paid, by a tax levy. The bonds are secured by a general obligation pledge of the City.

Note 7 Interfund Receivables, Payables and Transfers

The compositions of interfund balances as of December 31, 2018 are as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental	Nonmajor Governmental	$ 1,140,000
Nonmajor Governmental	Public Improvement Projects	3,780,000
Internal Service Fund	Public Improvement Projects	410,000
Internal Service Fund	Curling Center	4,720,000
Electric	Public Improvement Projects	850,000
Water	Public Improvement Projects	650,000
Water	Community Center	1,400,000
Turbine Generator	Public Improvement Projects	300,000
Turbine Generator	Community Center	215,000
Nonmajor Enterprise	Community Center	600,000
Nonmajor Enterprise	Public Improvement Projects	350,000
Nonmajor Enterprise	Nonmajor Enterprise	100,000
Nonmajor Enterprise	Nonmajor Governmental	310,348
Fiduciary	Fiduciary	5,149
Total:		$14,830,497

The $14,830,497 in Due To/Due From Other Funds eliminate temporary cash deficits in the respective funds.

Notes to the Financial Statements

City of Chaska, Minnesota — For the Year Ended December 31, 2018

Interfund Receivables/Payables And Advances To/From Other Funds:

Receivable Fund	Payable Fund	Interfund Receivables/ Payables	Advances To/From	Total	Purpose
Electric	Nonmajor Governmental	$ -	$ 1,966,747	$ 1,966,747	1
Electric	Nonmajor Governmental	-	234,463	234,463	2
Turbine Generator	Electric	51,560	820,271	871,831	3
Nonmajor Governmental	Nonmajor Governmental	2,169,131	-	2,169,131	4
Nonmajor Governmental	Water	11,630	131,370	143,000	5
Nonmajor Governmental	Nonmajor Enterprise	147,779	988,570	1,136,349	6
Total:		$ 2,380,100	$ 4,141,421	$ 6,521,521	

Explanation of Interfund Receivables/Payables and Advances To/From Other Funds:

(1) This 2007 loan from the Electric fund provides interim financing for TIF District #14 project costs. Repayment of the outstanding balance of $1,966,747 will be made from tax increment generated by the district as it becomes available.
(2) This interfund loan from the Electric fund provides interim financing to TIF District #17 for project costs. Repayment of the outstanding balance of $234,463 will be made from tax increment generated by the district as it becomes available.
(3) This interfund loan between the Electric fund and the Turbine Generator fund was made in 2001 to finance a substation. Of the $871,831 due at year end, $51,560 is due in one year.
(4) These loans eliminate what would have been negative cash in TIF District funds. Repayment of the outstanding balance of $2,169,131 will be made from tax increment generated by the districts as it becomes available.
(5) This interfund loan from the Equipment Acquisition fund to the Water fund is for a shared water/sewer equipment purchase. Of the $143,000 due at year end, $11,630 is due in one year.
(6) These interfund loans are from the Equipment Acquisition fund to the following funds:
- Sewer fund - $143,000 loan balance for shared water/sewer equipment purchases with $11,630 due in one year.
- Town Course fund - $649,348 loan balance for golf equipment purchases with $83,816 due in one year.
- Storm Water - $344,001 for equipment purchases with $52,333 due in one year.

	Transfers In							
	Governmental Funds			Enterprise Funds				
Transfers Out	General Fund	Public Improvement Projects	Nonmajor	Water	Community Center	Curling Center	Nonmajor	Total
General Fund	$ -	$ -	$ 128,000	$ -	$ -	$ -	$ -	$ 128,000
Nonmajor Governmental	-	64,911	2,570,633	466,964	-	1,594,230	427,467	5,124,205
Electric	-	-	911,600	-	432,000	-	32,209	1,375,809
Water	-	-	55,800	-	-	-	10,700	66,500
Nonmajor Enterprise	-	400	315,800	-	-	-	10,700	326,900
Internal Service Fund	250,000	-	-	-	-	-	-	250,000
Total:	$ 250,000	$ 65,311	$ 3,981,833	$ 466,964	$ 432,000	$ 1,594,230	$ 481,076	$ 7,271,414

Explanation of Transfers:

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 Fund Balance

A summary of the governmental fund balance classifications as of December 31, 2018 are as follows:

	General	Public Improvement Projects	Nonmajor Governmental	Totals
Restricted for:				
Mt. Pleasant Cemetery Care	$ -	$ -	$ 1,308	$ 1,308
Housing Loan Program	-	-	13,183	13,183
Job Creation	-	-	1,765	1,765
Debt Requirements	-	-	9,086,250	9,086,250
Economic Development	-	-	1,329,325	1,329,325
Unspent Bond Proceeds	-	208,021	72,793	280,814
Total Restricted Fund Balances	-	208,021	10,504,624	10,712,645
Committed to:				
Compensated Absences	1,010,606	-	-	1,010,606
Mt. Pleasant Cemetery Care	-	-	244,420	244,420
Economic Development	-	-	77,347	77,347
Concerts in the Park	-	-	362	362
Capital Equipment	-	-	287,338	287,338
Street Improvement Program	-	-	3,137,484	3,137,484
Total Committed Fund Balances	1,010,606	-	3,746,951	4,757,557
Assigned to:				
Mt. Pleasant Cemetery Care	-	-	11,975	11,975
Concerts in the Park	-	-	249	249
Capital Equipment	-	-	1,619,172	1,619,172
Park Improvements	-	-	537,071	537,071
Community Fund Projects	-	-	356,432	356,432
Southwest Chaska Improvements	-	-	731,899	731,899
Housing Improvement	-	-	414,414	414,414
Abatement Programs	-	-	7,662	7,662
Capital Improvements	-	-	4,332,952	4,332,952
Total Assigned Fund Balances	-	-	8,011,826	8,011,826
Unassigned	1,078,348	(7,169,889)	(9,009,277)	(15,100,818)
Total Fund Balances:	$ 2,088,954	$ (6,961,868)	$ 13,254,124	$ 8,381,210

Note 9 Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT.

The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusion from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including life, disability, dental and health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The Self Insurance fund, an internal service fund which charges its costs to user departments, accounts for the risk management activities of the City. The fund is designed to build up a reserve, which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

Note 10 Committed Contracts

At December 31, 2018, the City had commitments for eleven uncompleted construction contracts with a remaining balance of $715,311.

Note 11 Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

In connection with the normal conduct of its affairs, the City is involved in various claims litigation and judgments. It is expected that the final settlement of those matters will not materially affect the financial statements of the City.

Note 12 Jointly Governed Organizations

The City, in conjunction with 11 other municipalities that provide distribution of electric services, comprises the Minnesota Municipal Power Agency (MMPA). MMPA began operations on July 1, 1995. MMPA purchases power that is purchased and distributed by the 12 municipalities that operate electric distribution systems. MMPA's board of directors is comprised of one member from each participating entity. Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's purchases of power from MMPA for the year ended December 31, 2018 was $28,654,423. MMPA issues an annual financial report that may be obtained by writing MMPA, 220 S. 6th Street, Suite 1300, Minneapolis, MN 55402, or by calling (612) 349-6868.

Note 13 Defined Benefit Pension Plans

Employees of the City participate in three defined benefit pension plans. Two of the plans are state-wide cost-sharing, multiple employer defined benefit pension plans administered by the PERA of Minnesota: the General Employees Retirement fund and the Public Employees Police and Fire fund. The third is a single-employer defined benefit pension plan administered through the Chaska Fire Department Relief Association (CFDRA). The details of the City's participation in each of these plans are presented later in these notes. The following table summarizes the impact of these plans on the City's government-wide financial statements.

	PERA Pension Plans				
	General Employees Retirement Fund	Public Employees Police & Fire Fund	Total	Chaska Fire Department Relief Association	Total All Plans
Net Pension Asset	$ -	$ -	$ -	$ 242,430	$ 242,430
Deferred Outflows	1,435,190	4,063,237	5,498,427	383,346	5,881,773
Net Pension Liability	7,350,557	2,788,387	10,138,944	-	10,138,944
Deferred Inflows	1,822,288	5,495,663	7,317,951	9,513	7,327,464
Pension Revenue	56,208	23,544	79,752	157,177	236,929
Pension Expense	860,110	340,964	1,201,074	465,022	1,666,096

Note 14 Defined Benefit Pension Plans – State-wide

A) Plan Description

The City participates in the following cost-sharing multiple employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B) Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

2. Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. The annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

C) Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions
Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2018 and the City of Chaska was required to contribute 7.50 percent for Coordinated Plan members. The City of Chaska's contributions to the General Employees fund for the year ended December 31, 2018 were $684,782. The City of Chaska's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions
Plan members were required to contribute 10.80 percent of their annual covered salary and the City of Chaska was required to contribute 16.20 percent of pay for members in fiscal year 2018. The City of Chaska's contributions to the Police and Fire Fund for the year ended December 31, 2018 were $471,427. The City of Chaska's contributions were equal to the required contributions as set by state statute.

D) Pension Costs

1. General Employees Fund Pension Costs
At December 31, 2018, the City reported a liability of $7,350,557 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $241,206. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's

proportionate share was .1325 percent which was an increase of .0003 percent from its proportionate share measured as of June 30, 2017.

For the year ended December 31, 2018, the City recognized pension expense of $803,902 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional $56,208 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2018, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 194,136	$ 208,074
Changes in actuarial assumptions	681,497	824,634
Differences between projected and actual investment earnings	-	780,134
Changes in proportion	210,127	9,446
Contributions paid to PERA subsequent to the measurement date	349,430	-
Total:	$ 1,435,190	$ 1,822,288

$349,430 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2019	$ 337,620
2020	(329,895)
2021	(590,834)
2022	(153,419)
Total:	$ (736,528)

2. Police and Fire Pension Costs
At December 31, 2018, the City reported a liability of $2,788,387 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportionate share was .2616 percent which was a decrease of .0024 percent from its proportionate share measured as of June 30, 2017. The City also recognized $23,544 for the year ended December 31, 2018 as revenue and an offsetting

reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing $9 million to the Police and Fire fund each year, starting in fiscal year 2014, until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

For the year ended December 31, 2018, the City recognized pension expense of $317,420 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2018, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 112,985	$ 656,273
Changes in actuarial assumptions	3,299,686	4,141,672
Differences between projected and actual investment earnings	-	623,746
Changes in proportion	401,316	73,972
Contributions paid to PERA subsequent to the measurement date	249,250	-
Total:	$ 4,063,237	$ 5,495,663

$249,250 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2019	$ (64,301)
2020	(191,002)
2021	(381,877)
2022	(1,029,900)
2023	(14,596)
Total:	$ (1,681,676)

E) Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan and 1.0 percent per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. The most recent four-year experience study for the Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

1. General Employees Fund
Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2. Police and Fire Fund
Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by State Statutes, the assumed post-retirement benefit increase was changed from 1.00 percent per year through 2064, and 2.50 percent per year thereafter, to 1.00 percent for all years with no trigger.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	36%	5.10%
International Stocks	17%	5.30%
Bonds (Fixed Income)	20%	0.75%
Alternative Assets (Private Cash)	25%	5.90%
Cash	2%	0.00%
Total:	100%	

F) Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G) Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	General Employees Fund		Police and Fire Fund	
1% Lower	6.50%	$ 11,945,596	6.50%	$ 5,978,476
Current Discount Rate	7.50%	$ 7,350,557	7.50%	$ 2,788,387
1% Higher	8.50%	$ 3,557,483	8.50%	$ 150,315

H) Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

Note 15 Defined Contribution Plan

Four council members of the City are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance services personnel, employer contributions are determined by the employer and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the

seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2018 were:

Amount		Percentage of Coverered Payroll		Required
Employees	Employer	Employees	Employer	Rates
$1,481	$1,481	5.00%	5.00%	5.00%

Note 16 Defined Benefit Pension Plans – Fire Relief Association

A) General Information about the Pension Plan

Plan Description - All members of the Chaska Fire Department (CFD) are covered by a defined benefit pension plan, Chaska Fire Department Relief Association Pension Plan (CFDRAPP), administered by the Chaska Fire Department Relief Association (CFDRA). CFDRAPP is a single-employer defined benefit pension plan. Minnesota Statutes, Chapter 69 grants the authority to the CFDRA Board to establish and amend benefit terms with consenting approval by the Chaska City Council. CFDRA issues a publicly available financial report that can be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by phone (952) 448-9200.

Benefits Provided - The plan provides retirement and disability benefits to plan members and beneficiaries.

- Monthly Service Pension: $2.185 per month of service with a maximum of 360 months for members starting prior to November 4, 2013. In lieu of monthly payments, a member may elect a lump sum benefit. (Note – On October 15, 2018, the Chaska City Council modified benefit provisions to increase the monthly benefit from $2.185 to $2.4525 per month of service effective as of January 1, 2019.)
- Lump Sum Service Pension: $6,486 per year of service for members starting on or after November 4, 2013 based on completed years of service up to 30 years. (Note – On October 15, 2018, the Chaska City Council modified benefit provisions to increase the lump sum benefits from $6,486 to $7,100 per year of service effective as of January 1, 2019.)
- Deferred Service Pensions: with termination prior to age 50 and at least ten years of service, a deferred pension is payable at age 50 and reduced four percent for each year of service less than 20 years.
- Survivor Benefits: spouse, children or estate receive 100 percent of the member's lump sum benefit.
- Disability Benefit: A disabled member will receive the amount of their monthly service pension based on credited service as of the date eligible.

Members covered by benefit terms - At December 31, 2018, pension plan membership consisted of the following as used to determine Net Pension Liability (Asset) as of December 31, 2018:

Inactive Members Currently Receiving Benefits	42
Inactive Members Currently Receiving Disability Benefits	2
Beneficiaries Currently Receiving Benefits	11
Inactive Members Entitled to But Not Yet Receiving Benefits	6
Active Members	45
Total members	106

Contributions - Minnesota Statues, Chapter 424 and 424A, authorize pension benefits for volunteer fire relief associations. The CFDRAPP is funded by fire state aid, investment earnings, and, if necessary, employer contributions as specified in Minnesota Statutes and voluntary City contributions. The State of Minnesota contributed $157,177 in fire state aid to the CFDRAPP on behalf of the CFD for the year ended December 31, 2018, which was recorded as revenue. Required City contributions are calculated annually based on statutory provisions. The City made all required contributions and additional voluntary contributions to the plan for the year ended December 31, 2018 totaling $307,845. The City's contributions exceed the required contributions as set by State Statutes. Furthermore, members of the CFD have no obligation to contribute to the plan.

B) Net Pension Liability (Asset)

The CFDRAPP's net pension liability (asset) was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total pension liability in the December 31, 2018 actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	Not applicable as plan members are paid on call volunteers
Investment Rate of Return	6.25% net of pension plan investment expense, including inflation
20-Year Municipal Bond Yield	3.71%

Mortality rates were based on the following:

- Healthy Pre-retirement - RP-2014 employee generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006.
- Healthy Post-retirement - RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006. Male rates are adjusted by a factor of 0.96.
- Disabled - RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2016 from a base year of 2006. Male rates are adjusted by a factor of 0.96.

The demographic actuarial assumptions used in the December 31, 2018 valuation were based on the same assumptions used in the June 30, 2018 PERA Police and Fire actuarial valuation, except that the fire relief uses a separate retirement rate assumption based on a review completed in May 2016. The economic actuarial assumptions are reviewed annually as part of the fire relief's annual valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	5.39%
International Equity	20%	5.20%
Fixed Income	10%	1.98%
Real Estate and Alternatives	10%	4.25%
Cash and Equivalents	25%	0.79%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 6.25 percent. The projected cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in Minnesota Statutes. Based on those assumptions and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

C) Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance - January 1, 2018	$ 5,254,917	$ 5,810,080	$ (555,163)
Changes For The Year:			
Service Cost	97,600	-	97,600
Interest	323,454	-	323,454
Contribution - Employer	-	465,022	(465,022)
Net Investment Income	-	(342,294)	342,294
Benefit Payments, Including Member Contribution Refunds	(354,522)	(354,522)	-
Administrative Costs	-	(14,407)	14,407
Total Net Changes	66,532	(246,201)	312,733
Ending Balance - December 31, 2018	$ 5,321,449	$ 5,563,879	$ (242,430)

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the net pension liability (asset) of the CFDRAPP, calculated using the discount rate of 6.25 percent, as well as what the CFDRAPP's net pension liability (asset) would be if it were calculated using a discount rate 1 percentage point lower (5.25 percent) or 1 percentage point higher (7.25 percent) than the current discount rate:

	Net Pension Liability (Asset)
1% Decrease in Discount Rate (5.25%)	$ 300,493
Current Discount Rate (6.25%)	(242,430)
1% Increase in Discount Rate (7.25%)	(699,600)

Pension Plan Fiduciary Net Position - Detailed information about the CFDRAPP's fiduciary net position is available in the separately issued CFDRA financial report.

D) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the CFDRAPP recognized pension expense of $202,133. At December 31, 2018, the CFDRAPP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	$ 15,687	$ 9,513
Change of assumptions	45,930	-
Net differences between projected and actual investment earnings	321,729	-
Total:	$ 383,346	$ 9,513

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2019	$ 130,342
2020	31,308
2021	55,470
2022	156,560
2023	153
Total:	$ 373,833

Note 17 Other Post-Employment Benefits (OPEB) Plan

A) Plan Description

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible employees. The plan offers group health insurance benefits. Medical coverage is administered by Blue Cross Blue Shield. It is the City's policy to periodically review its group health insurance plans and to obtain requests for proposals in order to provide the most favorable benefits and premiums for the City's employees and retirees. No assets are accumulated in a trust.

B) Benefits Provided

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

Retiree are required to pay 100 percent of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C) Contributions

The required contributions are based on projected pay-as-you-go financing requirements. For the current year, the City's required pay-as-you go finance benefits totaled $21,491.

D) Members

Membership in the plan consisted of the following as of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	3
Active employees	134
Total	137

E) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the entry age method and the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.30%
20-year Municipal Bond Yield	3.30%
Salary Increases	3.00%
Inflation Rate	2.50%
Medical Trend Rate	6.50% grading to 5.00% over 6 years
Mortality Assumption	RP-2014 While Collar Mortality Tables with MP-2017 Generational Improvements Scale (with Blue Collar adjustment for Police and Fire Personnel)

F) Changes in the Total OPEB Liability

The City's total OPEB liability of $1,218,277 was measured as of January 1, 2018 and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Beginning Balance - January 1, 2018	$ 1,146,292
Changes for the Year	
Service Cost	73,812
Interest	39,586
Benefit Payments	(41,413)
Net Changes	71,985
Ending Balance - December 31, 2018	$ 1,218,277

Assumption changes since the prior measurement date include the following:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for all employees were updated.
- The discount rate was changed from 3.50 percent to 3.30 percent.

Method changes since the prior measurement date include the following:

- The actuarial cost method was changed from project unit credit to entry age as prescribed by GASB 75.

G) OPEB Liability Sensitivity

The following presents the total OPEB Liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Discount Rate	2.30%	3.30%	4.30%
Total OPEB Liability	$ 1,326,690	$ 1,218,277	$ 1,116,970

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower or 1 percent higher than current healthcare cost trend rates:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB Healthcare Trend Rate	5.5% decreasing to 4.00% over 6 years	6.5% decreasing to 5.00% over 6 years	7.5% decreasing to 6.00% over 6 years
Total OPEB Liability	$ 1,072,948	$ 1,218,277	$ 1,390,301

H) OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of $113,398. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 21,491	$ -

A total of $21,491 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2019.

Note 18 Subsequent Event

In March of 2019 the City issued $20,000,000 General Obligation Temporary State Aid Street Bonds, Series 2019A in the form of a draw down line of credit. The temporary bonds will be used to pay for the costs of constructing the Highway 212 and CSAH 44 interchange and CSAH 44 improvements project. The total project cost is approximately $21,000,000; however, the State of Minnesota is paying $10,500,000 towards the project and Carver County is contributing approximately $5,700,000 towards the project. The expected City portion of the project is $4,800,000. The construction is expected to last for two years. The City will issue permanent bonds when the City portion of the cost is finalized.

