

Attention Location & Zoom Option

In order to practice social distancing related to the COVID-19 pandemic, the Chaska City Council work session and meeting on Monday, July 6, 2020 will be held at the **Chaska Event Center** and **virtually on a platform called Zoom**. To learn more about participating or watching the meetings, visit www.chaskamn.com. Any questions about how to participate should be directed to the Chaska Communication Department at communications@chaskamn.com or (952)448-9200.

WORK SESSION

Review Annual Auditor's Report for 2019
5:30 – 7:00 PM



AGENDA
CHASKA CITY COUNCIL
CHASKA EVENT CENTER - 3210 CHASKA BLVD & ZOOM
Monday, July 06, 2020
7:00 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Adopt Agenda
5. Visitor Presentation
 - 5.A. His House Foundation Presentation - Martha Brannon

6. Approve Previous Meeting Minutes
 - 6.A. Approve the June 29, 2020 City Council Meeting Minutes
7. Consent Items
 - 7.A. City Administrator Annual Review
 - 7.B. Adopt Resolution 2020-52 and Resolution 2020-53 Issuance and Sale of Bonds: Series 2020C and 2020D
 - 7.C. Adopt Resolution 2020-55, Approving the Lot Split for Pinnacle (Del Webb)
8. Action Items
 - 8.A. Adopt Resolution 2020-51, 2020 Overlay Program
 - 8.B. Annual 2019 Financial Reports
 - 8.C. Adopt Resolution 2020-54, Amending 2020 Fund Budgets
 - 8.D. Chaska Par 30/Learning Links Chaska Project
9. Bills
 - 9.A. ACCOUNTS PAYABLE COUNCIL ROSTER 7-6-2020
10. Other Business
 - 10.A. City Administrator's Report
 - 10.A.i. Biweekly 7/6/2020
11. Adjourn

Chaska Economic Development Authority Meeting
Immediately following City Council

**- MINUTES -
CHASKA CITY COUNCIL
JUNE 29, 2020**

1. Call to Order

The meeting was called to order by Mayor Windschitl at 7:06 pm.

2. Pledge of Allegiance

3. Roll Call

Roll call was taken. Present: Councilmembers Hatfield, Hubbard, Huang, Grau, and Mayor Windschitl. *(Councilmember Grau participated remotely per State Statute 13D.021).*

Absent: None.

Also Present: Luke Melchert, City Attorney; Nate Kabat, Assistant Administrator; Matt Podhradsky, City Administrator, Kevin Wright, Communication Director; and Mike Tutor, Cable Communications Coordinator.

4. Adopt the Agenda

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

5. Visitor Presentation

5.A. American Promise

Nancy Haaheim summarized the purpose of the group American Promise and invited Chaska to pass a resolution in support of a 28th Amendment limiting campaign spending.

Mayor Windschitl inquired what voting needs to occur for this to occur.

Ms. Haaheim provided further detail into the process for a constitutional amendment to pass. She inquired when this resolution could come before Council for a vote.

City Administrator Podhradsky explained the number of options available for this to come before the Council.

The Council shared their thoughts on the resolution American Promise is proposing.

Mayor Windschitl inquired how something like this gets governed.

Ms. Haaheim explained that in general across the nation this kind of disclosure is not required. Vicki Barnes, Midwest Head of American Promise, spoke in further detail regarding disclosure laws.

Mayor Windschitl asked how many letters of participation are needed for the State to move forward toward ratifying.

Ms. Barnes explained that passing a resolution communicates support to the House and Senate representatives.

Mayor Windschitl again asked how this would be governed.

City Administrator Podhradsky spoke about different proposals for how candidates would pay for campaign travel.

Ms. Barnes noted that American Promise is not advocating for any specific amendment.

City Administrator Podhradsky stated Staff will put together a draft resolution to put before the Council at a future meeting.

5.B. Announcement of Candidacy

Matt Udermann announced he is running for Carver County Commissioner District 3 and summarized his three campaign pillars.

5.C. Residents Organizing Against Racism

Amanda Flowers Peterson expressed frustration with avenues of communication for residents to bring concerns to the City and proposed the Council develop an initiative to effectively allow all citizens to have their voices heard.

The Council shared their thoughts and concerns regarding Ms. Flowers Peterson's grievances.

Jenna Cruz, resident, explained that she has not seen a sense of urgency from the City to address racism in the community. She asked for an oversight committee for police policy.

The Council and Staff discussed options and formats for them to address these concerns.

6. Minutes

Motion by Councilmember Hatfield, second by Councilmember Grau to approve the minutes of the June 15, 2020 City Council meeting. Motion carried.

7. Consent Agenda

Motion by Councilmember Huang, second by Councilmember Hubbard to approve the Consent Agenda Items A through C:

- A. License Agreement for Warner Stairs with Jonathan Neighborhood Association
Motion to approve the License Agreement for Warner Stairs with Jonathan Neighborhood Association and authorizing the Mayor and City Administrator to sign the agreement.
- B. Adopt Resolution 2020-50, Approving 2020 Performance Measures
Motion to approve adopt Resolution 2020-50 Approving 2020 Performance Measures.

- C. Approve Minnesota Municipal Utilities Association (MMUA) Delegate Update
Motion to approve the MMUA proposed delegate changes.

Mayor Windschitl asked for clarification on item C.

City Administrator Podhradsky explained it is an update from MMUA.

Motion carried.

8. Action Items

8.A. Motion to Approve the Chaska Event Center, located at 3210 Chaska Blvd, as the Official Location for Chaska City Council Meetings due to COVID-19 Until Further Notice

City Administrator Podhradsky presented the item to the Council.

Council and Staff discussed ways to improve the audio for attendees at the Event Center and changes to the Council chambers.

Councilmember Grau commented that resident participation seems to be working well via ZOOM and suggested that keeping that way of attending Council Meetings be an option to consider in the future.

Mayor Windschitl commented that prior to the pandemic, the Council did a good job getting information out to the public.