PERA – General Employees Retirement Fund Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Shareof the Net Pension Liability	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Shareof the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.13%	$ 6,504,061	$ -	$ 6,504,061	$ 7,374,827	88.19%	78.19%
12/31/2016	06/30/2016	0.13%	10,441,682	136,394	10,578,076	7,962,313	131.14%	68.90%
12/31/2017	06/30/2017	0.13%	8,439,559	106,148	8,545,707	8,515,662	99.11%	75.90%
12/31/2018	06/30/2018	0.13%	7,350,557	241,206	7,591,763	8,829,904	83.25%	79.50%

PERA – General Employees Retirement Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	$ 573,571	$ 573,571	$ -	$ 7,647,695	7.50%
12/31/2016	622,514	622,514	-	8,301,166	7.50%
12/31/2017	645,781	645,781	-	8,613,210	7.50%
12/31/2018	684,782	684,782	-	9,130,403	7.50%

Schedule is intended to present information for 10 years. Additional years will be displayed as they become available

PERA – Public Employees Police and Fire Fund Schedule of City's Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.26%	$ 2,908,759	$ 2,345,969	123.99%	86.60%
12/31/2016	06/30/2016	0.25%	9,992,803	2,397,786	416.75%	63.90%
12/31/2017	06/30/2017	0.26%	3,564,313	2,707,514	131.65%	85.40%
12/31/2018	06/30/2018	0.26%	2,788,387	2,761,686	100.97%	88.80%

PERA – Public Employees Police and Fire Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	$ 384,775	$ 384,775	$ -	$ 2,375,153	16.20%
12/31/2016	421,074	421,074	-	2,600,914	16.20%
12/31/2017	431,127	431,127	-	2,665,551	16.20%
12/31/2018	471,427	471,427	-	2,910,044	16.20%

Schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information

City of Chaska, Minnesota For the Year Ended December 31, 2018

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	$ 97,600	$ 76,833	$ 74,777	$ 76,662	$ 74,610
Interest	323,454	307,707	318,368	323,774	324,731
Changes of Benefits Terms	-	229,268	-	-	248,676
Differences Between Expected & Actual Experience	-	23,511	-	(42,040)	-
Changes of Assumptions	-	68,838	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(354,522)	(595,443)	(451,119)	(517,365)	(318,551)
Net Change in Total Pension Liability	66,532	110,714	(57,974)	(158,969)	329,466
Total Pension Liability – Beginning	5,254,917	5,144,203	5,202,177	5,361,146	5,031,680 [1]
Total Pension Liability - Ending (a)	$ 5,321,449	$ 5,254,917	$ 5,144,203	$ 5,202,177	$ 5,361,146
Plan Fiduciary Net Position					
Contributions - Employer	$ 465,022	$ 443,793	$ 427,285	$ 401,321	$ 361,296
Net Investment Income	(342,294)	819,964	408,073	(220,343)	232,061
Benefit payments, Including Refunds of Member Contributions	(354,522)	(595,443)	(451,119)	(517,365)	(318,551)
Administrative Expense	(14,407)	(10,295)	(11,561)	(4,226)	(9,463)
Net Change in Plan Fiduciary Net Position	(246,201)	658,019	372,678	(340,613)	265,343
Plan Fiduciary Net Position - Beginning	5,810,080	5,152,061	4,779,383	5,119,996	4,854,653
Plan Fiduciary Net Position - Ending (b)	$ 5,563,879	$ 5,810,080	$ 5,152,061	$ 4,779,383	$ 5,119,996
City's Net Pension Liability (Asset) - Ending (a) - (b)	$ (242,430)	$ (555,163)	$ (7,858)	$ 422,794	$ 241,150
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.56%	110.56%	100.15%	91.87%	95.50%

Notes to the Schedule:

1. *The 2013 results are shown for transitional purposes only. They do not reflect what was actually recognized on the 2013 Financial Statements. Information for 2013 and prior years not available*
2. *Schedule is intended to present information for 10 years. Additional years will be displayed as they become available.*

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of City Contributions

	2018	2017	2016	2015	2014	2013	2012	2011	2018	2009
Actuarially Determined Contribution(ADC)[1]	$ 165,134	$ 265,347	$ 265,347	$ 267,302	$ 267,302	$ 293,799	$ 293,799	$ 246,000	$ 246,000	$ 221,350
Contributions in Relation to the ADC	465,022	436,793	427,285	401,321	361,296	364,512	298,250	299,930	271,345	266,139
Contribution Deficiency (Excess)	$ (299,888)	$ (171,446)	$ (161,938)	$ (134019)	$ (93,994)	$ (70,713)	$ (4,451)	$ (53,930)	$ (25,345)	$ (44,789)

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, either two or three years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal actuarial level dollar cost method
Amortization Method	Actuarial Losses - Amortize loss over 10 years per Minnesota Statues 69.773, Subd 4. (d)(3)(i). Plan Changes - Amortize over 20 years per Minnesota Statues 69.773, Subd 4. (d)(3)(v).
Remaining Amortization Period	13 years as of December 31, 2018
Asset Valuation Method	Market Value
Inflation	2.75 percent
Salary Increases	0.00 percent, including inflation
Investment Rate of Return	5.00 percent as per Minnesota State Statutes Chapter 356.215, Subdivision 8
Retirement Age	The latest of age 50 or after 20 years of service
Mortality	RP-2000 Combined Mortality Table, fully generational

Other Information:

In 2009, benefit terms were modified to eliminate funeral benefits. The benefit for surviving child was modified from $25 per month to 25 percent of the members benefit payable at age 50.

In 2011, benefits terms were modified to change the surviving spouse benefits from 75 percent of the member's monthly benefit for life to 100 percent of the member's monthly benefit for life. The survivor benefit for surviving children was modified to change the benefit from 25 percent to 100 percent of the member's monthly pension.

On November 4, 2013, benefit terms were modified to add a $6,000 per year of service lump sum benefit option for individuals who became members before November 4, 2013. Individuals that became members after November 4, 2013 are only entitled to a lump sum service pension.

On May 5, 2014, benefit terms were modified to increase the monthly benefit from $1.975 to $2.085 per month of service and to increase the lump sum benefit from $6,000 to $6,255 per year of service effective as of June 1, 2014.

On November 7, 2016, benefit terms were modified to increase the monthly benefit from $2.085 to $2.185 per month of service and to increase the lump sum benefit from $6,255 to $6,486 per year of service as of January 1, 2017.

On October 15, 2018, benefit terms were modified to increase the monthly benefit from $2.185 to $2.4525 per month of service and to increase the lump sum benefit from $6,486 to $7,100 per year of service effective January 1, 2019

Notes to Schedule [1] ADC amounts are equal to statutory requirements under Minnesota Statutes 424A.092 and 69.773.

Schedule of Changes in Total OPEB Liability and Related Ratios

	2018
Total OPEB Liability	
Service Cost	$ 73,812
Interest	39,586
Benefit Payments	(41,413)
Net Change in Total OPEB Liability	71,985
Total OPEB Liability - Beginning of Year	1,146,292
Total OPEB Liability - End of Year	$ 1,218,277
Covered Payroll	$ 10,383,422
Total OPEB Liability as a Percentage of Covered Payroll	11.7%

Note: The City implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be reported as they become available.

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2018 Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2017 Changes in Plan Provisions:
- The state's special funding contribution increased from $6 million to $16 million.

2017 Changes in Actuarial Assumptions:
- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2016 Changes in Actuarial Assumptions:
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent, to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 Changes in Plan Provisions:
- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised.

2015 Changes in Actuarial Assumptions:
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2018 Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by state statutes, the assumed post-retirement benefit increase was changed from 1.00 percent per year through 2064, and 2.50 percent per year thereafter, to 1.00 percent for all years with no trigger.

2017 Changes in Actuarial Assumptions:
- Assumed salary increases were changed as recommended in June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30.00 percent for vested and non-vested deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016.

The base mortality table for disabled annuitants was changed from RP-2000 disabled mortality to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years, to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate changed from 5.60 percent to 7.50 percent.

2016 Changes in Actuarial Assumptions:
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037, and 2.50 percent thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.60 percent for inflation.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 Changes in Plan Provisions:
- The post-retirement benefit increase to be paid after attainment of the 90.00 percent funding threshold was changed, from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

2015 Changes in Actuarial Assumptions:
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2037, and 2.50 percent per year thereafter.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2018 Changes in Actuarial Assumptions:
- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for all employees were updated.
- The discount rate was changed from 3.50 percent to 3.30 percent.
- The actuarial cost method was changed from project unit credit to entry age as prescribed by GASB 75.

PROPOSAL SALE DATE: November 4, 2019

City of Chaska, Minnesota
$4,630,000* Taxable General Obligation Bonds, Series 2019D

For the Series 2019D Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $_________________ (which may not be less than $4,560,550) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2021	_______%	_______%	_______%	2031	_______%	_______%	_______%
2022	_______%	_______%	_______%	2032	_______%	_______%	_______%
2023	_______%	_______%	_______%	2033	_______%	_______%	_______%
2024	_______%	_______%	_______%	2034	_______%	_______%	_______%
2025	_______%	_______%	_______%	2035	_______%	_______%	_______%
2026	_______%	_______%	_______%	2036	_______%	_______%	_______%
2027	_______%	_______%	_______%	2037	_______%	_______%	_______%
2028	_______%	_______%	_______%	2038	_______%	_______%	_______%
2029	_______%	_______%	_______%	2039	_______%	_______%	_______%
2030	_______%	_______%	_______%	2040	_______%	_______%	_______%

Designation of Term Maturities

Years of Term Maturities _______________ _______________
_______________ _______________

In making this offer on the sale date of November 4, 2019 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated October 23, 2019 including the City's right to modify the principal amount of the Series 2019D Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2019D Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2019D Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $_____________________________

TRUE INTEREST RATE: ______________ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from __________________.

Account Members

____
Account Manager

By: _____________________________

Phone: _____________________________

The foregoing proposal has been accepted by the City.

Attest: _________________________________ Date: _________________________________

* Preliminary; subject to change.

Phone: 651-223-3000
Fax: 651-223-3046
Email: bond_services@bakertilly.com

PROPOSAL SALE DATE: November 4, 2019

City of Chaska, Minnesota

$1,965,000* General Obligation Improvement Refunding Bonds, Series 2019E

For the Series 2019E Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $________________ (which may not be less than $1,949,280) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2021	_______%	_______%	_______%	2028	_______%	_______%	_______%
2022	_______%	_______%	_______%	2029	_______%	_______%	_______%
2023	_______%	_______%	_______%	2030	_______%	_______%	_______%
2024	_______%	_______%	_______%	2031	_______%	_______%	_______%
2025	_______%	_______%	_______%	2032	_______%	_______%	_______%
2026	_______%	_______%	_______%	2033	_______%	_______%	_______%
2027	_______%	_______%	_______%				

Designation of Term Maturities

Years of Term Maturities ______________ ______________

______________ ______________

In making this offer on the sale date of November 4, 2019 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated October 23, 2019 including the City's right to modify the principal amount of the Series 2019E Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2019E Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2019E Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $___________________________

TRUE INTEREST RATE: ______________ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _________________.

Account Members

____

Account Manager

By: __________________________

Phone: _______________________

The foregoing proposal has been accepted by the City.

Attest: ______________________________ Date: ______________________________

* Preliminary; subject to change.

Phone: 651-223-3000
Fax: 651-223-3046
Email: bond_services@bakertilly.com

REQUEST FOR ACTION
CHASKA CITY COUNCIL
11/4/2019

Subject: **Bluff Creek Substation - Xcel Energy Meter Reader Pole Site Plan Permit #2019-07, Chanhassen**

Prepared By: Andrew Romine, Interim Electric Director

Reviewed By: Nate Kabat, Assistant City Administrator

Background

Xcel Energy (Northern States Power Company) is requesting authorization to build a communications pole to support its Field Area Network (FAN) in the Bluff Creek Substation which is located at 2150 Lyman Boulevard in Chanhassen, Minnesota. The substation property is within the City of Chanhassen's Agricultural Estate (A-2) Zoning District. The substation land is owned by the City of Chaska and Xcel Energy holds easement rights to operate and maintain the transmission portion of the substation.

Bluff Creek substation has been in operation since the late 1980's and is a joint use substation. In addition to Xcel providing 115KV transmission to the substation Xcel, Chaska and MVEC all currently serve customers from the substation. The advantages to joint use substations are cost share on shared equipment, splitting initial construction costs and redundancy with transformation to carry load in emergency situations.

The communications pole supports Xcel Energy's Field Area Network (FAN), which is a private wireless communication system that will connect Xcel Energy's control centers with intelligent, integrated devices that enable remote monitoring and control of the electric grid. The FAN system will enhance reliability for Xcel electric customers by providing faster service and shorter, better managed outages. A fact sheet with further details is included for reference.

Update

Implementation of the FAN system in the Chanhassen/Chaska area will require installation of a 145 foot tall galvanized steel monopole with a 5 foot antenna attached to the top in order to establish sufficient two-way communication between the Bluff Creek Substation and the new advanced meters for Xcel Energy's customers in the surrounding area. The FAN system will replace an existing communication system that has been in place since the mid 1990's. No additional landscaping is proposed since the FAN components will be installed within the fenced area of the existing substation. Site grading is not needed to install the pole, draining patterns on the substation property will not change, and no new lighting or signage will be installed as part of the project.

To proceed with this project Xcel is required to obtain a conditional use permit (CUP) from the City of Chanhassen, which is where the property is located. The CUP for the project was approved by Chanhassen City Council in early August 2019. A condition of the CUP is to enter provide its consent to the CUP as the landowner (attached). The proposed project is within Xcel Energy's easement which provides the right to operate and maintain the transmission portion of the substation.

The following documents are included with this narrative to support the Development:
EXHIBIT A – Pole Construction Components
EXHIBIT B – FAN Fact Sheet
EXHIBIT C – Site Layout
EXHIBIT D – Pole Rendering as compared to existing facilities
Site Plan Agreement Final 10-14 – Requires signatures

The FAN project is solely an Xcel project, not a joint project, so there will be no financial impact to the City of Chaska.

Recommendation
Because the FAN project fits within the existing easement that provides the right to operate and maintain the transmission portion of the substation, the project does not financially impact the City of Chaska, and the City of Chanhassen granted the required CUP in August, staff recommends granting consent per the City of Chanhassen's conditional use permit to Xcel Energy (Northern States Power Company) to construct the FAN communication pole in the Bluff Creek Substation.

CITY COUNCIL ACTION REQUESTED
Motion to authorize the Mayor to sign the Consent statement within the City of Chanhassen conditional use permit, Site Plan Permit #2019-07 Xcel Energy Meter Reader Pole Special Provisions.

CITY OF CHANHASSEN
SITE PLAN PERMIT #2019-07
XCEL ENERGY METER READER POLE
SPECIAL PROVISIONS

AGREEMENT dated August 12, 2019 by and between the CITY OF CHANHASSEN, a Minnesota municipal corporation, (the "City"), and **NORTHERN STATES POWER COMPANY d/b/a XCEL ENERGY** (the "Developer").

1. **Request for Site Plan Approval.** The Developer has asked the City to approve a site plan for the construction of a 145-foot tower and 5-foot lightning rod for a Utility Meter Reader (referred to in this Permit as the "project"). The land is legally described in the attached Exhibit B.

2. **Conditions of Site Plan Approval.** The City hereby approves the site plan on condition that the Developer enter into this Permit.

3. **Development Plans.** The project shall be developed and maintained in accordance with the Bluff Creek Substation prepared by Xcel Energy, dated revised May 2, 2019.

4. **Time of Performance.** The Developer shall install all required improvements by August 13, 2020. The Developer may, however, request an extension of time from the City.

5. **Notices.** Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address:

APPLICANT:	Xcel Energy Chris Rogers 414 Nicollet Mall GO-6A Minneapolis, MN 55401 Christopher.c.roger@xcelenery.com 612-330-6078	**OWNER**:	Chaska Electric Andrew Romine 660 Victoria Drive Chaska, MN 55317 aromine@chaskamn.gov 952-227-7710

Notices to the City shall be in writing and shall be either hand delivered to the City Manager, or mailed to the City by certified mail in care of the City Manager at the following address: Chanhassen City Hall, 7700 Market Boulevard, P.O. Box 147, Chanhassen, Minnesota 55317, Telephone (952) 227-1100.

6. **Other Special Conditions.**

Site Plan Permit - Planning Case 2019-07 for a 145-foot pole with a 5-foot lightning rod as shown in Attachment 4, and adopts the attached Findings of Fact and Recommendation, subject to the following conditions:

a) A building permit is required to construct (erect) the (pole).

b) The pole plans must be signed by a professional engineer licensed in the State of Minnesota.

c) The contractor shall contact the Inspections Division as early as possible to discuss plan review and permit procedures.

d) The applicant shall enter into a site plan agreement.

7. **General Conditions.** The general conditions of this Permit are attached as Exhibit "A" and incorporated herein.

CITY OF CHANHASSEN

BY: ________________________________
Elise Ryan, Mayor

(SEAL)

AND: ________________________________
Todd Gerhardt, City Manager

STATE OF MINNESOTA)
(ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this____day of ________________, 2019, by Elise Ryan, Mayor, and by Todd Gerhardt, City Manager, of the City of Chanhassen, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

____
NOTARY PUBLIC

DEVELOPER: NORTHERN STATES POWER COMPANY d/b/a XCEL ENERGY

BY: ________________________________
Peter D. Gitzen, Manager Siting & Land Rights, Xcel Energy Services Inc. an authorized agent for Northern States Power Company, A Minnesota corporation

STATE OF MINNESOTA)
(ss.
COUNTY OF ____________)

The foregoing instrument was acknowledged before me this _____ day of ______________, 2019, by Peter D. Gitzen, Manager Siting & Land Rights, Xcel Energy Services, Inc. and authorized agent for Northern States Power Company, a Minnesota corporation.

____
NOTARY PUBLIC

DRAFTED BY:
City of Chanhassen
7700 Market Boulevard
P. O. Box 147
Chanhassen, MN 55317
(952) 227-1100

CONSENT

The City of Chaska, a Minnesota municipal corporation, Owner of all or part of the subject property, the development of which is governed by the foregoing Site Plan Permit, affirm and consent to the provisions thereof and agree to be bound by the provisions as the same may apply to that portion of the subject property owned by them.

Dated this ____ day of _____________, 2019

CITY OF CHASKA
A Minnesota municipal corporation

By________________________________

____

STATE OF MINNESOTA)
(ss.
COUNTY OF _________)

The foregoing instrument was acknowledged before me this _______ day of ____________, 2019, by __________________________________, the _______________________________ of the City of Chaska, a Minnesota municipal corporation, on behalf of the city.

____
NOTARY PUBLIC

DRAFTED BY:
City of Chanhassen
7700 Market Boulevard
P. O. Box
Chanhassen, MN 55317
(952) 227-1100

CITY OF CHANHASSEN

SITE PLAN PERMIT
EXHIBIT "A"
GENERAL CONDITIONS

1. **Right to Proceed.** Within the site plan area, the Developer may not grade or otherwise disturb the earth, remove trees, construct improvements, or any buildings until all the following conditions have been satisfied: 1) this agreement has been fully executed by both parties and filed with the City Clerk, 2) the necessary security and fees have been received by the City, and 3) the City has issued a building permit.

2. **Maintenance of site.** The site shall be maintained in accordance with the approved site plan. Plants and ground cover required as a condition of site plan approval which die shall be promptly replaced.

3. **License.** The Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the property to perform all work and inspections deemed appropriate by the City in conjunction with site plan development. The City's entrance to the secured fenced substation area shall be only with advance notice and accompanied by Developer's escort to meet Developer's safety requirements.

4. **Erosion Control.** Before any building permits are issued, the erosion control plan, shall be implemented, inspected, and approved by the City. The City may impose additional erosion control requirements if they would be beneficial.

5. **Clean up.** The Developer shall maintain a neat and orderly work site and shall daily clean, on and off site, dirt and debris, including materials that have blown, from streets and the surrounding area that has resulted from construction work by the Developer, its agents or assigns.

6. **Warranty**. NA

7. **Responsibility for Costs.**

A. The Developer shall hold the City and its officers and employees harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from site plan approval and development. The Developer shall indemnify the City and its officers and employees for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees.

B. The Developer shall reimburse the City for costs incurred in the enforcement of this Permit, including engineering and attorneys' fees.

C. The Developer shall pay in full all bills submitted to it by the City for obligations incurred under this Permit within thirty (30) days after receipt. If the bills are not paid on time, the City may halt all plat development work and construction. Bills not paid within thirty (30) days shall accrue interest at the rate of 8% per year.