The Council and Staff discussed whether an online platform would be allowed by statute when not in an emergency declaration as is the current situation. City Administrator Podhradsky stated Staff will look into that further.

Councilmember Huang inquired if the motion needs to address the allowance of an online platform like ZOOM.

City Administrator Podhradsky stated that is not an issue since it is allowed in an emergency setting.

Assistant Administrator Kabat spoke to the benefit from an administrative standpoint that making the Event Center the official temporary location provides.

Motion by Councilmember Hubbard, second by Councilmember Huang to approve the Chaska Event Center as the official meeting location for City Council Meetings due to COVID-19 until further notice. Motion carried.

8.B. Approve City of Chaska Pandemic Reopening and Preparedness Plan

City Administrator Podhradsky presented the item to the Council.

Councilmember Grau inquired if this can be changed after approval tonight.

City Administrator Podhradsky explained it can always be brought before the Council and changed if needed.

Council and Staff discussed mask-wearing.

City Administrator Podhradsky explained that should the need arise to change to mask requirement in municipal buildings instead of encouragement, those changes could be made.

Assistant Administrator Kabat noted this is intended to be a guiding document.

Councilmember Hubbard asked if any commissions have met since March and asked if there is a tentative date and location for them to meet.

Assistant Administrator Kabat provided further detail regarding those plans.

Motion by Councilmember Hubbard, second by Councilmember Hatfield to approve the City of Chaska Pandemic Reopening and Preparedness Plan. Motion carried.

8.C Closed Session – City Administrator’s Review

Council and Staff discussed the process for the closed session.

Motion by Councilmember Huang, second by Councilmember Grau to enter into a closed session to discuss the performance review of City Administrator Matt Podhradsky. Motion carried.

8.D Return to Open Session

Motion by Councilmember Huang, second by Councilmember Hatfield to exit the closed session and resume the regular meeting of the City Council at 10:27pm. Motion carried.

9. Bills

9.A. Accounts Payable Council Roster 6-29-2020

The Council requested further information about bills on pages 3, 9, 15, and 23, and also those items for COVID needs.

City Administrator Podhradsky provided further information regarding those bills.

Motion by Councilmember Huang, second by Councilmember Hubbard 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.

10. Other Business

10.A. City Administrator's Report

10.B. Bi-Weekly Report 6-29-2020

10.C. Other Reports

10.C.i. Financial Reports as of 5/31/20

10.D. Other Meeting Minutes

10.D.i. Receive the Draft Minutes of the June 10th Planning Commission Meeting

Councilmember Huang:

- Commented that the community feedback from the discussion on the 24th was good and healthy but also stated there are some voices having trouble being heard. He encouraged the City to find a forum to provide opportunities for residents to be able to speak out. City Administrator Podhradsky encouraged residents to let the City know if they did not feel the layout of the forum from the 24th did not work for them as far as getting their thoughts out and shared.
- Updated the Council on the food distribution event on Saturday.
- Noted there is another community discussion via ZOOM on Tuesday, June 30 from 9-10:30 am.
- Encouraged residents to enjoy the 4th of July fireworks at 10pm at McKnight Park.

Councilmember Grau:

- Noted Hawks Ridge mountain bike trails opened up and that this is a great thing for Chaska.
- Noted she attended the opening of Hawks Ridge mountain bike trail and stated the partnership between all the different agencies and cities was wonderful.
- Provided her thoughts regarding the community conversation held on June 24, 2020.
- Reported concerns from a constituent about speeding on Bavaria Road.
- Noted the Lake Grace pavilion looks like it is almost done.
- Wished everyone a Happy 4th of July.

Councilmember Hatfield:

- Shared her thoughts on the community conversation held on June 24, 2020.
- Reported a constituent contacted her regarding the backyard chicken ordinance with concerns about including beekeeping. Mayor Windschitl asked if there is an existing ordinance against beekeeping. City Administrator Podhradsky stated they are allowed in the greenbelt.

Mayor Windschitl:

- Provided thoughts on the community discussion held on June 24, 2020 and stated they will continue to provide opportunities for residents to speak and share thoughts.
- Stated it looked like a great turnout at the food distribution.
- Wished everyone a Happy 4th of July.
- Asked for updates on Creek Road sewer. City Administrator Podhradsky gave details regarding that project.
- Noted the next Council meeting is July 6, 2020.

11. Adjourn

Motion by Councilmember Hatfield, second by Councilmember Hubbard to adjourn the meeting at 11:01 pm. Motion carried.

REQUEST FOR ACTION CHASKA CITY COUNCIL July 6, 2020

Subject: Consider City Administrator Performance Based Salary Adjustment

Prepared By: Nate Kabat, Assistant City Administrator

Background

The last performance review for the City Administrator was in July 2019. As a result of the review, City Council established a set of updated goals and adjusted his salary based the implementation of the MRA salary study adjustments.

Update

The City Council met in a closed work session on June 29, 2020 to discuss Matt's performance over the last year, and also to discuss new goals for the upcoming year. In addition, the City Council was provided the following summary of the current compensation package for the City Administrator position.

Analysis

For your information, the present compensation package for Matt is:

2019 Salary	\$159,140
Personal Leave	31 days per year
Medical Insurance	100% paid by City
Car Allowance	\$500 per month
Cell Phone Allowance	\$80 per month
<i>*All other benefits consistent with the City's personnel policy</i>	

Presently, the Administrator's salary falls within Zone B of the City's 2020 Pay Classification Plan.

As a result of the closed work session, Council directed staff to increase the City Administrator's pay by 3.0%. The Council believes Matt's performance exceeds expectation. Council seeks to recognize Matt's work in balance with economic impacts of COVID. This increase will result in a 2018 salary of \$163,914.

Goals

As part of the review discussion, the following 2020 goals for Matt were presented to the City Council. These goals will guide priorities for the City Administrator for the next year and will be evaluated at his next review.

1. When timing is right with the economy to restart project, work to implement the project for redevelopment of the City Square West along with moving forward with the Library

relocation project. Specifically work to complete the process of identifying a preferred developer for the site, acquiring necessary properties, relocation of existing businesses, and development of plans and refined financials for this project. Continue to work with Carver County to identify a site to relocate the current License Center to allow for development of a new Library to occur.

2. In conjunction with the EOC Group, work to successfully navigate the City of Chaska through the COVID 19 pandemic, and all economic issues that are related to this crisis, achieving our overall goal of keeping a continuity of services and keeping all employees and customers safe.
3. Take advantage of a slow-down in the economy to complete the architectural and economic master planning for our City facilities to allow us to be in a position to move forward quickly with implementation plans once the economy starts to rebound (similar to the strategies we utilized during the 2008-2012 recession to develop the master plans during slow times so we could be ready to implement the plans once the economy became better).
4. Work to continue to bring the Chaska Par 30/Learning Links partnership to completion, moving forward with renovation of the course if bids and donations come in as expected.
5. Continue work in organization and community in developing strategies to make this a welcoming/inclusive City for all, including work to make sure our Police Department fits the values and priorities of our residents moving into the future.
6. Continue to move forward with Economic Development Activity at the new Industrial Area in SW Chaska, West Creek Corporate Center and the Chaska Building Center site, helping to get utilities out to the new development sites in time for development, and to seek to expand our Electric Service Territory to include the entire Chaska community.
7. Work to develop a public process for putting together a concept plan for the development of the next Community Park in SW Chaska, identifying ways to phase implementation of the plan as SW Chaska continues to grow.

Conclusion

Based upon feedback received at the closed work session review on June 29, 2020, staff recommends that the City Council approve a 3.0% performance pay increase retroactive to January 1, 2018 and approve this year's goals for the City Administrator.

CITY COUNCIL ACTION REQUESTED

Motion to approve administrator goals for 2020 and adjust the City Administrator's annual salary with a 3.0% performance increase retroactive to January 1, 2020.

REQUEST FOR ACTION CHASKA CITY COUNCIL 07/06/2020

**Subject: Issuance and Sale of Bonds: Series 2020C and 2020D
G.O. Bonds, Series 2020C
Taxable G.O. Refunding, Series 2020D**

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

Overview

Baker Tilly Municipal Advisors, LLC (BTMA), Municipal Advisor to the City, and City staff together have structured two series of General Obligation (G.O.) bonds. The first series combines public improvement and utility improvements related to the 2020 Street Reconstruction Project. This series is supported by special assessments and utility revenues.

The second series refunds three outstanding series of bonds to capture economic savings by reducing future debt service interest costs. Two of the refunded series will be refunded using an advanced cross-over refunding structure. The City must issue advanced-refunding bonds on a taxable basis since an advanced refunding is no longer permitted on a tax-exempt basis under the Federal Code.

The third series to be refunded is a current refunding. A current refunding is possible when the outstanding series of bonds will be called and paid within ninety days of closing on the new refunding series. Due to its small size, this current refunding could not be issued as a standalone tax-exempt refunding. Issued as a taxable refunding, present-value savings are still generated by this refunding.

Attached is a draft resolution for each series as prepared by Dorsey and Whitney, LLP., Bond Counsel to the City. Both resolutions establish Monday, August 3, 2020 as the date of sale. Attached to each resolution is a "Terms of Proposal" prepared by BTMA that outlines the structure of each series and repayment sources.

The following is a discussion on each proposed series.

\$3,540,000 G.O. Bonds, Series 2020C

This series will finance the 2020 Street Reconstruction Project. Other revenues that will be available for this project include State Bridge Funds that reduce the amount of financing needed for this project. Debt service on this bond will be paid from pledged special assessments and tax levies that support the street reconstruction. Utility improvements as part of the project are included and will be repaid from water, sewer, and storm water revenues. The amount of financing for each use is listed as follows.

Project	Project Cost	Issuance Costs	Other Sources	PAR Bonding
2020 Street Reconstruction	\$2,936,034	\$47,424	\$(983,458)	\$2,000,000
Utility Portion, 2020 Street Reconstruction	1,501,294	38,706	(0)	1,540,000
Total	\$4,437,328	\$86,130	\$(983,458)	\$3,540,000

\$10,555,000 Taxable G.O. Refunding Bonds, Series 2020D

This series will refund three Series of bonds. This refunding series will be a taxable bond since the advanced refunding option is no longer permitted on a tax-exempt basis. Series 2011A and 2013A will both be refunded as a crossover-advanced refunding. Series 2010D will be completed as a current refunding. The amount of financing for each refunded series are listed as follows.

Project	Project Cost	Issuance Costs	Other Sources	PAR Bonding	Estimated Present value Savings
Crossover Advanced Refunding 2011A	\$7,827,731	\$132,269	\$(0)	\$7,960,000	\$486,096 5.8%
Crossover Advanced Refunding 2013A	2,187,563	32,437		\$2,220,000	\$162,432 6.8%
Current Refunding 2010D	368,291	6,709	(0)	375,000	\$73,176 16.2%
Total	\$10,383,585	\$171,415	\$(0)	\$10,555,000	\$721,704

GO Pledge

Issuance of each series includes a pledge of taxing authority to repay debt service on each series. Each series will thus be issued as General Obligation bonds. Proposed tax levies are consistent with the downtown street reconstruction program.

Public Sale Date

Both series will be sold at a public sale on Monday, August 3, 2020. The winning bid for each series will be presented to Council for acceptance at a regular Council meeting on the date of sale. Attached is a proposed set sale resolution for each series as prepared by Dorsey and Whitney, LLP. Included in each resolution is a "Terms of Proposal" as prepared by BTMA.

Also attached from BTMA is a Pre-Sale Summary for Issuance of Bonds. This report includes detailed debt schedules for each series.

Recommendation

Staff recommends sale of each series of bonds.

CITY COUNCIL ACTION REQUESTED

(Each resolution should be adopted by a separate action.)

Motion to adopt Resolution No. 2020-52 authorizing issuance and sale of \$3,54,000 General Obligation Bonds, Series 2020C.