8. **Developer's Default.** In the event of default by the Developer as to any of the work to be performed by it hereunder, the City may, at its option, perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City, provided the Developer is first given notice of the work in default, not less than four (4) days in advance. This Contract is a license for the City to act, and it shall not be necessary for the City to seek a Court order for permission to enter the land. When the City does any such work, the City may, in addition to its other remedies, assess the cost in whole or in part.

9 . **Miscellaneous**.

A. Construction Trailers. Placement of on-site construction trailers and temporary job site offices shall be approved by the City Engineer. Trailers shall be removed from the subject property within thirty (30) days following the issuance of a certificate of occupancy unless otherwise approved by the City Engineer.

B. Postal Service. The Developer shall provide for the maintenance of postal service in accordance with the local Postmaster's request.

C. Third Parties. Third parties shall have no recourse against the City under this Permit.

D. Breach of Contract. Breach of the terms of this Permit by the Developer shall be grounds for denial of building permits.

E. Severability. If any portion, section, subsection, sentence, clause, paragraph, or phrase of this Permit is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Contract.

F. Occupancy. Unless approved in writing by the City Engineer, no one may occupy a building for which a building permit is issued on either a temporary or permanent basis until the streets needed for access have been paved with a bituminous surface and the utilities tested and approved by the city.

G. Waivers/Amendments. The action or inaction of the City shall not constitute a waiver or amendment to the provisions of this Contract. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the City Council. The City's failure to promptly take legal action to enforce this Contract shall not be a waiver or release.

H. Recording. This Permit shall run with the land and may be recorded against the title to the property.

I. Remedies. Each right, power or remedy herein conferred upon the City is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to City, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy.

J. Construction Hours. The normal construction hours and maintenance of equipment under this contract shall be from 7:00 a.m. to 9:00 p.m. on weekdays, from 9:00 a.m. to 5:00 p.m. on Saturdays, with no such activity allowed on Sundays or any recognized legal holidays. Operation of all internal combustion engines used for construction or dewatering purposes beyond the normal working hours will require City Council approval.

K. Soil Treatment Systems. If soil treatment systems are required, the Developer shall clearly identify in the field and protect from alteration, unless suitable alternative sites are first provided, the two soil treatment sites identified during the site plan process for each lot. This shall be done prior to the issuance of a Grading Permit. Any violation/disturbance of these sites shall render them as unacceptable and replacement sites will need to be located for each violated site in order to obtain a building permit.

L. Compliance with Laws, Ordinances, and Regulations. In the development of the site plan, the Developer shall comply with all laws, ordinances, and regulations of the following authorities:

1. City of Chanhassen;
2. State of Minnesota, its agencies, departments and commissions;
3. United States Army Corps of Engineers;
4. Watershed District;
5. Metropolitan Government, its agencies, departments and commissions.

M. Proof of Title. Upon request, the Developer shall furnish the City with evidence satisfactory to the City that it has the authority of the fee owners and contract for deed purchasers too enter into this Development Contract.

N. Soil Conditions. The Developer acknowledges that the City makes no representations or warranties as to the condition of the soils on the property or its fitness for construction of the improvements or any other purpose for which the Developer may make use of such property. The Developer further agrees that it will indemnify, defend, and hold harmless the City, its governing body members, officers, and employees from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants on the property, unless hazardous wastes or pollutants were caused to be there by the City.

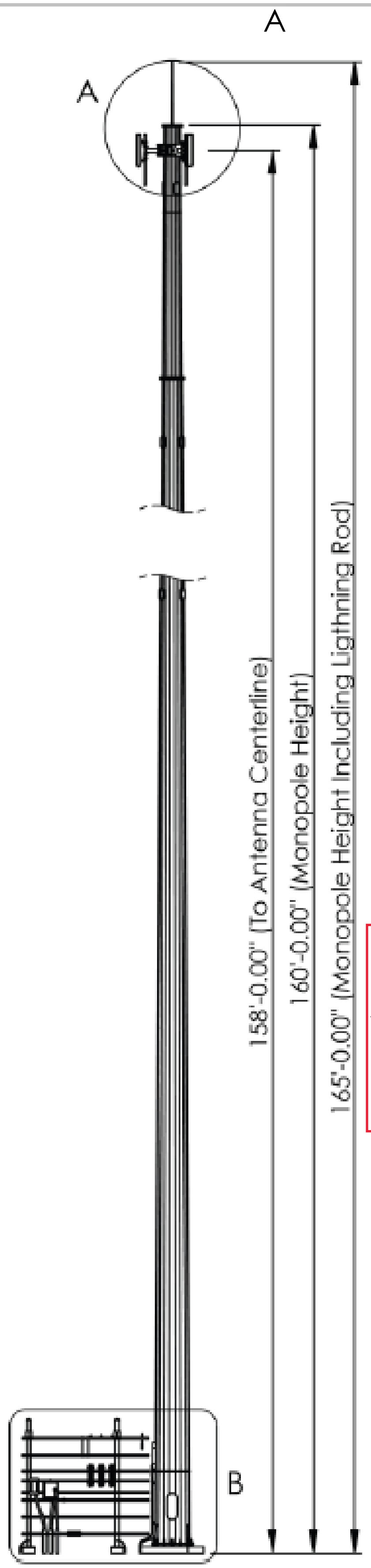
O. Soil Correction. The Developer shall be responsible for soil correction work on the property. The City makes no representation to the Developer concerning neither the nature of suitability of soils nor the cost of correcting any unsuitable soil conditions which may exist.

Exhibit B

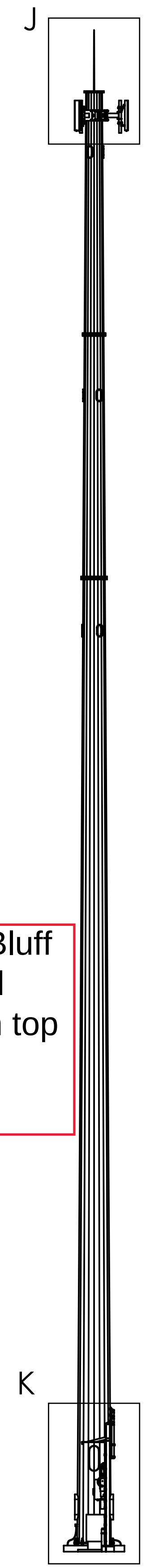
That part of the SE 1/4, NW 1/4 of Section 22, Township 116, Range 23, Carver County, Minnesota, described as follows:

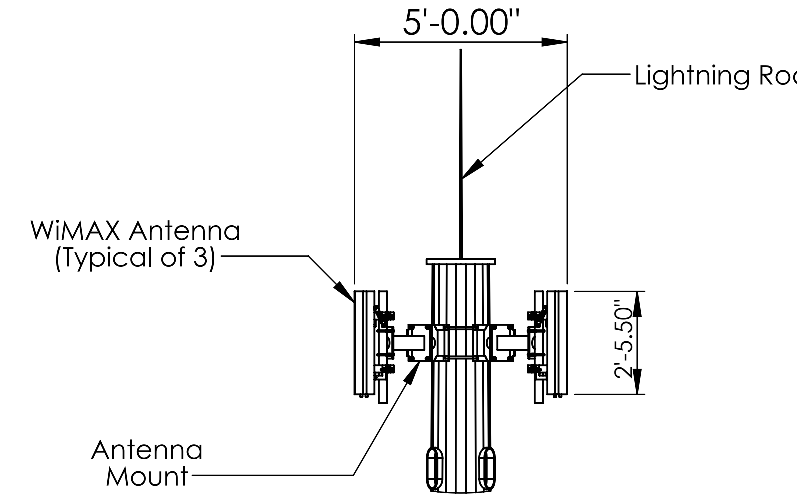
Commencing at the Southeast corner of the NE 1/4 (E 1/4 Cor.) of said Section 22; thence South 89°57'53" West, assumed bearing, 2649.54 feet along the South line of said NE 1/4 to the Southeast corner of said SE 1/4, NW 1/4 of Section 22, said point also being the point of beginning of the tract to be described; thence continuing South 89°57'53" West 499.83 feet along said South line; thence northwesterly 247.29 feet along the center of a public roadway on a non-tangential curve concave to the northeast with radius of 954.93 feet through a central angle of 14°50'14", chord bearing North 72°54'36" West 246.59 feet; thence North 00°24'57" West 592.50 feet; thence North 89°35'03" East 377.00 feet; thence South 71°53'06" East 377.58 feet to a point on the East line of said SE 1/4 of the NW 1/4; thence South 00°24'57" East 550.00 feet along said East line to the point of beginning. Subject to easements, reservations or restrictions, if any.

Together with an easement for utilities and ingress and egress, being 40 feet in width, lying 20 feet on each side of the following described centerline: Commencing at the Southwest corner of the above described tract; thence North 00°24'57" West 321.50 feet along the West line thereof to the point of beginning of the centerline to be described; thence North 76°30'00" West 45.00 feet; thence southwesterly 46.69 feet along a tangential curve concave to the southeast with radius of 50.00 feet through a central angle of 53°30'00"; thence South 50°00'00" West 224.89 feet tangent to said curve to to a point on the center of a public roadway and said centerline there terminating. It is intended to extend or shorten the side lines of said easement so as to terminate at said centerline of the public roadway and at the West line of said Tract A.

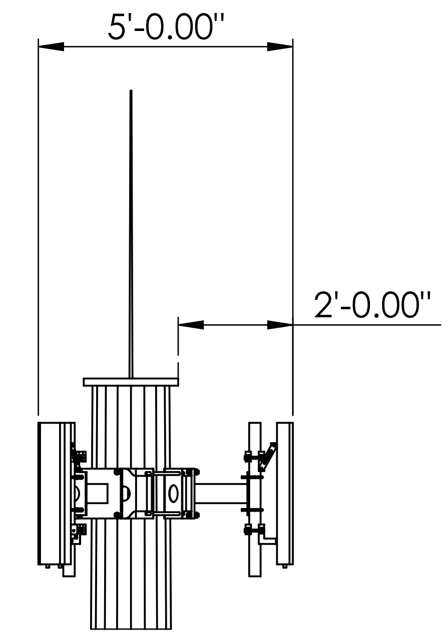


*Note: Monopole at Bluff Creek will be 145' tall with 5' lighting rod on top = 150' total height

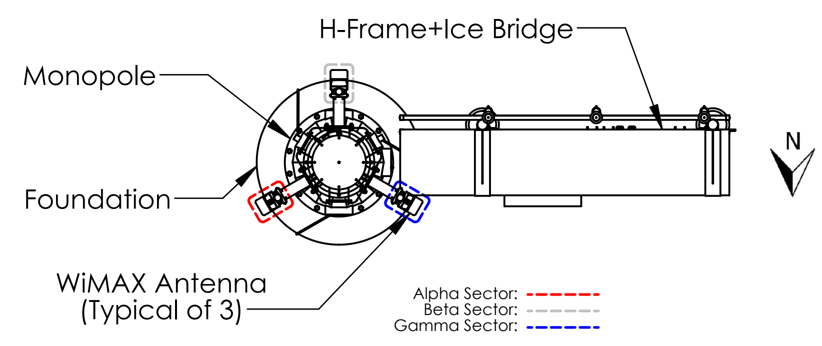




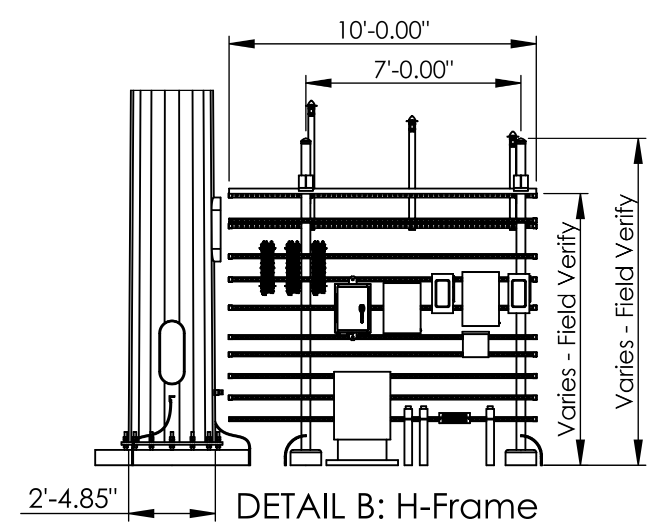
DETAIL A: WiMAX Antenna Mounting



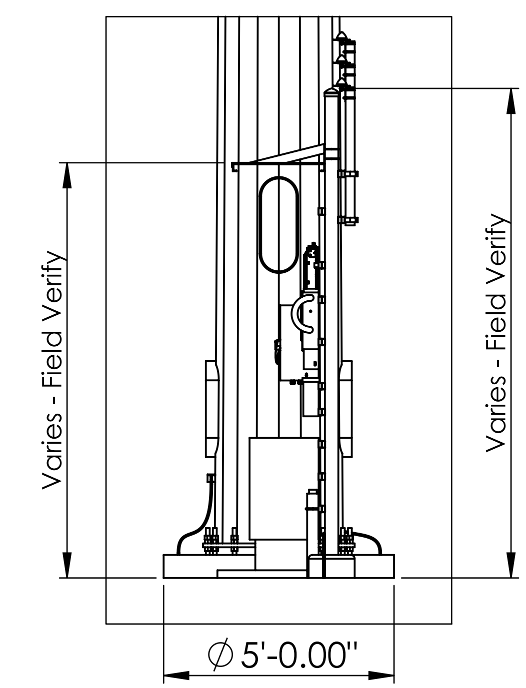
DETAIL J: Monopole Top Side View



Top View



DETAIL B: H-Frame

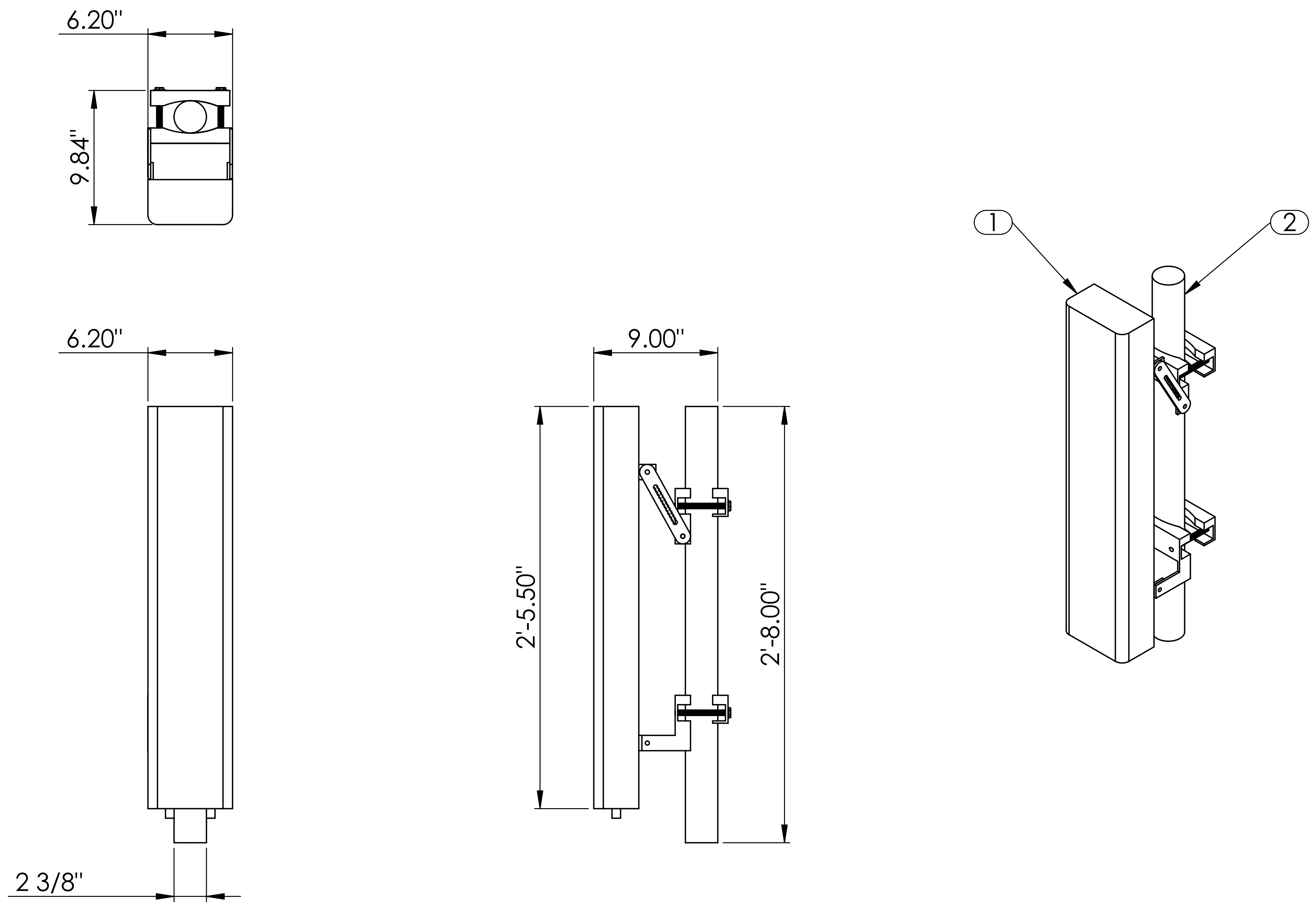


DETAIL K: Side View

Notes:
- Preliminary schematic design only - not for construction.
- Dimensions are approximate and subject to field verification.
- Drawing not to scale.

Notes:
- Preliminary schematic design only - not for construction.
- Dimensions are approximate and subject to field verification.
- Drawing not to scale.

PROPRIETARY AND CONFIDENTIAL THE INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF COUNCIL ROCK. ANY REPRODUCTION IN PART OR AS A WHOLE WITHOUT THE WRITTEN PERMISSION OF COUNCIL ROCK IS PROHIBITED.	Xcel Energy / COUNCILROCK Smart Private Networks	SIZE B	Installation Overview	REV 0.1
		Date: 10-08-18		SHEET 1 OF 4



Keyed notes

1. WiMAX Antenna
2. 2'-8.00" L x 2 3/8" OD Antenna Pipe

Notes:
- Preliminary schematic design only - not for construction.
- Dimensions are approximate and subject to field verification.
- Drawing not to scale.