Motion to adopt Resolution No.2020-53 authorizing issuance and sale of \$10,555,000 Taxable General Obligation Refunding Bonds, Series 2020D.

CERTIFICATION OF MINUTES RELATING TO
\$3,540,000 GENERAL OBLIGATION BONDS, SERIES 2020C

Issuer: City of Chaska, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held on July 6, 2020, at 7:00 o'clock p.m. at the City offices.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (pages):

RESOLUTION NO. 2020-52

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$3,540,000
GENERAL OBLIGATION BONDS, SERIES 2020C

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 on _____, 2020.

City Administrator

RESOLUTION NO. 2020-52

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$3,540,000
GENERAL OBLIGATION BONDS, SERIES 2020C

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

SECTION 1. PURPOSE. It is hereby determined to be in the best interests of the City to issue its General Obligation Bonds, Series 2020C, in the principal amount of approximately \$3,540,000 (the “Bonds”), pursuant to Minnesota Statutes, Chapters 429, 444, and 475, to finance a street reconstruction project within the City and related utility improvements.

SECTION 2. TERMS OF PROPOSAL. Baker Tilly Municipal Advisors, LLC, municipal advisor to the City (the “Municipal Advisor”), has presented to this Council a form of Terms of Proposal for the Bonds which is attached hereto and hereby approved and shall be placed on file by the City Administrator. Each and all of the provisions of the Terms of Proposal attached hereto are hereby adopted as the terms and conditions of the Bonds and of the sale thereof. The Municipal Advisor is hereby authorized, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), to solicit proposals for the Bonds on behalf of the City on a competitive basis.

SECTION 3. SALE MEETING. This Council shall meet at the time and place shown in the Terms of Proposal for the purpose of considering sealed bids for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the City.

Adopted this 6th day of July, 2020.

Mayor

Attest: _____
City Administrator

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.

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

\$3,540,000*

**CITY OF CHASKA, MINNESOTA
GENERAL OBLIGATION BONDS, SERIES 2020C
(BOOK ENTRY ONLY)**

Proposals for the above-referenced obligations (the "Series 2020C Bonds") will be received by the City of Chaska, Minnesota (the "City") on Monday, August 3, 2020, (the "Sale Date") until 11:00 A.M., Central Time (the "Sale 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 2020C 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 or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2020C Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bondservice@bakertilly.com or by fax (651) 223-3046, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also 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 2020C 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.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly-owned subsidiary of Baker Tilly Virchow Krause, LLP, an accounting firm. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2020 Baker Tilly Municipal Advisors, LLC.

DETAILS OF THE SERIES 2020C BONDS

The Series 2020C 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, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2020C Bonds will mature February 1 in the years and amounts* as follows:

2022	\$240,000	2026	\$275,000	2029	\$285,000	2032	\$130,000	2035	\$135,000
2023	\$265,000	2027	\$275,000	2030	\$285,000	2033	\$130,000	2036	\$140,000
2024	\$270,000	2028	\$275,000	2031	\$290,000	2034	\$135,000	2037	\$140,000
2025	\$270,000								

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2020C 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 2020C 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 2020C 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 2020C Bonds will be issued by means of a book entry system with no physical distribution of Series 2020C Bonds made to the public. The Series 2020C Bonds will be issued in fully registered form and one Series 2020C Bond, representing the aggregate principal amount of the Series 2020C 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 2020C Bonds. Individual purchases of the Series 2020C 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 2020C 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 2020C Bonds, will be required to deposit the Series 2020C 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, 2030, and on any day thereafter, to redeem Series 2020C Bonds due on or after February 1, 2031. 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 2020C 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 2020C 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, and (ii) net revenues of the City's water, sanitary sewer and storm water utility funds for repayment of a portion of the Series 2020C Bonds. The proceeds of the Series 2020C Bonds, along with available City funds, will be used to finance a street reconstruction project within the City and related utility improvements.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Series 2020C Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Proposals shall be for not less than \$3,504,600 plus accrued interest, if any, on the total principal amount of the Series 2020C 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 2020C Bonds is adjourned, recessed, or continued to another date without award of the Series 2020C 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 2020C Bonds of the same maturity shall bear a single rate from the date of the Series 2020C 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 2020C 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 2020C 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 2020C 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 2020C Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Series 2020C Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Series 2020C Bonds.

If, however, a proposal is submitted for the bidder's own account in a capacity other than as an underwriter of the Series 2020C Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Series 2020C 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.

If the City advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, 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.

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. The Purchaser shall (1) upon the request of the City confirm that the underwriters did not offer or sell any maturity of the Series 2020C 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 2020C 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 2020C 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 via wire transfer to the City in the amount of \$35,400 (the “Deposit”) no later than 2:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and 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.

A Deposit 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 2020C 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 2020C 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 2020C Bonds. If the Series 2020C 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 2020C Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2020C Bonds.

CUSIP NUMBERS

If the Series 2020C Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2020C Bonds; however, neither the failure to print such numbers on any Series 2020C Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2020C 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 September 2, 2020, the Series 2020C 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 2020C 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 2020C 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 2020C 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 2020C Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2020C Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2020C 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 an electronic copy 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, by telephone (651) 223-3000, or by email bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at <https://go.bakertilly.com/bond-sales-calendar>.

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 2020C Bonds, together with any other information required by law. By awarding the Series 2020C Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing 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 July 6, 2020

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 ISSUER].

(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 ISSUER].

(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 UNDEWRITING 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)

CERTIFICATION OF MINUTES RELATING TO
\$10,555,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

Issuer: City of Chaska, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held on July 6, 2020, at 7:00 o'clock p.m. at the City offices.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (pages):

RESOLUTION NO. 2020-53

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$10,555,000
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

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 on _____, 2020.

City Administrator

RESOLUTION NO. 2020-53

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$10,555,000
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

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

SECTION 1. PURPOSE. It is hereby determined to be in the best interests of the City to issue its Taxable General Obligation Refunding Bonds, Series 2020D, in the principal amount of approximately \$10,555,000 (the “Bonds”), pursuant to Minnesota Statutes, Chapters 429, 444, and 475, and Sections 469.1814 and 475.67, to refund the City's Taxable General Obligation Tax Abatement Bonds, Series 2010D, General Obligation Water Revenue Refunding Bonds, Series 2011A, and General Obligation Improvement Bonds, Series 2013A.

SECTION 2. TERMS OF PROPOSAL. Baker Tilly Municipal Advisors, LLC, municipal advisor to the City (the “Municipal Advisor”), has presented to this Council a form of Terms of Proposal for the Bonds which is attached hereto and hereby approved and shall be placed on file by the City Administrator. Each and all of the provisions of the Terms of Proposal attached hereto are hereby adopted as the terms and conditions of the Bonds and of the sale thereof. The Municipal Advisor is hereby authorized, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), to solicit proposals for the Bonds on behalf of the City on a competitive basis.

SECTION 3. SALE MEETING. This Council shall meet at the time and place shown in the Terms of Proposal for the purpose of considering sealed bids for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the City.

Adopted this 6th day of July, 2020.

Mayor

Attest: _____
City Administrator

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.

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

\$10,555,000*

CITY OF CHASKA, MINNESOTA

TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Series 2020D Bonds”) will be received by the City of Chaska, Minnesota (the “City”) on Monday, August 3, 2020, (the “Sale Date”) until 11:00 A.M., Central Time (the “Sale 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 2020D 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 or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2020D Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bondservice@bakertilly.com or by fax (651) 223-3046, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also 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 2020D 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

DETAILS OF THE SERIES 2020D BONDS

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

The Series 2020D Bonds will mature December 1 in the years and amounts* as follows:

2021	\$ 25,000	2024	\$915,000	2027	\$ 995,000	2030	\$885,000	2033	\$60,000
2022	\$875,000	2025	\$950,000	2028	\$1,025,000	2031	\$910,000	2034	\$35,000
2023	\$895,000	2026	\$980,000	2029	\$1,070,000	2032	\$935,000		

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2020D 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 2020D 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 2020D 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 2020D Bonds will be issued by means of a book entry system with no physical distribution of Series 2020D Bonds made to the public. The Series 2020D Bonds will be issued in fully registered form and one Series 2020D Bond, representing the aggregate principal amount of the Series 2020D 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 2020D Bonds. Individual purchases of the Series 2020D 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 2020D 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 2020D Bonds, will be required to deposit the Series 2020D 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 December 1, 2030, and on any day thereafter, to redeem Series 2020D Bonds due on or after December 1, 2031. 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 2020D 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 2020D 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) available tax abatement revenue; (ii) net revenues of the City's water utility; and (iii) special assessments against benefited properties for repayment of a portion of the Series 2020D Bonds. The proceeds of the Series 2020D Bonds will be used to refund (i) the February 1, 2021 through February 1, 2033 maturities of the City's Taxable General Obligation Tax Abatement Bonds, Series 2010D, dated September 15, 2010; (ii) the December 1, 2022 through December 1, 2032 maturities of the City's General Obligation Water Revenue Refunding Bonds, Series 2011A, dated September 15, 2011; and (iii) the February 1, 2022 through February 1, 2035 maturities of the City's General Obligation Improvement Bonds, Series 2013A, dated August 15, 2013.

TAXABILITY OF INTEREST

Interest on the Series 2020D 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 net income for purposes of the Minnesota franchise tax on corporations and financial institutions.

BIDDING PARAMETERS

Proposals shall be for not less than \$10,460,005 plus accrued interest, if any, on the total principal amount of the Series 2020D 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 2020D Bonds is adjourned, recessed, or continued to another date without award of the Series 2020D 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 2020D Bonds of the same maturity shall bear a single rate from the date of the Series 2020D 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 via wire transfer to the City in the amount of \$105,550 (the "Deposit") no later than 2:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and 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.

A Deposit 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 2020D 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 2020D 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 2020D Bonds. If the Series 2020D 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 2020D Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2020D Bonds.

CUSIP NUMBERS

If the Series 2020D Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2020D Bonds; however, neither the failure to print such numbers on any Series 2020D Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2020D 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 September 2, 2020, the Series 2020D 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 2020D 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 2020D 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 2020D 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 2020D Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2020D Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2020D 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 an electronic copy 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, by telephone (651) 223-3000, or by email bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at <https://go.bakertilly.com/bond-sales-calendar>.

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 2020D Bonds, together with any other information required by law. By awarding the Series 2020D Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing 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 July 6, 2020

BY ORDER OF THE CITY COUNCIL

/s/ Matthew Podhradsky
City Administrator

City of Chaska, Minnesota Pre-Sale Summary for Issuance of Bonds

\$3,540,000 General Obligation Bonds, Series 2020C (the “Series 2020C Bonds”)

\$10,555,000 Taxable General Obligation Refunding Bonds, Series 2020D (the “Series 2020D Bonds”)

The City Council has under consideration the issuance of (i) the Series 2020C Bonds to fund a 2020 street reconstruction project including related utility improvements and (ii) the Series 2020D Bonds to refund three outstanding bond issues of the City for interest cost savings. Together the Series 2020C Bonds and Series 2020D Bonds are referred to as the “Bonds”. This document provides information relative to the proposed issuance.