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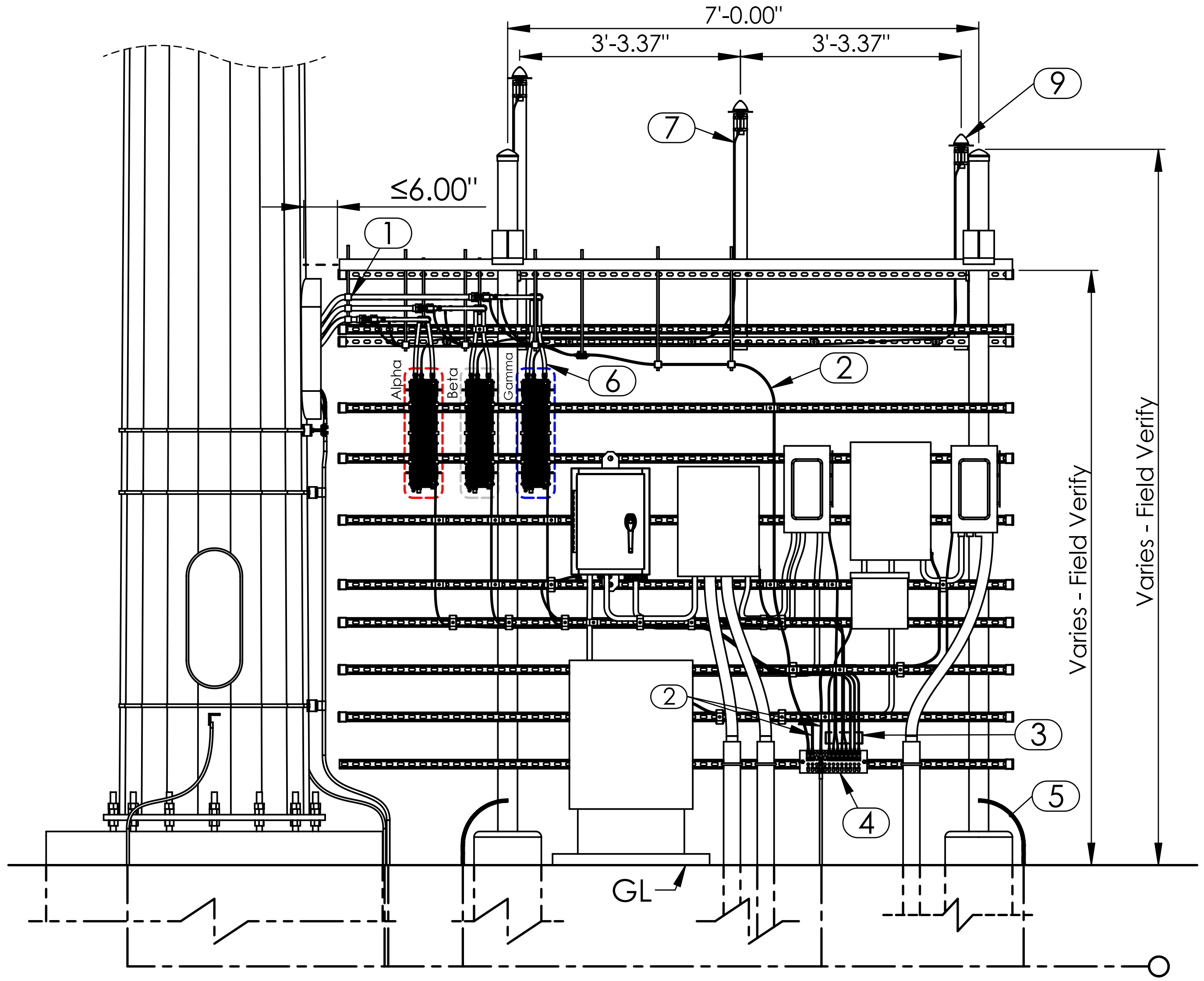
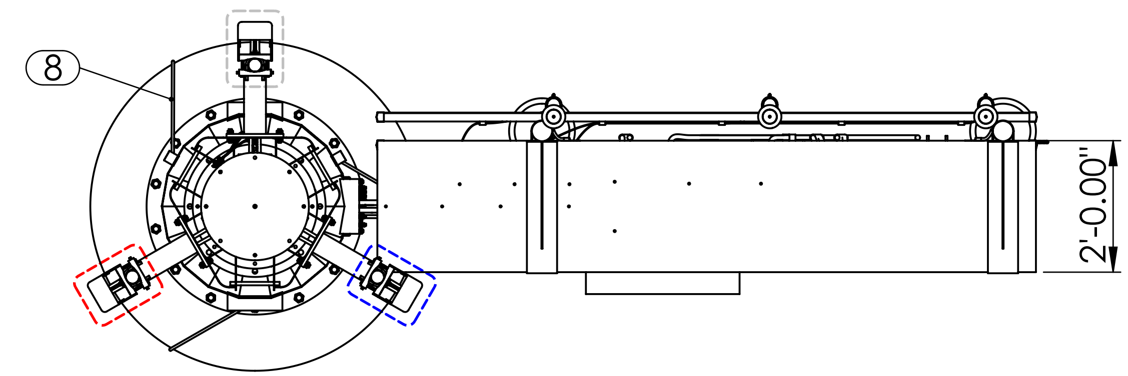
		Date: 10-08-18		SHEET 2 OF 4



H-Frame Front View

Connected to
Buried Ground Ring



Keyed Items

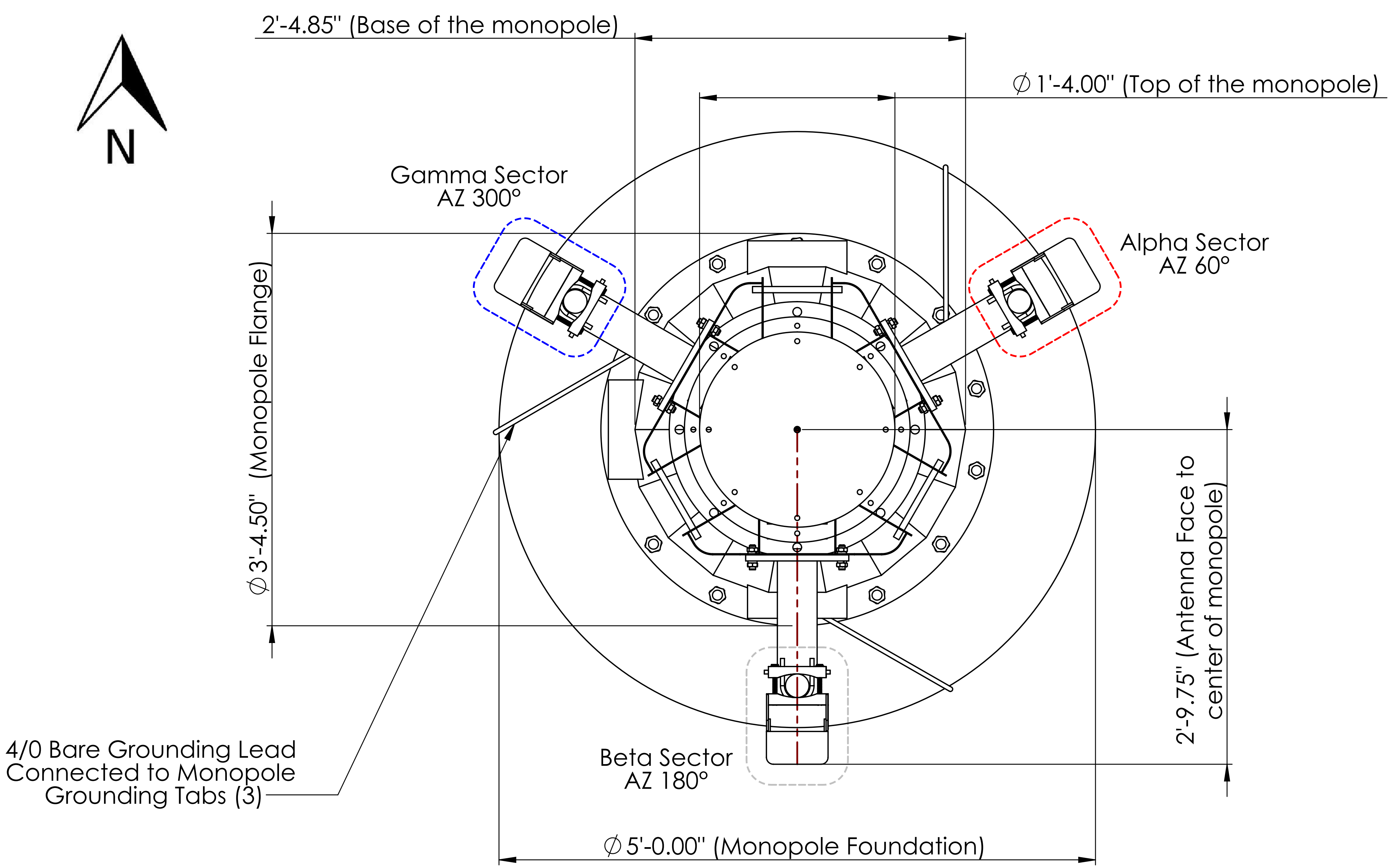
1. 7/8" Cable Support Blocks (3)
2. #2 AWG Insulated (GRN)
3. #6 AWG Insulated (GRN)
4. Only Bus Bar w/isolators (ANSI T1 313-2003)
5. 4/0 AWG Exothermic Welded GND Jumper
6. Coax Jumpers (6)
7. GPS Cables (3)
8. 4/0 Bare Grounding Lead Connected to Monopole Grounding Tabs (3)
9. GPS Antennas (3)

Notes:

- Preliminary schematic design only - not for construction.
- Dimensions are approximate and subject to field verification.
- Drawing not to scale.

Xcel Energy | RESPONSIBLE BY NATURE
COUNCILROCK Smart Private Networks

SIZE		REV
B	- H-Frame Installation Detail	0.1
Date: 10-08-18	SHEET 3 OF 4	



Notes:

- Preliminary schematic design only - not for construction.
- Dimensions are approximate and subject to field verification.
- Drawing not to scale.

Xcel Energy® RESPONSIBLE BY NATURE®

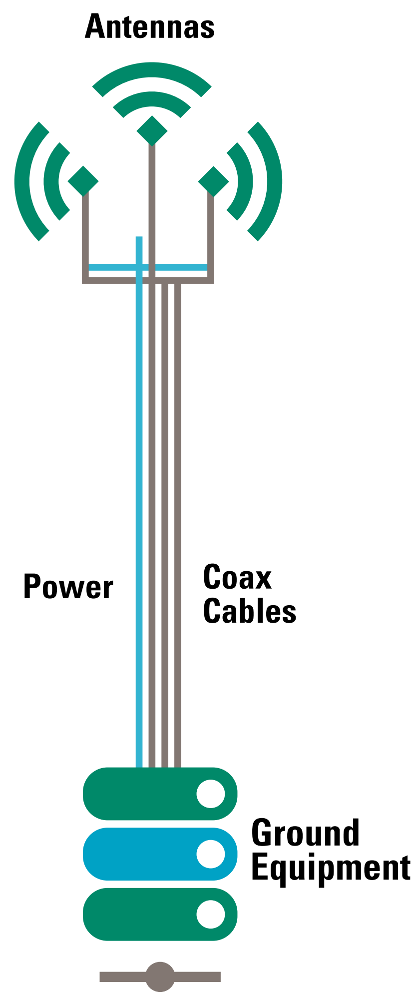
COUNCILROCK Smart Private Networks

SIZE		REV
B	Monopole Top View	0.1
Date: 10-08-18		SHEET 4 OF 4

Bringing Advanced Grid Intelligence and Security to Minnesota

Xcel Energy's Field Area Network (FAN)

Xcel Energy is standing on the threshold of an energy evolution. A key component of this evolution is creating an interactive and modern grid that will deliver more of what Minnesota customers expect from their energy company: cleaner, more reliable energy, more ways to save money, and a better customer experience. Our goal is to build Advanced Grid Intelligence and Security—"Advanced Grid"—to provide faster, efficient service and shorter, better-managed outages by connecting the electric grid with new, intelligent energy devices and technologies. The first step in our Advance Grid includes implementing our Field Area Network (FAN).



What is FAN?

The Field Area Network (FAN) is a wireless communications system that connects Xcel Energy's control centers with intelligent, integrated grid devices that enable remote monitoring and control of the electric grid.

How does FAN work?

FAN serves as the building block for private, fast, secure and two-way communication between our substations and field devices, including new advanced electric planned Advanced Metering Infrastructure (AMI). AMI includes many components, including new advanced electric meters for our Minnesota customers.

What are the benefits of FAN for Xcel Energy's electric customers?

FAN will enable two-way communication between various grid components. For example, intelligent switches installed on high-voltage lines will "talk" to each other over the FAN working to automatically isolate electrical faults and shorten electrical outages for customers. Sensors on field devices will pinpoint a disruption on a line reducing the time it takes to make the repair.

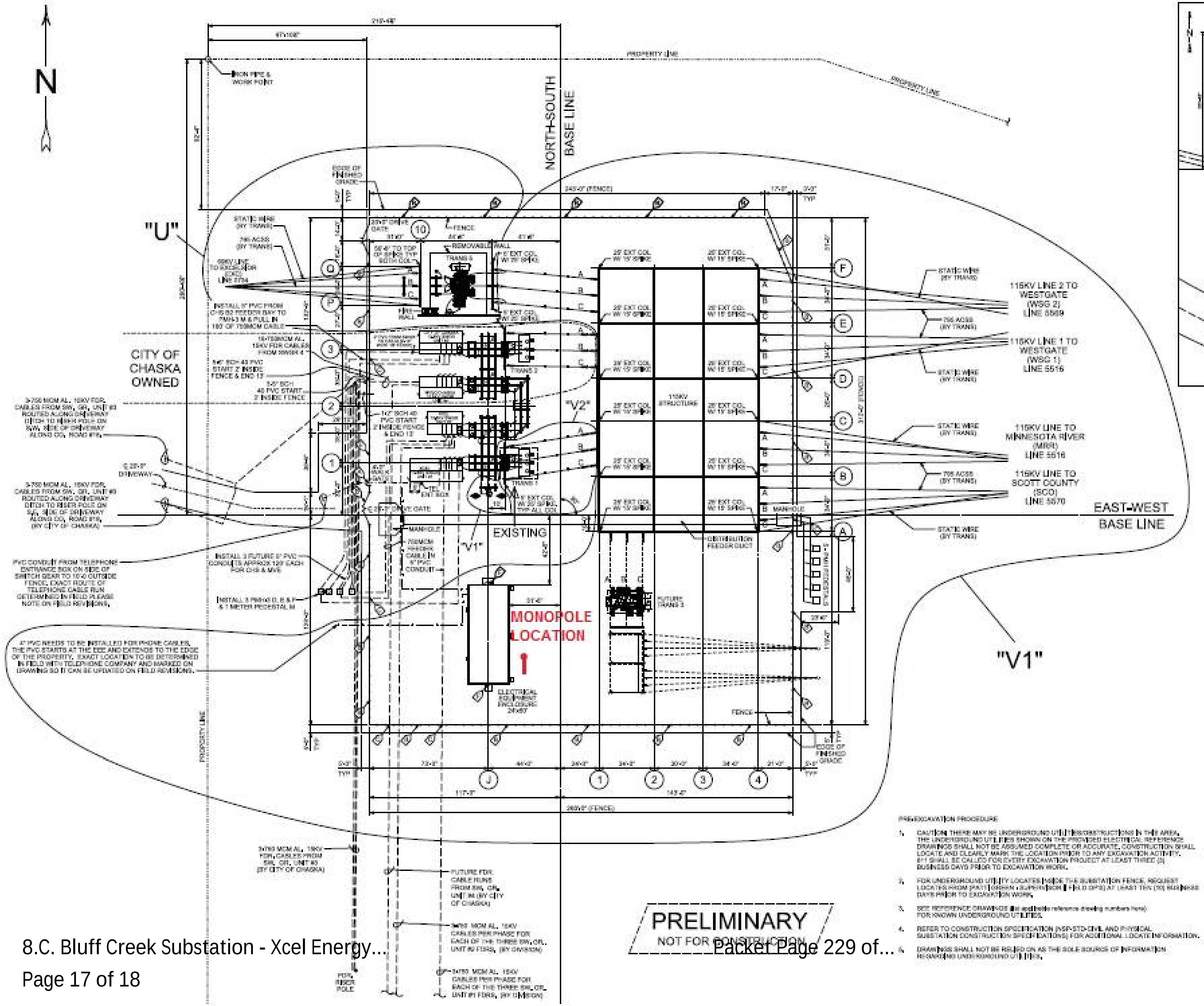
FAN enables a software application to regulate devices to manage overall system voltage and proactively prevent power losses across the grid, and helps control electric demand and customers' energy consumption. This software also will allow us to integrate more renewable, cleaner energy sources onto the grid. Additionally, when an advanced meter is installed on a customer's home, the FAN enables automatic notification to Xcel Energy when the residence loses or regains power. This will help us pinpoint outages and deploy repair crews in the most efficient manner possible.

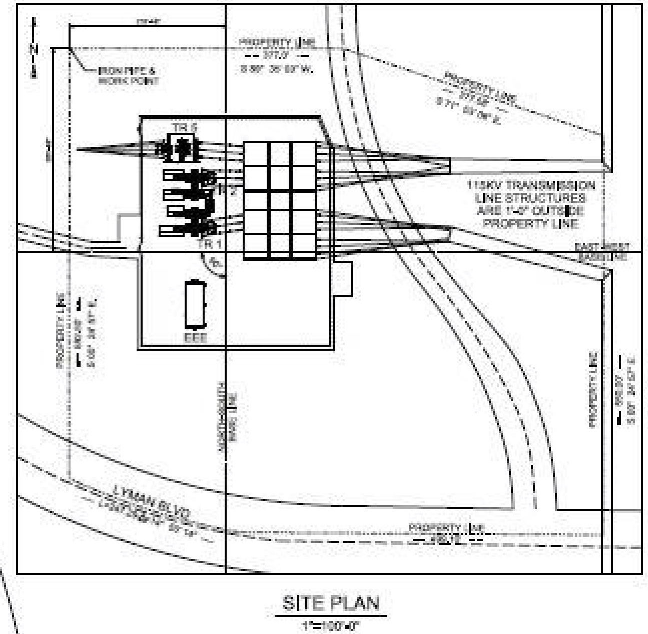
How does Xcel Energy plan on implementing FAN?

Currently, we are working with cities in the metro area to launch our FAN network by installing FAN devices within our existing substations and other Xcel Energy-owned locations. Some equipment will attach to existing towers, while others will be installed on new monopoles. These FAN monopoles are similar to a cell tower, ranging in height from 75′ to 120′ with equipment installed on the ground level that is attached to antennas at the top using coax cables.

What are the other components of Advanced Grid?

Advanced Grid is Xcel Energy's long-term strategic initiative to transform the distribution grid into an intelligent, integrated network that securely, efficiently, reliably and safely integrates distributed energy resources. It will empower customers to track their electricity use and help them take advantage of energy and cost-savings programs. The FAN is a key foundational building block for this initiative.





SITE PLAN

1"=100'-0"

GENERAL NOTES

FOR GENERAL NOTES PRIOR TO 2015 CONSTRUCTION, SEE REVISION "S"

1. FOR LOCATION OF BENCH MARK SEE CONTOUR & GRADING LAYOUT.
2. FOR SUBSTATION ROUGH GRADE SEE CONTOUR & GRADING LAYOUT.
3. SUBSTATION AREA ENCLOSED BY FENCE AND EXTENDING 5'-0" OUTSIDE.
4. FENCE - 7'-0" HIGH STEEL CHAIN LINK FABRIC AND 1'-0" HIGH VERTICAL HEIGHT BARBED WIRE ON TOP, MOUNTED AT A 45° ANGLE POINTED OUTSIDE OF SUBSTATION, IN ACCORDANCE WITH ENG & DSGN STD ED 4.05.03.
5. SEE STRUCTURAL STEEL DRAWINGS FOR LOAD REQUIREMENTS OF EXTERNAL AND INTERNAL STRAINS.
6. U.G. POWER DUCTS PASS UNDER FENCE MIDWAY BETWEEN FENCE POSTS AND WHERE POSSIBLE, NOT LESS THAN 2'-0" BELOW GRADE.

LEGEND

- A — OLD FENCE SIGN WORDED "WARNING, HAZARDOUS VOLTAGES INSIDE, KEEP OUT, CAN SHOCK BURN OR CAUSE DEATH". (THIS SIGN CAN NO LONGER BE ORDERED)
- B — FENCE WARNING SIGN (ITEM 708), PER ENG & DSGN STD ED 4.15.01. THE SIGNS ARE TO BE MOUNTED 5'-0" FROM GRADE TO TOP OF SIGN, 30'-0" - 45'-0" APART AND NO MORE THAN 10'-0" FROM THE CORNERS. ONE SIGN SHOULD BE PLACED ON THE OUTSIDE OF EACH WALK GATE. TWO SIGNS SHOULD BE MOUNTED ON EACH DRIVE GATE, ONE ON THE INSIDE AND ONE ON THE OUTSIDE. (BACK TO BACK ON THE LEFT SIDE OR DRIVERS SIDE PANEL OF THE DOUBLE GATES).
- C — BURIED CABLE SIGN (ITEM 705). PER ENG & DSGN STD ED 4.10.05. THE SIGNS ARE TO BE MOUNTED ON EACH SIDE OF FENCE FABRIC. BACK TO BACK AND APPROXIMATELY 5'-0" FROM GRADE TO TOP OF SIGNS.
- D — BURIED CABLE SIGN (ITEM 705), MOUNTED ON POST (BY FIELD). PER ENG & DSGN STD ED 4.15.05.
- E — SUBSTATION IDENTIFICATION SIGN (ITEM 718), PER ENG & DSGN STD ED 4.15.02 (TOP) ADDRESS SIGN (ITEM 716) PER ENG & DSGN STD ED 4.15.03 (BOTTOM). THE TOP SIGN MOUNTED 5'-0" FROM GRADE TO TOP OF SIGN AND LOCATED ADJACENT TO WALK OR DRIVE GATES.
- F — BATTERY WARNING SIGN (ITEM 707), PER ENG & DSGN STD ED 4.10.05. THE SIGNS ARE TO BE MOUNTED ON THE OUTSIDE OF EACH ELECTRICAL EQUIPMENT ENCLOSURE DOOR, APPROXIMATELY 5'-0" FROM THE BOTTOM OF THE DOOR TO THE TOP OF SIGN.
- INDICATES CONCRETE MARKER FOR U.G. CABLE RUNS. (SEE LATEST REVISION OF PHY DETAIL NL-209502-3-11)
- INDICATES A YELLOW CONCRETE FILLED BOLLARD (ITEM 289).

PRE-EXCAVATION PROCEDURE

1. CAUTION! THERE MAY BE UNDERGROUND UTILITIES/OBSTRUCTIONS IN THIS AREA. THE UNDERGROUND UTILITIES SHOWN ON THE PROVIDED ELECTRICAL REFERENCE DRAWINGS SHALL NOT BE ASSUMED COMPLETE OR ACCURATE. CONSTRUCTION SHALL LOCATE AND CLEARLY MARK THE LOCATION PRIOR TO ANY EXCAVATION ACTIVITY. 811 SHALL BE CALLED FOR EVERY EXCAVATION PROJECT AT LEAST THREE (3) BUSINESS DAYS PRIOR TO EXCAVATION WORK.
2. FOR UNDERGROUND UTILITY LOCATES INSIDE THE SUBSTATION FENCE, REQUEST LOCATES FROM (PATTI GIBBON - SUPERVISOR II FIELD OPS) AT LEAST TEN (10) BUSINESS DAYS PRIOR TO EXCAVATION WORK.
3. SEE REFERENCE DRAWINGS (list applicable reference drawing numbers here) FOR KNOWN UNDERGROUND UTILITIES.
4. REFER TO CONSTRUCTION SPECIFICATION (NSP-STD-CIVIL AND PHYSICAL SUBSTATION CONSTRUCTION SPECIFICATIONS) FOR ADDITIONAL LOCATE INFORMATION.
5. DRAWINGS SHALL NOT BE RELIED ON AS THE SOLE SOURCE OF INFORMATION REGARDING UNDERGROUND UTILITIES.

FOR DRAWING REFERENCE AND REVISION INFORMATION SEE INDEX SHEET NO.209503

BLUFF CREEK SUBSTATION | BLC

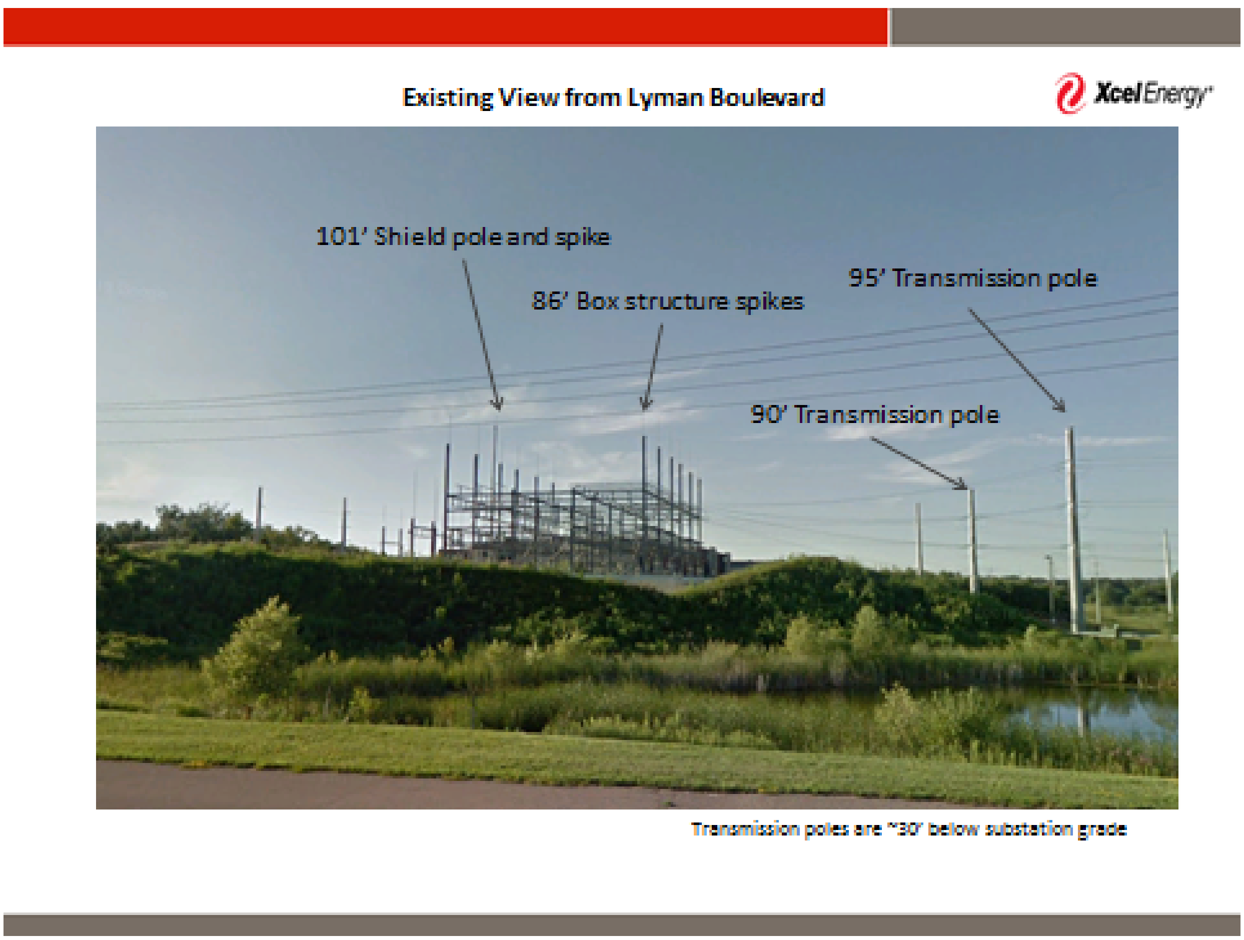
GENERAL ARRANGEMENT

2150 LYMAN BLVD

Xcel Energy | NH-110110 | V

Pole simulation:

Existing Facilities:



CLAIMS ROSTER REPORT

FOR COUNCIL MEETING: **November 4, 2019**

Paid and Unpaid Invoices:	
Check #'s 330313-330437	**$594,764.59**
Paid Electronic Invoices:	
Wire #'s 2086-2102	**$509,231.30**

Amount for Approval-Council Meeting:	
November 4, 2019	**$1,103,995.89**

Checks

munis a tyler erp solution

11/01/2019 10:21 8482mrob	City of Chaska VENDOR INVOICE LIST	P 1 apinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100010 AARP									
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107858 ABDO EICK & MEYERS LLP									
100037 CHECK DATE: 11/05/2019		10/07/2019	110519	330331	100.00	11/07/2019	INV	PD	AEM CONF - K GRINNELL - S
100026 DENWIN INC									
K88344/2 CHECK DATE: 11/05/2019		10/14/2019	110519	330332	16.98	11/14/2019	INV	PD	supplies-caulk, tube viny
103825 ACUSHNET COMPANY									
300245076 CHECK DATE: 11/05/2019		10/11/2019	110519	330333	-182.50	11/11/2019	CRM	PD	RESALE
908216432 CHECK DATE: 11/05/2019		10/11/2019	110519	330333	97.31	11/10/2019	INV	PD	RESALE
908216696 CHECK DATE: 11/05/2019		10/11/2019	110519	330333	277.72	11/10/2019	INV	PD	RESALE
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100843 AH HERMEL COMPANY									
796335 CHECK DATE: 11/05/2019		10/16/2019	110519	330334	346.31	11/16/2019	INV	PD	vending supplies
100097 AMERICAN TIME & SIGNAL CO									
823698 CHECK DATE: 11/05/2019		10/17/2019	110519	330335	76.81	11/16/2019	INV	PD	clock guard
100122 ARAMARK REFRESHMENT SERVICES									
1384344 CHECK DATE: 10/22/2019		10/03/2019	102219-2	330313	98.13	11/03/2019	INV	PD	COFFEE FOR FIRE DEPT
6453570 CHECK DATE: 11/05/2019		10/14/2019	110519	330336	162.41	11/14/2019	INV	PD	BREAKROOM SUPPLIES

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100146 ASPEN MILLS INC									
245634 CHECK DATE: 11/05/2019		10/16/2019	110519	330337	150.25	11/15/2019	INV	PD	UNIFORM - K GRAVALIN
245756 CHECK DATE: 11/05/2019		10/18/2019	110519	330337	258.98	11/17/2019	INV	PD	DUTY PANTS - C TREBIATOWS
					409.23				
105386 ASSOCIATED MECHANICAL CONTRACTORS INC									
11884 CHECK DATE: 11/05/2019		10/17/2019	110519	330338	7,021.85	11/16/2019	INV	PD	repair work on 4 differen
107572 BAKER TILLY VIRCHOW KRAUSE LLP									
BTMA2419 CHECK DATE: 11/05/2019		10/10/2019	110519	330339	33,151.12	11/10/2019	INV	PD	2019B ISSUANCE COSTS
BTMA2420 CHECK DATE: 11/05/2019		10/10/2019	110519	330339	14,393.00	11/10/2019	INV	PD	2019C ISSUANCE COSTS
BTMA2522 CHECK DATE: 11/05/2019		10/21/2019	110519	330339	9,458.95	11/29/2019	INV	PD	ANNUAL TIF DISTRICT REVIE
BTMA2523 CHECK DATE: 11/05/2019		10/21/2019	110519	330339	5,160.00	11/29/2019	INV	PD	ANNUAL ABATEMENT REVIEW
BTMA2524 CHECK DATE: 11/05/2019		10/21/2019	110519	330339	5,695.25	11/29/2019	INV	PD	2018 ANNUAL OSA TIF REPOR
					67,858.32				
100174 BAUER BUILT TIRE AND BATTERY									
180254295 CHECK DATE: 11/05/2019		10/10/2019	110519	330340	675.52	11/15/2019	INV	PD	BOBCAT TRAILER TIRES
180254340 CHECK DATE: 11/05/2019		10/10/2019	110519	330340	294.92	11/15/2019	INV	PD	Squad 1123 tires
180254342 CHECK DATE: 11/05/2019		10/10/2019	110519	330426	170.72	11/15/2019	INV	PD	PAR 30 WORKMAN TRUCK TIRE
					1,141.16				
100202 BLUETARP FINANCIAL INC									

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102279 BOLTON & MENK INC									
0236804		07/19/2019	110519	330342	9,720.00	11/24/2019	INV	PD	2019 DOWNTOWN FUNDING
CHECK DATE: 11/05/2019									
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					495.30				
100225 BRADY, EMERSON									
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CHECK DATE: 11/05/2019									
100254 BRYAN ROCK PRODUCTS INC									
38100		10/15/2019	110519	330345	3,595.41	11/15/2019	INV	PD	TURBINE SITE TRAIL
CHECK DATE: 11/05/2019									
107742 BURT, MATT									
71610		09/24/2019	110519	330346	29.23	11/24/2019	INV	PD	MILEAGE-LOGIS MTG IN GOLD
CHECK DATE: 11/05/2019									
100275 CALLAWAY GOLF									
930916122		10/15/2019	110519	330427	1,076.40	12/14/2019	INV	PD	RESALE
CHECK DATE: 11/05/2019									
100314 CARVER COUNTY IS/GIS DEPT									
2373		10/04/2019	110519	330347	265.00	11/04/2019	INV	PD	OCT 2019 GIS SERVICE
CHECK DATE: 11/05/2019									
100323 CDW GOVERNMENT INC									
VCJ6503		09/26/2019	110519	330348	538.62	10/26/2019	INV	PD	2019 PHONE UPGRADE-WIRELE
CHECK DATE: 11/05/2019									

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VFM5547 CHECK DATE: 11/05/2019		10/03/2019	110519	330348	3,663.32	11/02/2019	INV	PD	CPD SURFACE PROS
VFN5739 CHECK DATE: 11/05/2019		10/03/2019	110519	330348	263.93	11/02/2019	INV	PD	2019 PHONE UPGRADE-WIRELE
VGW2250 CHECK DATE: 11/05/2019		10/08/2019	110519	330348	2,261.70	11/07/2019	INV	PD	2019 PHONE UPGRADE-PHONES
VHB7270 CHECK DATE: 11/05/2019		10/09/2019	110519	330348	68.04	11/08/2019	INV	PD	2019 PHONE UPGRADE-HOOK S
VHD6246 CHECK DATE: 11/05/2019		10/09/2019	110519	330348	2,695.02	11/08/2019	INV	PD	2019 PHONE UPGRADE-PHONES
VJL2597 CHECK DATE: 11/05/2019		10/15/2019	110519	330348	101.70	11/14/2019	INV	PD	CABLES
VJP0271 CHECK DATE: 11/05/2019		10/15/2019	110519	330348	1,055.72	11/14/2019	INV	PD	2019 PHONE UPGRADE-WIRELE
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100332 CENTERPOINT ENERGY RESOURCES CORP									
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100333 CENTERPOINT ENERGY RESOURCES CORP									
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100337 QWEST CORPORATION									
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313196254/OCT19 CHECK DATE: 10/30/2019		10/18/2019	103019	330325	587.43	11/15/2019	INV	PD	OCT 2019 CITY HALL LOC PH
313249294/OCT19 CHECK DATE: 10/23/2019		10/11/2019	test	330314	54.03	11/08/2019	INV	PD	OCT 2019 TC MAINT LOC PHN

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314238800/OCT19 CHECK DATE: 10/30/2019		10/18/2019	103019	330325	73.08	11/15/2019	INV	PD	OCT 2019 LOCAL PHN SVC
479641246/OCT19 CHECK DATE: 10/30/2019		10/02/2019	103019	330325	59.98	10/28/2019	INV	PD	OCT 2019 FIRE INSPECTION
					12,850.80				
100362 CHASKA HIGH SCHOOL									
2005097.002 CHECK DATE: 11/05/2019		04/17/2019	110519	330428	625.00	11/29/2019	INV	PD	REFUND PERMIT CHARGES-CHA
100379 CHANHASSEN SENIOR CENTER									
71523 CHECK DATE: 11/05/2019		10/16/2019	110519	330349	1,011.75	11/18/2019	INV	PD	Expenses for Mankato Day
71547 CHECK DATE: 11/05/2019		10/16/2019	110519	330349	5,908.79	11/21/2019	INV	PD	Expenses for overnight Io
					6,920.54				
100436 COMCAST CORPORATION									
0036243/OCT19-TC CHECK DATE: 10/25/2019		10/07/2019	102519	330315	247.03	11/01/2019	INV	PD	CLUBHOUSE CABLE
0055482/OCT19 CHECK DATE: 10/30/2019		10/12/2019	103019	330326	6.67	11/06/2019	INV	PD	OCT FD CABLE
0318609Nov19Fitness CHECK DATE: 11/05/2019		10/23/2019	110519	330350	319.78	11/17/2019	INV	PD	fitness tv cable
					573.48				
100440 COMMERCIAL REFIGERATION SYSTEMS INC									
47077 CHECK DATE: 11/05/2019		10/18/2019	110519	330351	387.78	11/18/2019	INV	PD	Ice plant repair parts
100429 COORDINATED BUSINESS SYSTEMS LTD									
INV46751 CHECK DATE: 11/05/2019		10/07/2019	110519	330353	36.51	10/17/2019	INV	PD	TC COPIER CONTRACT
INV49273 CHECK DATE: 11/05/2019		10/16/2019	110519	330352	55.78	10/26/2019	INV	PD	HP M401N

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
					92.29				
107815 COPPERHEAD INNOVATIONS LLC									
11937 CHECK DATE: 11/05/2019		10/16/2019	110519	330354	2,344.00	11/15/2019	INV	PD	AIR MONITORS
106301 CORE AND MAIN LP									
L347183 CHECK DATE: 11/05/2019		10/11/2019	110519	330355	980.43	11/11/2019	INV	PD	CCC VALLEY GUTTER
100488 DAKOTA COUNTY TECHNICAL COLLEGE									
564490 CHECK DATE: 11/05/2019		10/01/2019	110519	330356	500.00	11/10/2019	INV	PD	Pursuit Refresher-Schmidt
100619 ESS BROTHERS & SONS INC									
ZZ9282 CHECK DATE: 11/05/2019		10/09/2019	110519	330357	3,187.80	11/09/2019	INV	PD	CCC VALLEY GUTTER/CATCH B
105908 FAMILY SUPPORT REGISTRY									
PR10251910859189 CHECK DATE: 10/25/2019		10/25/2019	102519	330316	34.00	10/25/2019	INV	PD	102519 Payroll Child Supp
100661 FIRE CATT LLC									
7878 CHECK DATE: 11/05/2019		10/17/2019	110519	330358	3,610.34	11/17/2019	INV	PD	HOSE & LADDER TESTING & C
100708 GEAR WASH LLC									
15674 CHECK DATE: 11/05/2019		10/07/2019	110519	330359	696.75	11/06/2019	INV	PD	GEAR WASH FOR FF
100759 GRAINGER									
9317195437 CHECK DATE: 11/05/2019		10/08/2019	110519	330360	157.40	11/07/2019	INV	PD	plumbing supplies
9322719742 CHECK DATE: 11/05/2019		10/14/2019	110519	330360	34.28	11/13/2019	INV	PD	batteries
9328134995 CHECK DATE: 11/05/2019		10/18/2019	110519	330360	69.72	11/17/2019	INV	PD	air filters

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
					261.40				
100758 GRAYBAR ELECTRIC COMPANY INC									
9312856839	190192	10/23/2019	110519	330361	3,310.46	11/23/2019	INV	PD	CONDUIT 3" SCHED 40
CHECK DATE: 11/05/2019									
105068 HD ELECTRIC COMPANY									
529788		10/22/2019	110519	330362	593.00	11/22/2019	INV	PD	PHASING STICK REPAIR
CHECK DATE: 11/05/2019									
100821 HEALTHPARTNERS INC									
92956468		10/11/2019	102819	330320	6,041.39	11/11/2019	INV	PD	NOV 2019 EMP DENTAL INS P
CHECK DATE: 10/28/2019									
100830 HELSTROM, DEREK									
71607		09/15/2019	110519	330429	91.64	11/24/2019	INV	PD	MILEAGE-6/21-9/15
CHECK DATE: 11/05/2019									
100848 HIGH TECH CLEANING INC									
15197		10/01/2019	110519	330363	1,495.91	11/01/2019	INV	PD	FIRE STATION
CHECK DATE: 11/05/2019									
15274		10/22/2019	110519	330364	902.72	11/22/2019	INV	PD	FIRE STATION SUPPLIES
CHECK DATE: 11/05/2019									
15277		10/22/2019	110519	330364	523.70	11/22/2019	INV	PD	MSB SUPPLIES
CHECK DATE: 11/05/2019									
					2,922.33				
100889 INTERNATIONAL CITY MGMT ASSN RETIREMENT CORP									
2019/1025-ICMA		10/25/2019	102819	330321	3,774.51	10/25/2019	INV	PD	20191025 - Payroll 457 &
CHECK DATE: 10/28/2019									
100917 INTERSTATE POWER SYSTEMS INC									
1771023 RI		10/29/2019	110519	330365	18.71	11/29/2019	INV	PD	REPAIR PARTS CCC TORO BRO
CHECK DATE: 11/05/2019									
100943 JEFFERSON FIRE & SAFETY INC									
IN110751		10/07/2019	110519	330366	69.55	11/06/2019	INV	PD	FRONT FOR FF HELMET
CHECK DATE: 11/05/2019									