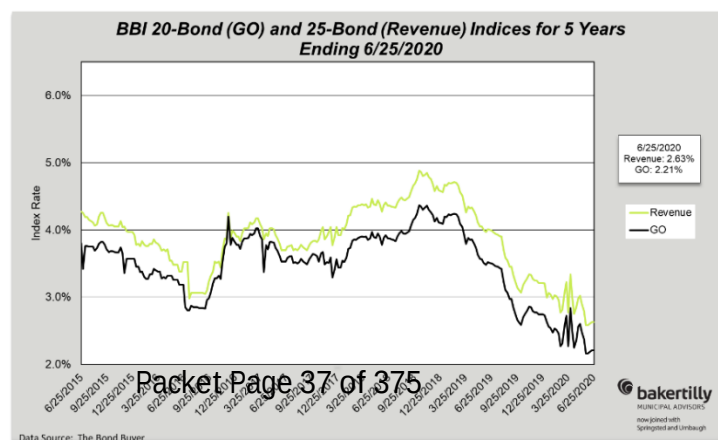
On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. The continually changing conditions resulting from the pandemic have created significant, ongoing volatility in the financial markets. It is not known what impact this may have on the City’s ability to issue the proposed Bonds on the timeline, at the interest rate estimates, or under the method of sale presented in this Pre-Sale Summary. This document and corresponding schedules are based on estimates made at the time this document was prepared. In the time leading up to the City’s sale, BTMA will continue to monitor the market on the City’s behalf and will work with the City to address issues and/or identify alternative approaches to the City’s financing.

KEY EVENTS: The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuance.

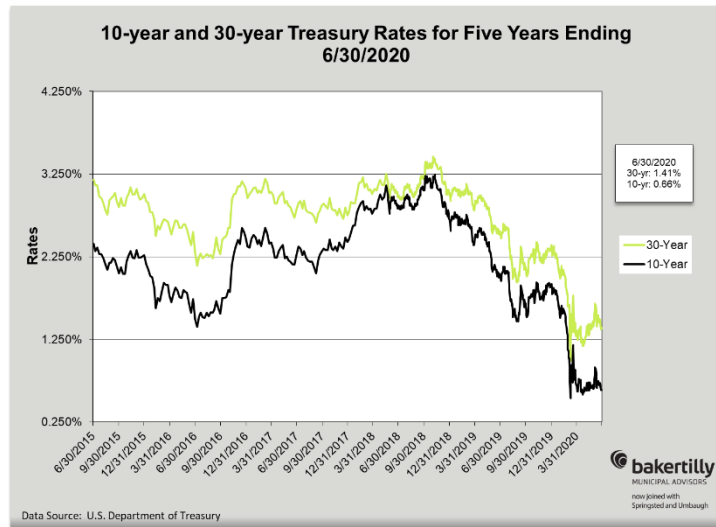
July 6, 2020	Council sets sale date and terms
Week of July 20, 2020	Rating conference is conducted
August 3, 2020, 11:00 a.m.	Competitive proposals are received
August 3, 2020, 7:00 p.m.	Council considers award of the Bonds
September 2, 2020	Proceeds are received
October 7, 2020	Redeem the Series 2010D Bonds
February 1, 20201	Redeem the Series 2013A Bonds
December 1, 2021	Redeem the Series 2011A Bonds

RATING: An application will be made to S&P Global Ratings (S&P) for a rating on the Bonds. The City’s general obligation debt is currently rated “AA” by S&P.

THE MARKET: Performance of the tax-exempt market is often measured by the Bond Buyer’s Index (“BBI”) which measures the yield of high grade municipal bonds in the 20th year for general obligation bonds rated Aa2 by Moody’s or AA by S&P (the BBI 20-Bond GO Index) and the 30th year for revenue bonds rated A1 by Moody’s or A+ by S&P (the BBI 25-Bond Revenue Index). The following chart illustrates these two indices over the past five years.



Interest rates for the taxable municipal market are quoted as a spread to U.S. Treasury Securities. To give you an indication of the relative position of that market, the chart below tracks the yield of the 10-year and 30-year U.S. Treasury over the last five years.



\$3,540,000 General Obligation Bonds, Series 2020C

Description of Issue

PURPOSE: Proceeds of the Series 2020C Bonds will be used to finance the City's 2020 street reconstruction projects. The projects include (i) street improvements and bridge improvements, which will be referred to as the "Improvement Portion" and (ii) related water, storm and sewer improvements, which will be referred to as the "Utility Portion".

AUTHORITY: Statutory Authority: The Series 2020C Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444 and 475.

Statutory Requirements:

Improvement Portion - Under Minnesota Statutes, Chapter 429, at least 20% of the City's share of project costs must be assessed to benefitted properties. The various projects being financed by the Improvement Portion satisfies this requirement.

Utility Portion – Pursuant to Minnesota Statutes, Chapter 444 and the resolution awarding the Series 2020C Bonds, the City will covenant to maintain utility fees and charges sufficient to generate revenues to support the operation of the City's water, sewer, and storm water utility funds (the "Utility Funds") and all debt service paid by the Utility Funds, including the Utility Portion.. The City is required to annually review the budget for the Utility Funds to determine whether current rates and charges are sufficient and to adjust them as necessary.

The City currently has six outstanding utility bond issues and the Series 2020D Bonds that will advance refund the 2011A Bonds and is being issued concurrently with the Series 2020C Bonds. The table below shows the calculation of net revenues available to pay debt service of the City's Utility Funds for the fiscal year ending December 31, 2019. The projected maximum annual calendar year debt service payment including the Utility Portion Bonds is \$1,062,001.

2019 Net Revenues - Enterprise Funds	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>	<u>Total</u>
Operating Revenues	\$2,921,859	\$4,136,124	\$1,688,118	\$8,746,101
Operating Expenses	<u>(3,001,421)</u>	<u>(3,963,363)</u>	<u>(1,086,865)</u>	<u>(8,051,649)</u>
Operating Income	-79,562	172,761	601,253	694,452
Add: Depreciation	819,733	124,554	175,709	1,119,996
Interest Earnings	<u>77,786</u>	<u>22,198</u>	<u>26,133</u>	<u>126,117</u>
Net Revenues Available for Debt Service	\$817,957	\$319,513	\$803,095	\$1,940,565
Less Maximum Debt Service on All Utility Debt				\$1,062,001
Remaining Capacity for Annual Debt Service				\$878,564

**SECURITY AND
SOURCE OF
PAYMENT:**

The Series 2020C Bonds are a general obligation of the City, secured by its full faith and credit and taxing power. The Series 2020C Bonds will be paid from the following sources:

Improvement Portion will be repaid with a combination of ad valorem tax levies and special assessments levied against benefited properties.