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
IN110942 CHECK DATE: 11/05/2019		10/14/2019	110519	330366	13,028.50	11/03/2019	INV	PD	TURNOUT GEAR
					13,098.05				
101022 KUSSKE CONSTRUCTION CO LLC									
52492000-4 CHECK DATE: 11/05/2019		10/09/2019	110519	330367	188,527.51	11/24/2019	INV	PD	2019 DT RECONSTRUCTION PR
101043 LANO EQUIPMENT INC									
01-710728 CHECK DATE: 11/05/2019		10/22/2019	110519	330368	199.00	11/22/2019	INV	PD	BOBCAT BUCKET PARTS (SNOW
105139 LUBE TECH AND PARTNERS LLC									
1475678 CHECK DATE: 11/05/2019		10/11/2019	110519	330369	1,300.70	11/11/2019	INV	PD	GENERATORS FOR WELLS AND
1475679 CHECK DATE: 11/05/2019		10/11/2019	110519	330369	3,738.65	11/10/2019	INV	PD	GENERATORS AT WELLS, WTP,
					5,039.35				
101151 MCDONALD CONSTRUCTION INC									
2905 CHECK DATE: 11/05/2019		10/21/2019	110519	330370	1,500.00	11/21/2019	INV	PD	BLDRS DEP REF-2905 FAIRWA
2909 CHECK DATE: 11/05/2019		10/21/2019	110519	330370	1,500.00	11/21/2019	INV	PD	BLDRS DEP REF-2909 FAIRWA
					3,000.00				
107910 RORY DEMESY									
911201 CHECK DATE: 11/05/2019		10/21/2019	110519	330371	3,955.34	11/21/2019	INV	PD	STREET CLOCK RESTORATION
101187 METRO SALES INC									
INV1451017 CHECK DATE: 11/05/2019		10/17/2019	110519	330372	165.00	11/16/2019	INV	PD	Ricoh/MP C3003 color
INV1454056 CHECK DATE: 11/05/2019		10/22/2019	110519	330372	203.04	11/21/2019	INV	PD	QTRLY COPIER USAGE - FD
INV1454069 CHECK DATE: 11/05/2019		10/22/2019	110519	330372	396.39	11/21/2019	INV	PD	RICOH COPIER

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
INV1455797 CHECK DATE: 11/05/2019		10/24/2019	110519	330372	159.00	11/23/2019	INV	PD	NOV 2019 COPIER - FD
					923.43				
101196 MID COUNTY COOP #122622									
37543 CHECK DATE: 11/05/2019		10/17/2019	110519	330430	411.35	11/30/2019	INV	PD	154 GLS GAS - TC
37544 CHECK DATE: 11/05/2019		10/17/2019	110519	330430	550.44	11/30/2019	INV	PD	208 GLS DIESEL - TC
					961.79				
101217 MINNESOTA CHILD SUPPORT PMT CTR									
PR1025190014172152 CHECK DATE: 10/25/2019		10/25/2019	102519	330317	195.66	10/25/2019	INV	PD	102519 Payroll Child Supp
PR1025190015102O8001 CHECK DATE: 10/25/2019		10/25/2019	102519	330318	229.34	10/25/2019	INV	PD	102519 Payroll Child Supp
					425.00				
101256 MINNESOTA POLLUTION CONTROL AGENCY									
71528 CHECK DATE: 11/05/2019		10/14/2019	110519	330373	45.00	11/14/2019	INV	PD	S. MUNKELWITZ CLASS SB CE
101276 MINNESOTA VALLEY ELECTRIC COOPERATIVE									
107051510/OCT19 CHECK DATE: 11/05/2019		10/21/2019	110519	330374	28.72	11/16/2019	INV	PD	OCT 2019 82ND ST & HWY 41
778320601/OCT19 CHECK DATE: 11/05/2019		10/21/2019	110519	330374	88.04	11/16/2019	INV	PD	OCT 2019 CHEVALLE LIFT ST
780272000/OCT19 CHECK DATE: 11/05/2019		10/21/2019	110519	330374	10.47	11/16/2019	INV	PD	OCT 2019 CHEVALLE IRRIGAT
					127.23				
101281 KRISTIE MITCHELL									
71511 CHECK DATE: 11/05/2019		10/17/2019	110519	330375	3,190.52	11/17/2019	INV	PD	FALL 1 LEARN TO SKATE
101334 STATE OF MINNESOTA									
2019/1029-UP CHECK DATE: 10/29/2019		10/29/2019	102919	330322	496.54	11/01/2019	INV	PD	2019 UNCLAIMED PROPERTY-C

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
101351 MN DEPARTMENT OF TRANSPORTATION									
P00010623 CHECK DATE: 11/05/2019		08/28/2019	110519	330376	317.18	09/27/2019	INV	PD	INTERCHANGE-STRUCTURAL ME
105853 MOR GOLF AND UTILITY INC									
14757 CHECK DATE: 11/05/2019		10/21/2019	110519	330431	153.42	11/21/2019	INV	PD	CART REPAIRS/PARTS
101327 MP NEXLEVEL LLC									
1117488 CHECK DATE: 11/05/2019		10/16/2019	110519	330377	22,119.00	11/16/2019	INV	PD	WO# 697 MICHAEL FOODS ADD
101354 MTI DISTRIBUTING INC #700767									
1236452-00 CHECK DATE: 11/05/2019		10/02/2019	110519	330378	65.39	11/02/2019	INV	PD	BELT 3500 SIDEWINDER
1236609-00 CHECK DATE: 11/05/2019		10/15/2019	110519	330432	1,598.76	11/15/2019	INV	PD	REPAIR PUMP ON SPRAYER
1237417-00 CHECK DATE: 11/05/2019		10/15/2019	110519	330432	467.16	11/15/2019	INV	PD	FAIRWAY MOWER BASKET
					2,131.31				
101360 MUNKELWITZ, STEVE									
71951 CHECK DATE: 11/05/2019		10/14/2019	110519	330379	55.00	11/30/2019	INV	PD	CLASS SB CERTIFICATION RE
101391 NELSON, LISA									
71682 CHECK DATE: 11/05/2019		09/27/2019	110519	330380	162.40	11/24/2019	INV	PD	MILEAGE-MN GFOA CONF IN A
101397 NEXTEL COMMUNICATIONS									
123473318-215 CHECK DATE: 11/05/2019		10/18/2019	110519	330433	121.28	11/13/2019	INV	PD	OCT 2019 PHONE SERVICE
101436 NUCO2 INC									
60942497 CHECK DATE: 11/05/2019		09/30/2019	110519	330381	300.64	10/30/2019	INV	PD	pool chemicals

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
61110159 CHECK DATE: 11/05/2019		10/21/2019	110519	330381	199.21	11/21/2019	INV	PD	pool chemicals
					499.85				
101445 OFFICE DEPOT									
384513938001-1 CHECK DATE: 11/05/2019		10/01/2019	110519	330382	31.44	11/02/2019	INV	PD	Cubicle Coat Hooks
384513938001-2 CHECK DATE: 11/05/2019		10/01/2019	110519	330382	169.48	11/01/2019	INV	PD	Bowls for lunch room
384591159001-1 CHECK DATE: 11/05/2019		10/01/2019	110519	330382	25.19	11/01/2019	INV	PD	Coffee for work room
384591159001-2 CHECK DATE: 11/05/2019		10/01/2019	110519	330382	34.99	11/02/2019	INV	PD	Copy paper for work room
389313243001-1 CHECK DATE: 11/05/2019		10/14/2019	110519	330382	104.97	11/16/2019	INV	PD	Copy Paper
389313243001-2 CHECK DATE: 11/05/2019		10/14/2019	110519	330382	35.99	11/16/2019	INV	PD	Coffee for the breakroom
390326870001 CHECK DATE: 11/05/2019		10/15/2019	110519	330382	4.18	11/16/2019	INV	PD	Blue Index Cards for UB
390327402001-1 CHECK DATE: 11/05/2019		10/15/2019	110519	330382	38.99	11/16/2019	INV	PD	3 hole punch paper for UB
390327402001-2 CHECK DATE: 11/05/2019		10/15/2019	110519	330382	34.99	11/16/2019	INV	PD	Insulated 12 oz cups
390519976001 CHECK DATE: 11/05/2019		10/16/2019	110519	330382	11.38	11/16/2019	INV	PD	Batteries
390520419001-1 CHECK DATE: 11/05/2019		10/16/2019	110519	330382	36.18	11/16/2019	INV	PD	Binders for Kelly G
390520419001-2 CHECK DATE: 11/05/2019		10/16/2019	110519	330382	4.24	11/16/2019	INV	PD	Mouse Pad for Vicki S
390782056001 CHECK DATE: 11/05/2019		10/16/2019	110519	330382	-11.38	10/16/2019	CRM	PD	Batteries
390831163001 CHECK DATE: 11/05/2019		10/17/2019	110519	330382	65.98	11/16/2019	INV	PD	COPY PAPER
391111846001 CHECK DATE: 11/05/2019		10/16/2019	110519	330382	66.76	11/15/2019	INV	PD	Pad of paper
391326483001 CHECK DATE: 11/05/2019		10/17/2019	110519	330382	57.56	11/22/2019	INV	PD	2020 Wall calendars

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
392002515001 CHECK DATE: 11/05/2019		10/21/2019	110519	330382	7.23	11/22/2019	INV	PD	Facial tissues
					718.17				
104668 OPTUM BANK INC									
9410684 CHECK DATE: 11/05/2019		10/15/2019	110519	330383	637.00	11/14/2019	INV	PD	3RD QTR HSA FEES
107912 WHITNEY PANKONIN ZAPPA									
71681 CHECK DATE: 11/05/2019		10/04/2019	110519	330384	84.22	11/24/2019	INV	PD	MILEAGE-CPP EXAM IN ROCHE
101484 PAPCO INC									
213643 CHECK DATE: 11/05/2019		10/14/2019	110519	330385	59.68	11/13/2019	INV	PD	carpet extractor parts
107681 PECORARO, DAN									
71954 CHECK DATE: 11/05/2019		10/18/2019	110519	330386	146.04	11/30/2019	INV	PD	MILEAGE-MMUA OVERHEAD SCH
101511 PERLICH, TRACY									
71612 CHECK DATE: 11/05/2019		10/04/2019	110519	330387	178.64	11/24/2019	INV	PD	MILEAGE-MNSCIA CONF IN NI
101530 PING INC									
14967543 CHECK DATE: 11/05/2019		10/16/2019	110519	330388	174.38	12/16/2019	INV	PD	RESALE
103055 QUALITY PROPANE INC									
187066T CHECK DATE: 11/05/2019		10/07/2019	110519	330389	94.09	11/06/2019	INV	PD	L P Gas
187569T CHECK DATE: 11/05/2019		10/14/2019	110519	330389	116.33	11/13/2019	INV	PD	L P gas
187699T CHECK DATE: 11/05/2019		10/21/2019	110519	330389	112.67	11/20/2019	INV	PD	L P gas
					323.09				
107855 STAPLES INC									

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
1802929 CHECK DATE: 11/05/2019		10/09/2019	110519	330390	110.55	11/08/2019	INV	PD	MECHANIC SUPPLIES
1929251 CHECK DATE: 11/05/2019		10/15/2019	110519	330390	112.45	11/14/2019	INV	PD	OFFICE SUPPLIES
1931831 CHECK DATE: 11/05/2019		10/15/2019	110519	330390	51.48	11/14/2019	INV	PD	OFFICE SUPPLIES
					274.48				
101607 BINGO LLC									
16249 CHECK DATE: 11/05/2019		10/19/2019	110519	330391	283.20	11/19/2019	INV	PD	D. PECORARO LODGING FOR O
16256 CHECK DATE: 11/05/2019		10/19/2019	110519	330391	283.20	11/19/2019	INV	PD	G. WICKENHAUSER LODGING O
					566.40				
101616 RDO EQUIPMENT COMPANY									
P55770 CHECK DATE: 11/05/2019		10/15/2019	110519	330392	-89.35	11/15/2019	CRM	PD	#710 VACTOR
P55842 CHECK DATE: 11/05/2019		10/16/2019	110519	330392	1,030.98	11/16/2019	INV	PD	UNIT #715 TRENCHER PARTS
					941.63				
101617 REACH FOR RESOURCES INC									
6844656 CHECK DATE: 11/05/2019		09/30/2019	110519	330393	57.12	11/25/2019	INV	PD	Overage for 2019 Inclusio
101620 RECREATION SUPPLY CO INC									
372638 CHECK DATE: 11/05/2019		09/30/2019	110519	330394	441.38	10/30/2019	INV	PD	acid pump
373209 CHECK DATE: 11/05/2019		10/17/2019	110519	330394	76.86	11/17/2019	INV	PD	pool repairs
					518.24				
101649 RIDGEVIEW MEDICAL CENTER									
71542 CHECK DATE: 11/05/2019		10/18/2019	110519	330395	246.00	11/18/2019	INV	PD	AMBULANCE LICENSE RENEWAL
101652 RIES HEATING & A/C INC									

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
19373 CHECK DATE: 11/05/2019		10/16/2019	110519	330396	633.50	11/16/2019	INV	PD	FALL SERVICE OF HVAC SYST
107697 RIVERS EDGE CONCRETE LLC									
C2108093 CHECK DATE: 11/05/2019		10/06/2019	110519	330397	402.75	11/06/2019	INV	PD	WALNUT ST PARK AND RIDE
101668 ROBBS ELECTRIC INC									
34189 CHECK DATE: 11/05/2019		10/17/2019	110519	330398	482.61	11/17/2019	INV	PD	WO# 596 2019 CITYWIDE OH
34191 CHECK DATE: 11/05/2019		10/17/2019	110519	330398	438.52	11/17/2019	INV	PD	WO#582 UG MAINTENANCE - 1
					921.13				
104416 KELBRO COMPANY									
2432380 CHECK DATE: 11/05/2019		10/15/2019	110519	330434	260.35	11/15/2019	INV	PD	OAK 19 ICE MACHINE RENTAL
101775 THE SHERWIN-WILLIAMS COMPANY-CHANHASSEN									
7327-2 CHECK DATE: 11/05/2019		10/16/2019	110519	330399	90.27	11/20/2019	INV	PD	WELL #6
9860-6 CHECK DATE: 11/05/2019		10/17/2019	110519	330399	187.92	11/20/2019	INV	PD	WELL #6
9883-8 CHECK DATE: 11/05/2019		10/17/2019	110519	330399	213.73	11/20/2019	INV	PD	WELL #6
					491.92				
104827 ROHN INDUSTRIES INC									
512807 CHECK DATE: 11/05/2019		10/07/2019	110519	330400	20.25	11/07/2019	INV	PD	Security Console
105388 SHRED-IT US HOLDCO INC									
8128340088 CHECK DATE: 11/05/2019		10/15/2019	110519	330401	101.50	11/15/2019	INV	PD	Shredding
104547 SITEONE LANDSCAPE SUPPLY HOLDING LLC									
95543094-001		10/24/2019	110519	330402	12.97	11/15/2019	INV	PD	IRRIGATION PARTS FOR CITY

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 11/05/2019									
95560201-001		10/24/2019	110519	330402	449.53	11/15/2019	INV	PD	IRRIGATION PARTS FOR CITY
CHECK DATE: 11/05/2019									
					462.50				
103601 GREG SLETTEN									
71522		10/11/2019	110519	330403	150.00	11/11/2019	INV	PD	entertainment for Lodge H
CHECK DATE: 11/05/2019									
101830 SPARTAN MOTORS USA INC									
IN00789904		10/07/2019	110519	330404	223.13	11/07/2019	INV	PD	#311 FIRE AIR TANK
CHECK DATE: 11/05/2019									
101859 STANDARD & POORS GLOBAL RATINGS									
11379325		10/07/2019	110519	330405	16,000.00	11/07/2019	INV	PD	2019B & 2019C ISSUANCE CO
CHECK DATE: 11/05/2019									
101850 STANTEC CONSULTING SERVICES INC									
1576878		10/22/2019	110519	330406	9,977.90	11/22/2019	INV	PD	SEP 2019-GENERAL ENGINEER
CHECK DATE: 11/05/2019									
1576879		10/22/2019	110519	330406	450.00	11/22/2019	INV	PD	SEP 2019-ENGINEERING DEPA
CHECK DATE: 11/05/2019									
1576880		10/22/2019	110519	330406	1,385.50	11/22/2019	INV	PD	SEP 2019-DT RECONSTRUCTIO
CHECK DATE: 11/05/2019									
1576881		10/22/2019	110519	330406	311.50	11/22/2019	INV	PD	SEP 2019-MN RIVER FLOODPL
CHECK DATE: 11/05/2019									
1576882		10/22/2019	110519	330406	1,834.16	11/22/2019	INV	PD	SEP 2019-CLOVER RIDGE DR
CHECK DATE: 11/05/2019									
1576883		10/22/2019	110519	330406	3,376.00	11/22/2019	INV	PD	SEP 2019-RECORD PLAN/BASE
CHECK DATE: 11/05/2019									
1576884		10/22/2019	110519	330406	1,373.50	11/22/2019	INV	PD	SEP 2019-MCKNIGHT WETLAND
CHECK DATE: 11/05/2019									
1576885		10/22/2019	110519	330406	16,558.50	11/22/2019	INV	PD	SEP 2019-CREEK RD SW COLL
CHECK DATE: 11/05/2019									
1576886		10/22/2019	110519	330406	1,050.20	11/22/2019	INV	PD	SEP 2019-VETERAN'S PARK M
CHECK DATE: 11/05/2019									
1576887		10/22/2019	110519	330406	8,000.00	11/22/2019	INV	PD	SEP 2019-NE COLLECTOR IN

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 11/05/2019									
1576888		10/22/2019	110519	330406	2,737.75	11/22/2019	INV	PD	SEP 2019-LAKE GRACE TRAIL
CHECK DATE: 11/05/2019									
1576889		10/22/2019	110519	330406	1,967.30	11/22/2019	INV	PD	SEP 2019-CREEK CENTER/CRE
CHECK DATE: 11/05/2019									
1576890		10/22/2019	110519	330406	17,399.04	11/22/2019	INV	PD	SEP 2019-ADA TRANSITION P
CHECK DATE: 11/05/2019									
1576891		10/22/2019	110519	330406	936.88	11/22/2019	INV	PD	SEP 2019-PIONEER TRL/MCKN
CHECK DATE: 11/05/2019									
1576892		10/22/2019	110519	330406	31,557.20	11/22/2019	INV	PD	SEP 2019-2019 DT RECONSTR
CHECK DATE: 11/05/2019									
1576893		10/22/2019	110519	330406	3,281.74	11/22/2019	INV	PD	SEP 2019-FACILITY CONDITI
CHECK DATE: 11/05/2019									
1576894		10/22/2019	110519	330406	3,760.73	11/22/2019	INV	PD	SEP 2019-CREEK RD L2723 R
CHECK DATE: 11/05/2019									
1576895		10/22/2019	110519	330406	5,574.00	11/22/2019	INV	PD	SEP 2019-E 6TH ST L4965 R
CHECK DATE: 11/05/2019									
1576896		10/22/2019	110519	330406	1,514.10	11/22/2019	INV	PD	SEP 2019-WELL 5 REHABILIT
CHECK DATE: 11/05/2019									
1576897		10/22/2019	110519	330406	593.50	11/22/2019	INV	PD	SEP 2019-HAZELTINE BLUFF
CHECK DATE: 11/05/2019									
1576898		10/22/2019	110519	330406	7,983.63	11/22/2019	INV	PD	SEP 2019-2020 DT RECONSTR
CHECK DATE: 11/05/2019									
1576899		10/22/2019	110519	330406	1,932.50	11/22/2019	INV	PD	SEP 2019-2019 BRIDGE SAFE
CHECK DATE: 11/05/2019									
1576900		10/22/2019	110519	330406	614.00	11/22/2019	INV	PD	SEP 2019-2018 COMPREHENSI
CHECK DATE: 11/05/2019									
1576901		10/22/2019	110519	330406	88.50	11/22/2019	INV	PD	SEP 2019-BAVARIA DOWNS ST
CHECK DATE: 11/05/2019									
					124,258.13				
105849 SUBURBAN ELEVATOR OF MN									
2850		10/01/2019	110519	330407	415.13	11/01/2019	INV	PD	4TH QTR FD ELEVATOR MAINT
CHECK DATE: 11/05/2019									
101224 MINNESOTA CONWAY FIRE & SAFETY INC									
1405618		07/09/2019	110519	330408	132.00	11/15/2019	INV	PD	Recharging and fixing fir

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 11/05/2019									
103677 SUN LIFE ASSURANCE COMPANY OF CANADA									
237741/NOV19		10/28/2019	110519	330409	4,185.80	11/28/2019	INV	PD	NOV 2019 EMP LIFE INS PRE
CHECK DATE: 11/05/2019									
106627 DIGITAL GOLF TECHNOLOGIES INC									
5561		09/30/2019	110519	330435	733.50	10/30/2019	INV	PD	MONTHLY HOLE IN ONE PROGR
CHECK DATE: 11/05/2019									
107683 TCF NATIONAL BANK									
6235498		10/12/2019	103019	330327	284.93	11/03/2019	INV	PD	FD EQUIPMENT LEASE - PMT
CHECK DATE: 10/30/2019									
100757 THE GRAPHIC EDGE INC									
1356568		09/10/2019	110519	330410	304.54	10/10/2019	INV	PD	Lifeguard Uniforms
CHECK DATE: 11/05/2019									
1369469		10/09/2019	110519	330410	190.17	11/08/2019	INV	PD	Kickball Champion T-Shirt
CHECK DATE: 11/05/2019									
1374564		10/22/2019	110519	330410	335.44	11/21/2019	INV	PD	Pee Wee Basketball T-Shir
CHECK DATE: 11/05/2019									
					830.15				
101964 PMT EMBROIDERY LLC									
17568		10/10/2019	110519	330411	160.00	11/10/2019	INV	PD	George-embroidery
CHECK DATE: 11/05/2019									
104908 TIMESAVER OFF SITE SECRETARIAL INC									
M25129		10/14/2019	110519	330412	575.00	10/28/2019	INV	PD	Minutes CC & EDA 9-30, CC
CHECK DATE: 11/05/2019									
101977 TOLL COMPANY									
10320179		10/03/2019	110519	330413	165.05	11/15/2019	INV	PD	Helium for balloons at Sp
CHECK DATE: 11/05/2019									
101994 TRAVIS MATHEW LLC									
90011503		10/15/2019	110519	330414	116.84	11/14/2019	INV	PD	RESALE

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 11/05/2019									
102129 UNITED FARMERS COOPERATIVE									
923345		09/04/2019	110519	330415	20.05	10/04/2019	INV	PD	POLE SAW PARTS + INTEREST
CHECK DATE: 11/05/2019									
105730 PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY									
E0665216-OCT19		10/23/2019	103019	330328	515.86	11/23/2019	INV	PD	OCT 2019 EMP LIFE INS PRE
CHECK DATE: 10/30/2019									
102051 UPS									
000027V7Y7419		10/12/2019	110119	330437	45.17	10/23/2019	INV	PD	SHIPPING-TC
CHECK DATE: 11/01/2019									
107745 US BANK NATIONAL ASSOCIATION									
398018481		10/21/2019	103019	330329	439.53	11/15/2019	INV	PD	CCC COLOR COPIER LEASE PM
CHECK DATE: 10/30/2019									
107687 UNIVERSAL PROTECTION SERVICE LP									
9336873		10/10/2019	110519	330416	229.23	11/10/2019	INV	PD	Event Ctr Security 10/4-1
CHECK DATE: 11/05/2019									
9354977		10/17/2019	110519	330416	178.29	11/17/2019	INV	PD	Event Ctr Security 10/11-
CHECK DATE: 11/05/2019									
					407.52				
102109 VICTORIA REPAIR & MANUFACTURING									
9098		09/18/2019	110519	330417	68.00	10/18/2019	INV	PD	FD TRAINING PANELS
CHECK DATE: 11/05/2019									
102120 VISU-SEWER INC									
30738		10/22/2019	110519	330418	23,904.00	11/22/2019	INV	PD	COMPOSITE LINING OF MANHO
CHECK DATE: 11/05/2019									
102227 ONVOY LLC									
009426/OCT19		10/01/2019	102519	330319	1,853.53	10/25/2019	INV	PD	OCT 2019 EDU CTR ETHERNET
CHECK DATE: 10/25/2019									
009486/OCT19		10/01/2019	102519	330319	889.21	10/25/2019	INV	PD	OCT 2019 CITY HALL ETHERN

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 10/25/2019									
					2,742.74				
102133 WAGNER PRESS & GRAPHICS									
32347 CHECK DATE: 11/05/2019		10/17/2019	110519	330419	191.86	10/27/2019	INV	PD	OCT UTILITY INSERT - WHAT
102157 MICHAEL P WELLENS									
6005 CHECK DATE: 11/05/2019		10/22/2019	110519	330420	880.00	11/22/2019	INV	PD	WO# 693 CR 44 TO SW SUB -
102160 WELLS FARGO BANK MINNESOTA NA									
1738923 CHECK DATE: 11/05/2019		10/05/2019	110519	330421	4,500.00	11/29/2019	INV	PD	2015A TRUSTEE FEE
105265 WETZEL, DENISE									
71940 CHECK DATE: 11/05/2019		09/20/2019	110519	330422	88.16	11/29/2019	INV	PD	MILEAGE-MCAA TRNG IN WOOD
71953 CHECK DATE: 11/05/2019		10/22/2019	110519	330422	274.63	11/30/2019	INV	PD	MILEAGE-ONBASE SUMMIT IN
					362.79				
102178 WICKENHAUSER, GREG									
71955 CHECK DATE: 11/05/2019		10/18/2019	110519	330423	141.40	11/30/2019	INV	PD	MILEAGE-MMUA OVERHEAD SCH
102189 WM MUELLER & SONS									
249390 CHECK DATE: 11/05/2019		10/10/2019	110519	330424	178.50	11/25/2019	INV	PD	POTHOLE PATCHING
249554 CHECK DATE: 11/05/2019		10/15/2019	110519	330424	240.70	11/25/2019	INV	PD	CCC VALLEY GUTTER
249555 CHECK DATE: 11/05/2019		10/15/2019	110519	330424	170.85	11/25/2019	INV	PD	POTHOLE PATCHING
		220 INVOICES			594,764.59				

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION

** END OF REPORT - Generated by Michelle Robbin **

Wires

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
105243 ALERUS FINANCIAL									
C84754 CHECK DATE: 10/21/2019		10/07/2019	102119	2089	107.10	10/21/2019	DIR	PD	SEP 2019 PARTICIPANT FEES
100385 CHASKA FIRE DEPT RELIEF ASSN									
2019/09-CFDRA CHECK DATE: 10/25/2019		10/25/2019	102519	2092	29,721.55	10/25/2019	DIR	PD	SEP 2019 FIRE RELIEF ASSO
107490 GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY									
71589 CHECK DATE: 10/28/2019		10/25/2019	102819	2099	1,048.65	10/28/2019	DIR	PD	102519 Payroll HCSP Contr
107744 GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY									
71590 CHECK DATE: 10/28/2019		10/25/2019	102819	2100	200.00	10/28/2019	DIR	PD	102519 Payroll MNDCP 457
101756 MII LIFE INCORPORATED									
1413405 CHECK DATE: 10/23/2019		10/08/2019	102319	2090	319.50	10/23/2019	DIR	PD	OCT 2019 FSA & VEBA PARTI
39206209 CHECK DATE: 10/24/2019		10/22/2019	102419	2091	4,200.32	10/24/2019	DIR	PD	10/24/19 FSA REIMBURSEMEN
39219375 CHECK DATE: 10/31/2019		10/29/2019	103119	2102	1,666.60	10/31/2019	DIR	PD	10/31/19 FSA REIMBURSEMEN
					6,186.42				
100927 INTERNAL REVENUE SERVICE									
71583 CHECK DATE: 10/25/2019		10/25/2019	102519	2093	126,201.98	10/25/2019	DIR	PD	102519 Payroll FICA Feder
101346 MINNESOTA COMMISSIONER OF REVENUE									
2019/0930-CC CHECK DATE: 10/18/2019		09/30/2019	101819	2088	11,458.99	10/18/2019	DIR	PD	SEP-19 CARVER CTY TRANSIT
2019/0930-SLS/UB CHECK DATE: 10/18/2019		09/30/2019	101819	2086	156,669.47	10/18/2019	DIR	PD	SEP-19 GEN/UB SALES TAX
2019/0930-USE CHECK DATE: 10/18/2019		09/30/2019	101819	2087	704.71	10/18/2019	DIR	PD	SEP-19 USE TAX

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
					168,833.17				
101343 MINNESOTA DEPT OF REVENUE-PAYROLL WIRES									
71584 CHECK DATE: 10/28/2019		10/25/2019	102819	2097	23,946.27	10/28/2019	DIR	PD	102519 Payroll MN State T
101376 NATIONWIDE RETIREMENT SOLUTIONS(USCM)									
71585 CHECK DATE: 10/25/2019		10/25/2019	102519	2094	11,227.39	10/25/2019	DIR	PD	102519 Payroll 457 Contri
106955 NATIONWIDE RETIREMENT SOLUTIONS(USCM)									
71588 CHECK DATE: 10/25/2019		10/25/2019	102519	2096	801.00	10/25/2019	DIR	PD	102519 Payroll Roth Contr
104668 OPTUM BANK INC									
71587 CHECK DATE: 10/28/2019		10/25/2019	102819	2098	13,562.38	10/28/2019	DIR	PD	102519 Payroll HSA Contri
101498 PCARD									
2019/1014-PC CHECK DATE: 10/29/2019		10/14/2019	102919	2101	37,010.85	10/29/2019	DIR	PD	OCT 2019 PCARD PURCHASES
101506 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION									
71586 CHECK DATE: 10/25/2019		10/25/2019	102519	2095	90,384.54	10/25/2019	DIR	PD	102519 Payroll PERA Contr
					90,384.54				
		17 INVOICES			509,231.30				

** END OF REPORT - Generated by Michelle Robbin **

City of Chaska
Memorandum

To: **Administration, Mayor and City Council**

From: **Lisa Nelson**
Controller

Date: **November 1, 2019**

RE: **Financial Reports –**
Year-To-Date (YTD) Ending September 30, 2019

FINACIAL REPORTS
Enclosed are year-to-date financial reports as of September 30, 2019.

Each fund includes the adopted budget compared to YTD totals and the resulting variance. Also presented is the percentage of actual revenue or expenditures compared to the annual budget.

These draft reports include the following revenues and expenditures:

- YTD revenue receipted by the City.
- YTD revenue from invoices issued by the City.
- YTD payrolls through check dates in September.
- YTD vendor payments that:
    1) were previously approved by the City Council, or
    2) are pending approval by the Council at the November 4th meeting.
- Workers Comp and Property Insurance allocations.
- Administrative charges and allocations

These draft reports do not include the following revenues and expenditures:

- General investment earnings revenue (allocated at year-end)
- Depreciation expense (recorded at year-end)

GENERAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
AS OF SEPTEMBER 30, 2019

	2019 BUDGET	ACTUAL AS OF 9/30/19	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
REVENUES:				
Property Taxes *	$ 5,711,506	$ 2,973,843	$ (2,737,663)	52%
Franchise Fees:				
Electric	3,919,000	2,977,570	(941,430)	76%
Cable TV	315,000	149,920	(165,080)	48%
Gas	477,400	226,269	(251,131)	47%
Licenses	154,190	180,134	25,944	117%
Permits:				
Building	798,000	277,026	(520,974)	35%
Plan Check	233,468	124,843	(108,625)	53%
Mechanical, Plumbing & Other	224,104	138,443	(85,661)	62%
Intergovernmental:				
Federal	-	13,303	13,303	
State Aid - LGA	2,876	1,438	(1,438)	50%
State Aid - MSA	120,000	120,000	-	100%
State Aid - Police and Fire	388,200	-	(388,200)	0%
State - Other	31,886	67,766	35,880	213%
County, School and Local	112,701	41,979	(70,722)	37%
Charges For Services:				
General Government	220,857	83,801	(137,056)	38%
Public Safety	52,751	44,116	(8,635)	84%
Public Works	110,343	74,531	(35,812)	68%
Parks & Recreation	163,436	109,750	(53,686)	67%
Administrative Charges	3,666,124	3,611,351	(54,773)	99%
Fines And Forfeitures	121,845	62,348	(59,497)	51%
Investment Earnings	22,000	(2,735)	(24,735)	-12%
Other Revenue	93,930	52,752	(41,178)	56%
TOTAL REVENUES	16,939,617	11,328,448	(5,611,169)	67%
EXPENDITURES:				
General Government:				
Mayor & Council	113,457	106,394	7,063	94%
Communications	113,507	66,589	46,918	59%
Administration	802,158	760,235	41,923	95%
Elections	5,000	10,063	(5,063)	201%
Finance/Admin Services	1,553,403	1,326,243	227,160	85%
Information Services/Admin Services	1,156,544	895,779	260,765	77%
Fiber Systems	45,000	41,058	3,942	91%
Legal - City Attorney	85,565	93,993	(8,428)	110%
Community Development	1,028,557	717,494	311,063	70%
Engineering	367,493	264,034	103,459	72%
Government Buildings	222,333	175,359	46,974	79%
Total General Government	5,493,017	4,457,241	1,035,776	81%
Public Safety:				
Police	4,435,876	3,480,043	955,833	78%
State DUI Forfeitures	10,407	1,590	8,817	15%
Forfeited Drug Property	-	4,312	(4,312)	
Crime Prevention Program	-	1,348	(1,348)	
Fire Protection	1,974,325	1,502,365	471,960	76%
Civil Defense	5,672	2,874	2,798	51%
Total Public Safety	6,426,280	4,992,532	1,433,748	78%
Public Works:				
Administration	347,931	274,043	73,888	79%
Streets & Alleys	1,591,783	1,260,825	330,958	79%
Snow Removal	202,912	264,661	(61,749)	130%
Signs	14,440	6,679	7,761	46%
Municipal Services/Building	220,339	190,105	30,234	86%
Parks Maintenance	1,004,857	946,256	58,601	94%
ISD #112 Grounds Maintenance	40,745	29,205	11,540	72%
Tree Control	37,547	23,880	13,667	64%
Total Public Works	3,460,554	2,995,654	464,900	87%
Parks & Recreation:				
Administration	513,853	399,336	114,517	78%
Youth Recreation	172,889	118,342	54,547	68%
Adult Recreation	84,250	86,253	(2,003)	102%
Beach/Firemen's Park	294,215	158,257	135,958	54%
Hockey & Skating Rinks	9,559	10,479	(920)	110%
Total Parks & Recreation	1,074,766	772,667	302,099	72%
Unallocated	(40,000)	51,818	(91,818)	-130%
TOTAL EXPENDITURES	16,414,617	13,269,912	3,144,705	81%
OTHER FINANCING SOURCES (USES):				
Transfers In	-	26,387	26,387	
Transfers Out	(525,000)	(525,000)	-	
NET TRANSFERS	(525,000)	(498,613)	26,387	
NET CHANGE IN FUND BALANCES	-	(2,440,077)	(2,440,077)	

* Tax settlements are received from Carver County in July and December.

MOUNT PLEASANT MAINTENANCE FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/19	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
REVENUES:				
Property Taxes *	$ 6,000	$ 3,132	$ (2,868)	52%
Charges For Services/Lot Sales	2,400	1,000	(1,400)	42%
Investment Earnings	300	-	(300)	0%
TOTAL REVENUES	8,700	4,132	(4,568)	47%
EXPENDITURES:				
Current:				
Public Works:				
Professional Services And Charges	8,500	10,200	(1,700)	120%
Capital Outlay	5,000	-	5,000	0%
TOTAL EXPENDITURES	13,500	10,200	3,300	76%
NET CHANGE IN FUND BALANCES	(4,800)	(6,068)	(1,268)	

* Tax settlements are received from Carver County in July and December

ECONOMIC DEVELOPMENT AUTHORITY (EDA) FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/19	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
REVENUES:				
Property Taxes *	$ 498,843	$ 260,132	$ (238,711)	52%
Charges For Services	85,000	85,000	-	100%
Special Assessments	40,000	21,979	(18,021)	55%
Investment Earnings (Charges)	(3,400)	-	3,400	0%
Leases/Rent	36,400	22,767	(13,633)	63%
Other Revenue	-	6,206	6,206	
TOTAL REVENUES	656,843	396,084	(260,759)	60%
EXPENDITURES:				
Current:				
Administration:				
Professional Services	30,934	5,368	25,566	17%
Other Charges and Special Events	35,267	9,125	26,142	26%
Administrative Fees	148,757	156,269	(7,512)	105%
Economic Development Projects/Programs:				
Professional Services	41,295	96,577	(55,282)	234%
Other Charges and Special Events	19,190	48,909	(29,719)	255%
Debt Service:				
Principal - Promissory Note	16,800	9,273	7,527	55%
Interest - Promissory Note	9,600	3,327	6,273	35%
Capital Outlay	-	8,640	(8,640)	
TOTAL EXPENDITURES	301,843	337,488	(35,645)	112%
OTHER FINANCING SOURCES (USES):				
Transfers Out	(355,000)	(355,000)	-	
NET CHANGE IN FUND BALANCES	$ -	$ (296,404)	$ (296,404)	

* Tax settlements are received from Carver County in July and December.

EQUIPMENT ACQUISITION FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/19	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
REVENUES:				
Property Taxes *	$ 3,283,427	$ 523,090	$ (2,760,337)	16%
Charges For Services	4,000	4,450	450	111%
Interest Earnings	-	49,015	49,015	
Leases	100,000	103,769	3,769	104%
Donations/Contributions	-	7,200	7,200	
Other Revenue	-	581	581	
TOTAL REVENUES	3,387,427	688,105	(2,699,322)	20%
EXPENDITURES:				
Debt Service:				
Issuance Costs & Fiscal Agent Fees	181,000	-	181,000	
Capital Outlay:				
Furniture And Equipment				
Communications	4,000	-	4,000	0%
Admin. Services-Finance	40,000	-	40,000	0%
Admin. Services-Information Services	146,000	69,494	76,506	48%
Police	70,000	163,712	(93,712)	234%
Fire	60,000	65,433	(5,433)	109%
Public Works	658,500	306,874	351,626	47%
TOTAL EXPENDITURES	1,159,500	605,513	553,987	52%
OTHER FINANCING SOURCES (USES):				
Transfers In	49,000	49,000	-	100%
Transfers Out	(2,902,927)	(686,228)	2,216,699	24%
Bonds Issued	626,000	-	(626,000)	0%
Sale of Capital Assets	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES)	(2,227,927)	(637,228)	1,590,699	
NET CHANGE IN FUND BALANCES	$ -	$ (554,636)	$ (554,636)	

* Tax settlements are received from Carver County in July and December.