Assessments in the total principal amount of \$402,518 will be filed on or about July 1, 2020. The City received prepaid assessments in the amount of \$10,658, which has been applied as a source of funds to reduce the borrowing amount. The remaining principal of \$391,860 will be amortized over a term of sixteen years with the first year's principal of one dollar; thereafter assessments will be amortized with level payments of principal and interest with interest charged on the unpaid balance of 5.5%.

The City will be required to levy taxes to pay a portion of the debt service due on the Improvement Portion not paid from assessments. The City will levy for the Improvement Portion in 2020 for first collection in 2021.

Each year's collections of assessment and taxes will be used to make the interest payment due August 1 in the collection year and the February 1 principal and interest due the following year.

Utility Portion will be repaid from net revenues of the City's Utility Funds.

**STRUCTURING
SUMMARY:**

In consultation with the City, the Series 2020C Bonds have been structured as follows:

Improvement Portion – has been structured to match the assessment income repayment term to result in an approximately level annual tax levy requirement.

Utility Portion — has been structured with a repayment term of ten years to provide an approximately level annual debt service requirement.

**SCHEDULES
ATTACHED:**

Schedules for the Series 2020C Bonds are provided in Exhibit A attached and include:

- Sources and Uses of Funds
- Debt service schedules for the Series 2020C Bonds as a whole and by purpose
- Assessment Income
- Aggregate Debt payable from Utility Funds

RISKS/SPECIAL CONSIDERATIONS: The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions

Levy projections for the Improvement Portion are based on the estimated assessment income. If actual assessment collections are different than projected, the required levy could be more or less than what is shown in these estimates.

SALE TERMS AND MARKETING: Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Series 2020C Bonds maturing on or after February 1, 2031 may be prepaid at a price of par plus accrued interest on or after February 1, 2030

Bank Qualification: The City will issue more than \$10 million in tax-exempt obligations in 2020; therefore, the Series 2020C Bonds are not designated as bank qualified.

\$ 10,555,000 Taxable General Obligation Refunding Bonds, Series 2020D

Description of Issue

PURPOSE: Proceeds of the Series 2020D Bonds will be used to refund the three outstanding bond issues of the City detailed as follows: The purpose of these refunding transactions are to achieve interest cost savings to the City.

- the February 1, 2021 through 2033 maturities of the City's Taxable General Obligation Tax Abatement Bonds, Series 2010D, dated September 15, 2010, in the principal amount of \$365,000 (the "Series 2010D Bonds")
- the December 1, 2022 through 2028 maturities of the City's General Obligation Water Revenue Refunding Bonds, Series 2011A, dated September 15, 2011, in the principal amount of \$7,670,000 (the "Series 2011A Bonds")
- the February 1, 2022 through 2035 maturities of the City's General Obligation Improvement Bonds, Series 2013A, dated August 15, 2013, in the principal amount of \$2,180,000 (the "Series 2013A Bonds")

Together the Series 2011A Bonds and Series 2013A Bonds are referred to as the "Advance Refunded Bonds".

Together the Series 2010D Bonds, Series 2011A Bonds and Series 2013A Bonds are referred to as the "Prior Bonds".

The refunding of the Series 2010D Bonds is being conducted as a current refunding, where the bond proceeds allocable to this refunding are used within ninety (90) days of settlement to redeem the outstanding, callable maturities (the "Current Refunding Portion").

The refunding of the Series 2011A Bonds and Series 2013A Bonds are being conducted as crossover advance refundings, in which the respective prior bond issue will be called more than 90 days of settlement (the "Advance Refunding Portion").

PRIOR BONDS:

Proceeds of the Prior Bonds were used as follows:

Series 2010D Bonds – proceeds were used to finance site grading for the City's West Creek improvement project

Series 2011A Bonds – proceeds were used to refund the City's General Obligation Water Revenue Bonds, Series 2003A as a current refunding.

Series 2013A Bonds - The proceeds will be used to finance infrastructure improvement projects in various areas of the City

AUTHORITY:

The Series 2020D Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444 and 475.

**SECURITY AND
SOURCE OF
PAYMENT:**

The Series 2020D Bonds are a general obligation of the City, secured by its full faith and credit and taxing power. In addition, the City will pledge special assessments against benefit properties, tax abatement revenue and net revenues of the City's Utility Funds all as previously pledged to the Prior Bonds.

Current Refunding Portion – on October 7, 2020, call date for the Series 2010D Bonds, the City will use proceeds from the Series 2020D Bonds to redeem the outstanding principal of \$365,000 on the Series 2010D Bonds.

Advance Refunding Portion - the prepayments of the Advance Refunded Bonds refundings are being conducted as "crossover" advance refundings. Proceeds of the Advance Refunding Portion allocable to these refundings are deposited at settlement into an irrevocable escrow account with a major bank, certain amounts of which will be used for the purchase of permitted securities. The cashflows of these securities, in conjunction with any cash amounts available on deposit at settlement, will be sufficient to pay certain interest payments due on the Advance Refunding portion to and including the dates of redemption on the Advance Refunded Bonds (see table below under Structuring Summary) and to redeem the callable maturities outstanding on the Advance Refunded Bonds to and including their respective dates of redemption. The City will continue to pay the originally scheduled debt service payments on the Advance Refunded Bonds until their respective call dates of December 1, 2021 and February 1, 2021. After the call dates, the City will begin making debt service payments on the taking advantage of the lower interest rates

**STRUCTURING
SUMMARY:**

In consultation with the City, the Series 2020D Bonds have been structured to provide approximately uniform savings over the same repayment term as each of the respective Prior Bonds.

The table below provides the details of the refunding transaction including type of refunding and projected savings for each of the Prior Bonds.