ELECTRIC FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED / EXPENDED
OPERATING REVENUES:				
Residential Sales	$ 8,430,000	$ 6,343,222	$ (2,086,778)	75%
Senior Sales	499,000	416,662	(82,338)	83%
Commercial Sales	1,094,000	883,447	(210,553)	81%
Industrial Sales	24,558,000	19,919,225	(4,638,775)	81%
Intradepartmental	966,000	716,943	(249,057)	74%
All Other Sales	1,696,000	1,218,173	(477,827)	72%
TOTAL OPERATING REVENUES	37,243,000	29,497,672	(7,745,328)	79%
OPERATING EXPENSES:				
Purchased Power	25,055,000	22,180,037	2,874,963	89%
Distribution:				
Personnel Services	1,553,950	1,184,819	369,131	76%
Supplies, Services & Other Charges	397,501	339,287	58,214	85%
Administration:				
Personnel Services	333,899	154,440	179,459	46%
Supplies, Services & Other Charges	1,434,720	2,189,994	(755,274)	153%
Utility Billing:				
Personnel Services	250,291	175,291	75,000	70%
Supplies, Services & Other Charges	143,802	173,006	(29,204)	120%
Conservation Programs	681,434	417,965	263,469	61%
Franchise Fees	3,899,000	2,977,570	921,430	76%
Capital Outlay	681,000	1,673,225	(992,225)	246%
TOTAL OPERATING EXPENSES	34,430,597	31,465,634	2,964,963	91%
OPERATING INCOME	2,812,403	(1,967,962)	(4,780,365)	
NON-OPERATING REVENUES:				
Investment Earnings	92,400	59,224	(33,176)	
Intergovernmental	-	150	150	
Gain on Disposal of Capital Assets	-	-	-	
TOTAL NON-OPERATING REVENUES	92,400	59,374	(33,026)	
NON-OPERATING EXPENSES:				
Debt Service - Principal	471,560	420,000	51,560	89%
Debt Service - Principal (Contra Account)	-	(420,000)	420,000	
Debt Service - Interest	361,804	231,858	129,946	64%
Debt Service - Agent Fees	450	450	-	
TOTAL NON-OPERATING EXPENSES	833,814	232,308	601,506	28%
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,070,989	(2,140,896)	(4,211,885)	
CAPITAL CONTRIBUTIONS	-	126,130	126,130	
TRANSFERS IN (OUT):				
Transfers (Out)	(1,672,000)	(1,744,000)	(72,000)	
CHANGE IN NET POSITION	$ 398,989	$ (3,758,766)	$ (4,157,755)	

WATER FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Residential Sales	$ 1,330,000	$ 848,820	$ (481,180)	64%
Commercial Sales	968,000	660,967	(307,033)	68%
Industrial Sales	314,000	339,069	25,069	108%
All Other Sales	443,480	339,858	(103,622)	77%
TOTAL OPERATING REVENUES	3,055,480	2,188,714	(866,766)	72%
OPERATING EXPENSES:				
Pumping	237,761	180,786	56,975	76%
Treatment	267,140	234,223	32,917	88%
Distribution:				
Personnel Services	411,521	345,536	65,985	84%
Supplies, Services & Other Charges	340,218	340,927	(709)	100%
Administration :				
Personnel Services	113,495	86,989	26,506	77%
Supplies, Services & Other Charges	465,092	468,280	(3,188)	101%
Utility Billing:				
Personnel Services	125,147	87,647	37,500	70%
Supplies, Services & Other Charges	35,045	36,888	(1,843)	105%
Capital Outlay	529,000	148,441	380,559	28%
TOTAL OPERATING EXPENSES	2,524,419	1,929,717	594,702	76%
OPERATING INCOME	531,061	258,997	(272,064)	
NON-OPERATING REVENUES:				
Investment Earnings	27,900	4,716	(23,184)	17%
Lease - Bountiful Basket	33,000	22,184	(10,816)	67%
Insurance Claims	-	85,347	85,347	
TOTAL NON-OPERATING REVENUES	60,900	112,247	51,347	184%
NON-OPERATING EXPENSES:				
Debt Service - Principal	605,630	34,000	571,630	6%
Debt Service - Principal (Contra Account)	-	(34,000)	34,000	
Debt Service - Interest	369,290	162,931	206,359	44%
Issuance Costs & Fiscal Agent Fees	-	60	(60)	
Old Water Treatment Plant/Bountiful Basket	-	1,646	(1,646)	
TOTAL NON-OPERATING EXPENSES	974,920	164,637	810,283	17%
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(382,959)	206,607	589,566	
CAPITAL CONTRIBUTIONS	10,000	3,350	(6,650)	
TRANSFERS IN (OUT):				
Transfers In	596,000	596,000	-	
Transfers (Out)	(56,000)	(56,000)	-	
NET TRANSFERS IN (OUT)	540,000	540,000	-	
CHANGE IN NET POSITION	$ 167,041	$ 749,957	$ 582,916	

SEWER FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Residential Sales	$ 1,440,400	$ 976,248	$ (464,152)	68%
Commercial Sales	1,046,000	704,555	(341,445)	67%
Industrial Sales	995,900	724,063	(271,837)	73%
Other Sales	623,052	466,124	(156,928)	75%
TOTAL OPERATING REVENUE	4,105,352	2,870,990	(1,234,362)	70%
OPERATING EXPENSES:				
Pumping	48,571	14,696	33,875	30%
Treatment	2,433,857	2,028,214	405,643	83%
Collection:				
Personnel Services	411,524	346,037	65,487	84%
Supplies, Services & Other Charges	194,769	116,144	78,625	60%
Administration:				
Personnel Services	113,494	86,990	26,504	77%
Supplies, Services & Other Charges	458,438	458,032	406	100%
Utility Billing:				
Personnel Services	125,147	87,647	37,500	70%
Supplies, Services & Other Charges	34,854	37,253	(2,399)	107%
Capital Outlay	34,000	-	34,000	0%
TOTAL OPERATING EXPENSES	3,854,654	3,175,013	679,641	82%
OPERATING INCOME	250,698	(304,023)	(554,721)	
NON-OPERATING REVENUES:				
Investment Earnings	13,100	1,057	(12,043)	8%
Intergovernmental	-	22	22	
TOTAL NON-OPERATING REVENUES	13,100	1,079	(12,021)	8%
NON-OPERATING EXPENSES:				
Debt Service - Principal	132,630	121,000	(11,630)	91%
Debt Service - Principal (Contra Account)	-	(121,000)	(121,000)	
Debt Service - Interest	83,504	51,031	(32,473)	61%
Issuance Costs & Fiscal Agent Fees	-	265	265	
TOTAL NON-OPERATING EXPENSES	216,134	51,296	(164,838)	
INCOME (LOSS) BEFORE TRANSFERS	47,664	(354,240)	(401,904)	
TRANSFERS IN (OUT):				
Transfers (Out)	(116,000)	(116,000)	-	
CHANGE IN NET POSITION	$ (68,336)	$ (470,240)	$ (401,904)	

CHASKA COMMUNITY CENTER FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Admissions	$ 459,770	$ 323,115	$ (136,655)	70%
Memberships	1,128,756	870,504	(258,252)	77%
Rentals	1,007,133	754,202	(252,931)	75%
Charges for Services/Lessons	650,747	384,919	(265,828)	59%
Other Sales	155,937	82,387	(73,550)	53%
TOTAL OPERATING REVENUE	$ 3,402,343	$ 2,415,127	$ (987,216)	71%
OPERATING EXPENSES:				
Personnel Services	2,096,157	1,693,759	402,398	81%
Supplies	208,876	202,989	5,887	97%
Professional Services	744,282	650,696	93,586	87%
Other Charges	281,077	264,534	16,543	94%
Capital Outly	-	44,208	(44,208)	
TOTAL OPERATING EXPENSES	3,330,392	2,856,186	474,206	86%
OPERATING INCOME	71,951	(441,059)	(513,010)	
NON-OPERATING REVENUES:				
Investment Earnings (Charges)	(6,794)	649	7,443	-10%
TOTAL NON-OPERATING REVENUES	(6,794)	649	7,443	-10%
NON-OPERATING EXPENSES:				
Debt Service - Principal	330,000	-	330,000	0%
Debt Service - Interest	160,796	73,460	87,336	46%
Issuance Costs & Fiscal Agent Fees	2,750	3,000	(250)	109%
TOTAL NON-OPERATING EXPENSES	493,546	76,460	417,086	15%
INCOME (LOSS) BEFORE TRANSFERS	(428,389)	(516,870)	(88,481)	
TRANSFERS IN (OUT):				
Transfers In	432,000	432,000	-	
CHANGE IN NET POSITION	$ 3,611	$ (84,870)	$ (88,481)	

CHASKA PAR 30 FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Green Fees	$ 173,000	$ 117,417	$ (55,583)	68%
Cart Rental	12,000	11,001	(999)	92%
Merchandise & Other Sales	6,026	5,128	(898)	85%
TOTAL OPERATING REVENUES	191,026	133,546	(57,480)	70%
OPERATING EXPENSES:				
Golf - Maintenance Dept:				
Personnel Services	82,304	70,008	12,296	85%
Supplies, Services & Other Charges	23,213	28,073	(4,860)	121%
Golf - Club House:				
Personnel Services	39,875	32,182	7,693	81%
Supplies, Services & Other Charges	43,419	32,609	10,810	75%
Merchandise for Resale	4,040	3,730	310	92%
Capital Outlay	5,000	9,347	(4,347)	187%
TOTAL OPERATING EXPENSES	197,851	175,949	21,902	89%
OPERATING INCOME	(6,825)	(42,403)	(35,578)	
NON-OPERATING REVENUES:				
Investment Earnings (Charges)	(1,100)	-	1,100	
TOTAL NON-OPERATING REVENUES	(1,100)	-	1,100	
CHANGE IN NET POSITION	$ (7,925)	$ (42,403)	$ (34,478)	

CHASKA TOWN COURSE FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Green Fees	$ 1,403,000	$ 1,255,163	$ (147,837)	89%
Driving Range	100,000	92,831	(7,169)	93%
Cart Rental	280,000	266,471	(13,529)	95%
Merchandise	229,000	202,312	(26,688)	88%
All Other Sales	139,000	137,588	(1,412)	99%
TOTAL OPERATING REVENUE	$ 2,151,000	$ 1,954,365	$ (196,635)	91%
OPERATING EXPENSES:				
Golf - Maintenance Dept:				
Personnel Services	604,233	485,560	118,673	80%
Supplies, Services & Other Charges	272,800	248,714	24,086	91%
Golf - Club House:				
Personnel Services	484,268	392,638	91,630	81%
Supplies, Services & Other Charges	398,135	384,979	13,156	97%
Merchandise for Resale	171,700	186,831	(15,131)	109%
Capital Outlay	199,000	162,015	36,985	81%
TOTAL OPERATING EXPENSES	2,130,136	1,860,737	269,399	87%
OPERATING INCOME	20,864	93,628	72,764	
NON-OPERATING REVENUES:				
Investment Earnings (Charges)	(8,900)	-	8,900	
TOTAL NON-OPERATING REVENUES	(8,900)	-	8,900	
NON-OPERATING EXPENSES:				
Debt Service - Principal	83,900	-	83,900	0%
Debt Service - Interest	21,875	21,757	118	99%
TOTAL NON-OPERATING EXPENSES	105,775	21,757	84,018	21%
CHANGE IN NET POSITION	$ (93,811)	$ 71,871	$ 165,682	

TURBINE GENERATOR FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Lease Revenue	$ 2,486,184	$ 1,059,645	$ (1,426,539)	43%
OPERATING EXPENSES:				
Professional Services	80,000	83,425	(3,425)	104%
Other Charges	252,045	170,284	81,761	68%
TOTAL OPERATING EXPENSES	332,045	253,709	78,336	76%
OPERATING INCOME	2,154,139	805,936	(1,348,203)	
NON-OPERATING REVENUES:				
Investment Earnings	15,000	48,118	33,118	321%
Interfund Loan Payments	104,219	-	(104,219)	0%
TOTAL NON-OPERATING REVENUES	119,219	48,118	(71,101)	40%
NON-OPERATING EXPENSES:				
Debt Service - Principal	1,195,000	-	1,195,000	0%
Debt Service - Interest	886,150	221,537	664,613	25%
Issuance Costs & Fiscal Agent Fees	4,500	-	4,500	0%
TOTAL NON-OPERATING EXPENSES	2,085,650	221,537	1,864,113	11%
CHANGE IN NET POSITION	$ 187,708	$ 632,517	$ 444,809	

STORM WATER FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Residential Sales	$ 949,000	$ 798,607	$ (150,393)	84%
Industrial Sales	726,000	612,171	(113,829)	84%
All Other Sales	3,000	10,276	7,276	343%
TOTAL OPERATING REVENUE	1,678,000	1,421,054	(256,946)	85%
OPERATING EXPENSES:				
Collections:				
Personnel Services	312,100	175,497	136,603	56%
Supplies, Services & Other Charges	351,630	163,713	187,917	47%
Administration :				
Personnel Services	80,042	51,405	28,637	64%
Supplies, Services & Other Charges	248,864	280,442	(31,578)	113%
Utility Billing:				
Supplies, Services & Other Charges	23,187	39,337	(16,150)	170%
Depreciation	30,000	-	30,000	0%
Capital Outlay	306,000	92,464	213,536	30%
TOTAL OPERATING EXPENSES	1,351,823	802,858	548,965	59%
OPERATING INCOME	326,177	618,196	292,019	
NON-OPERATING REVENUES:				
Investment Earnings (Charges)	(7,100)	4,588	11,688	-65%
TOTAL NON-OPERATING REVENUES	(7,100)	4,588	11,688	
NON-OPERATING EXPENSES:				
Debt Service - Principal	132,333	80,000	52,333	60%
Debt Service - Principal (Contra Account)	-	(80,000)	80,000	
Debt Service - Interest	62,189	39,601	22,588	64%
Issuance Costs & Fiscal Agent Fees	-	175	(175)	
TOTAL NON-OPERATING EXPENSES	194,522	39,776	154,746	20%
INCOME (LOSS) BEFORE TRANSFERS	124,555	583,008	458,453	
TRANSFERS IN (OUT):				
Transfers In	207,768	207,768	-	100%
Transfers (Out)	(200,000)	(200,000)	-	100%
NET TRANSFERS IN (OUT)	7,768	7,768	-	
CHANGE IN NET POSITION	$ 132,323	$ 590,776	$ 458,453	

CHASKA CURLING AND EVENT CENTER FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE PERIOD ENDED 9/30/19

	2019 BUDGET	ACTUAL AS OF 9/30/2019	VARIANCE POSITIVE (NEGATIVE)	PERCENT OF BUDGET RECEIVED/ EXPENDED
OPERATING REVENUES:				
Memberships	$ 131,498	$ 121,660	$ (9,838)	93%
Rentals	187,175	125,407	(61,768)	67%
Lessons	236,748	169,535	(67,213)	72%
Leagues	215,929	113,479	(102,450)	53%
Leases	426,000	279,616	(146,384)	66%
Other Sales Revenue	57,808	63,545	5,737	110%
TOTAL OPERATING REVENUES	1,255,158	873,242	(381,916)	70%
OPERATING EXPENSES:				
Administration:				
Personnel Services	219,337	125,378	93,959	57%
Supplies, Services & Other Charges	346,418	321,643	24,775	93%
Event Center:				
Personnel Services	99,884	70,287	29,597	70%
Supplies, Services & Other Charges	34,422	11,521	22,901	33%
Curling Center:				
Personnel Services	355,535	276,856	78,679	78%
Supplies, Services & Other Charges	128,913	86,843	42,070	67%
Crooked Pint	58,304	119,219	(60,915)	204%
Curling/ Non-recurring Events	-	67	(67)	
TOTAL OPERATING EXPENSES	1,242,813	1,011,814	230,999	81%
OPERATING INCOME	12,345	(138,572)	(150,917)	
NON-OPERATING REVENUES:				
Investment Earnings (Charges)	(11,900)	3,098	14,998	
TOTAL NON-OPERATING REVENUES	(11,900)	3,098	14,998	
NON-OPERATING EXPENSES:				
Debt Service-Principal	980,000	980,000	-	100%
Debt Service-Principal (Contra Account)	-	(980,000)	980,000	
Debt Service-Interest	608,687	284,669	324,018	47%
Issuance Costs & Fiscal Agent Fees	1,600	3,200	(1,600)	200%
TOTAL NON-OPERATING EXPENSES	1,590,287	287,869	1,302,418	18%
INCOME (LOSS) BEFORE TRANSFERS	(1,589,842)	(423,343)	1,166,499	
TRANSFERS IN (OUT):				
Transfers In	1,590,287	1,475,445	(114,842)	93%
CHANGE IN NET POSITION	$ 445	$ 1,052,102	$ 1,051,657	

Biweekly Report
November 4, 2019
By
Matt Podhradsky

Upcoming Work Sessions:

Over the upcoming weeks, we are going to be having several work sessions coming up. I wanted to make sure that you can get all of them on your calendar now and know what the topics will be. The upcoming work sessions will include:

- November 4th: From 5:45-7 prior to the regular Council meeting, we will be using this time to go over with Council an update on the City Square West and Library projects, share the work that we have undertaken over the past several months looking at the feasibility of these projects, providing Council with high level overview of the financial impacts of the projects, and also talk about what other City projects moving forward with a Library will cause us to start thinking about in the near future regarding our City Hall Campus.
- November 18th: From 5:45-7 prior to the regular Council meeting, we will be using this time to go over with Council a review of the 5-year financial forecast/2020 annual budget for our Utility Enterprise Funds. These funds include our Water, Sewer, Electric and Storm Sewer Funds
- December 2nd: From 5:45-7 prior to the regular Council meeting, we will be using this time to go over with Council a review of the 5-year financial forecast/2020 annual budget for our Recreational Enterprise Funds. These funds include our Community Center, Town Course, Par 30 and Curling/Event Center.

Just a reminder that we will be holding our annual Truth in Taxation Public Hearing during the meeting on December 2nd. This is an opportunity for residents to come an ask questions/make comments on the proposed General Fund Tax Levy and Budget. No decisions on our budgets can be made on that night. Our final budgets for all funds would be considered at the December 16th Council meeting. Please let me know if you have any questions on this.

Equity Update

This past week we did get together to continue planning with the School District on the upcoming Marnita's Table event. The first of the two events will be held on Thursday November 5th from 6-9 pm in the Community Room/Sun Room at the Chaska Community Center. With it being the Holiday season, the theme of this first event is going to be a multi-cultural holiday celebration, focusing on bringing people together around the food that is central to the many different nationalities that celebrate holidays during this time of year, and who are within our community. The evening will include facilitated large and small group discussions, along with people having the opportunity to learn more about different cultures through their holiday traditions. Over the next week, we are working in conjunction with the School District to get invitations out throughout the community, as well as marketing it to the general public. I would highly encourage you as Council members to think if there is anyone you might want to personally invite to be a part of the event.   We will be getting out to you the RSVP contact with the invitations we get out to you all soon so you are able to share that information with anyone you may want to invite.

The second update I have is regarding our Diversity Institute Training for our employees. At this time, we have completed many of the group's three training sessions, with one group still yet to complete there's in November.

If you have any questions about either of these, please let me know.

Golf Courses Closed for Season

With the weather having turned below freezing in the mornings and limited daylight available to complete rounds after the clock change this weekend, the Town Course and Par 30 are now officially closing for the season. This season in general was pretty good, except for a little later start in the Spring with us once again experiencing late snow. During the summer months we ran very full, with the Course being in great condition. Thank you to our dedicated Staff at the Town Course and Par 30 for another great season, and a huge thank you to the owners of Oak 19 for providing great restaurant and beverage service at the Town Course during the entire summer!

His House Foundation Special Event

A note about a special event that will be held in Fireman's Park coming up in November. His House Foundation will be holding their "Shining the Light on Homelessness" event at Firemen's Park on Saturday, November 16th. Registration is available online by November 15th by going to HisHouseFoundation.com or onsite at the event. Participants will check-in at 4:00 pm on Saturday and put up their tent to spend the night in the cold. The evening will include a light dinner by Red Bench Bakery, entertainment at the performance stage by Ben Richter, roasted marshmallows and lights out at 10:30. Sunday morning wake-up call will be 6:45 am followed by a breakfast treat from Red Bench Bakery, then tear down and farewell. Proceeds will benefit the SW Metro HHF Homeless Prevention Fund. If you have any questions on this event, or would like to participate, please let me know.

Referendum on Tuesday:

Just a reminder that the Referendum for the School District will be held this upcoming Tuesday, November 5th, with polls open from 7am to 8 pm. The polling place for all Chaska Residents will be at the Chaska Community Center in the Community Room. Anyone wanting information about the questions being asked on the referendum can visit Eastern Carver County School District's web site where they not only have information on the questions being asked, but also answers to some commonly asked questions.

Veteran's Day:

With Veteran's Day coming up on Monday, November 11th, I wanted to share with Council a couple of pieces of information. First, our offices will be closed for the entirety of that day, except for our essential City services. The Community Center and Curling Center will also remain open. Second, if you have never attended, Chaska Middle School West each year puts on a great Veteran's Day Program at their school in conjunction with the Chaska American

Legion and VFW. This is a great event that students have participated for several years and has become a tradition in the City. The event takes place from 8:40-10:20 and is open to the public. Let me know if you have any questions on this.

Chaska 100 Club

If you are not aware, all the Holiday decorations that are up in the City of Chaska during the month of December are not purchased by the City itself but is instead purchased by a 501 c3 organization in Chaska called the Chaska 100 Club. This Club started two decades ago by a group of residents who wanted to help beautify the town during the holiday season with lights and created an event to help raise the dollars to support this. In recent years, the Chaska 100 Club has worked with Lenzen Chevrolet/Buick who donated the funds to purchase and install the 60 foot tall tree in Fireman's Park, and this next year will debut a large Santa's Sleigh and Reindeer, along with all new lit wreaths on light posts throughout the community. The way that the Chaska 100 Club raises their funds is through an event held once a year, in which 100 tickets are sold at a cost of $150 per ticket (gets in 2 people) to attend a holiday party and prize give-away. This year's event is on Sunday, December 1st from 4-6 at the Chaska Event Center, with the Firemen's Park Tree Lighting Ceremony/activities following this event. If any Council members are interested in attending, or would like to find out more, please just let me know. I can help with both information and getting tickets reserved for you if you are interested.