Refunded Issue	2010D Bonds	2011A Bonds	2013A Bonds
Refunded Maturities	Feb 1, 2021-2033	Dec 1, 2022-2032	Feb 1, 2022-2035
Refunded Principal	\$365,000	\$7,670,000	\$2,180,000
Type	Current	Crossover Advance	Crossover Advance
Call Date	October 7, 2020	December 1, 2021	February 1, 2021
FVB \$	\$82,684	\$551,609	\$154,833
NPV \$	\$73,176	\$486,096	\$162,432
NPV/Refunded D/S	16.287%	5.870%	6.863%

**SCHEDULES
ATTACHED:**

Schedules for the Series 2020D Bonds are provided in Exhibit B attached and include:

- Refunding Summary
- Debt Service Comparison for the Series 2020D Bonds as a whole and by prior bond issue
- Debt Service to maturity and to call for the Prior Bonds
- Debt Service for the Series 2020D Bonds as a whole and by purpose, given current market conditions
- Refunding Escrow Performance, given current market conditions

**RISKS/SPECIAL
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

The projected savings of these refunding transactions are based on current market conditions; sale results on the day of sale will influence the actual savings which may be more or less than what we are presently showing in these schedules

**SALE TERMS AND
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Series 2020D Bonds maturing on or after December 1, 2031 may be prepaid at a price of par plus accrued interest on or after December 1, 2030.

Bank Qualification: Bank qualification limits do not apply to taxable issues.

**FEDERAL
CONSIDERATIONS
AND/OR
REQUIREMENTS:**

The federal Tax Cuts and Jobs Act signed into law on December 22, 2017, prohibited the issuance of tax-exempt bonds to advance refund outstanding tax-exempt bonds. Federal limitations restricting the issuance of advance refunding bonds do not apply to taxable bonds that refund tax-exempt bonds. Therefore, the Series 2020D Bonds are being issued as taxable obligations. Interest cost savings achievable from the issuance of taxable refunding bonds are possible because current taxable interest rates are estimated to be lower than the tax-exempt rates on the Advance Refunded Bonds.

Post Issuance Compliance

COMPLIANCE:

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: (i) compliance with federal arbitrage requirements and (ii) compliance with secondary disclosure requirements.

The Series 2020D Bonds are taxable and therefore not subject to the federal arbitrage requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as this issue has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any "excess earnings" will need to be paid to the IRS to maintain the tax-exempt status of the Series 2020C Bonds. Any interest earnings on gross bond

proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not “excess earnings” as defined by the IRS Code.

The arbitrage rules provide for spend-down exceptions for proceeds that are spent within either a 6-month, 18-month or, for certain construction issues, a 24-month period each in accordance with certain spending criteria. Proceeds that qualify for an exception will be exempt from rebate. These exceptions are based on actual expenditures and not based on reasonable expectations, and expenditures, including any investment proceeds will have to meet the spending criteria to qualify for the exclusion. The City expects to meet the 24-month spending exception for the Series 2020C Bonds.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to Bond proceeds (including interest earnings) unspent after three years and the debt service fund throughout the term of the Series 2020D Bonds. These moneys should be monitored until the Series 2020D Bonds are retired.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Baker Tilly and the City have entered into an Agreement for Municipal Advisor Services under which Baker Tilly will provide continuing disclosure and arbitrage rebate services on the Bonds.

**SUPPLEMENTAL
INFORMATION AND
BOND RECORD:**

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for the transaction.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly-owned subsidiary of Baker Tilly Virchow Krause, LLP, an accounting firm. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2020 Baker Tilly Municipal Advisors, LLC.

Exhibit A

\$3,540,000

City of Chaska, Minnesota
General Obligation Bonds, Series 2020C
Issue Summary

Total Issue Sources And Uses

Dated 09/02/2020 | Delivered 09/02/2020

	Improvement Portion	Utility Portion	Issue Summary
Sources Of Funds			
Par Amount of Bonds.....	\$2,000,000.00	\$1,540,000.00	\$3,540,000.00
MSA Funds.....	857,000.00	-	857,000.00
State Aid (Bridge).....	115,800.00	-	115,800.00
Pre-paid Assessments.....	10,658.00	-	10,658.00
Total Sources.....	\$2,983,458.00	\$1,540,000.00	\$4,523,458.00
Uses Of Funds			
Deposit to Project Construction Fund.....	2,936,034.07	1,501,293.76	4,437,327.83
Costs of Issuance.....	26,209.05	20,180.95	46,390.00
Total Underwriter's Discount (1.000%).....	20,000.00	15,400.00	35,400.00
Rounding Amount.....	1,214.88	3,125.29	4,340.17
Total Uses.....	\$2,983,458.00	\$1,540,000.00	\$4,523,458.00

\$3,540,000

City of Chaska, Minnesota
General Obligation Bonds, Series 2020C
Issue Summary

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	105% of Total	Utility Revenue	Assessment	Levy Required
02/01/2021	-	-	-	-	-	-	-	-
02/01/2022	240,000.00	0.550%	64,499.63	304,499.63	319,724.61	172,182.15	32,374.45	115,168.01
02/01/2023	265,000.00	0.650%	43,162.50	308,162.50	323,570.63	174,058.50	39,034.71	110,477.42
02/01/2024	270,000.00	0.750%	41,440.00	311,440.00	327,012.00	173,034.75	39,034.70	114,942.55
02/01/2025	270,000.00	0.800%	39,415.00	309,415.00	324,885.75	171,853.50	39,034.71	113,997.54
02/01/2026	275,000.00	1.000%	37,255.00	312,255.00	327,867.75	175,843.50	39,034.71	112,989.54
02/01/2027	275,000.00	1.150%	34,505.00	309,505.00	324,980.25	174,216.00	39,034.71	111,729.54
02/01/2028	275,000.00	1.250%	31,342.50	306,342.50	321,659.63	172,344.38	39,034.71	110,280.54
02/01/2029	285,000.00	1.350%	27,905.00	312,905.00	328,550.25	175,560.00	39,034.70	113,955.55
02/01/2030	285,000.00	1.500%	24,057.50	309,057.50	324,510.38	173,292.00	39,034.71	112,183.67
02/01/2031	290,000.00	1.600%	19,782.50	309,782.50	325,271.63	176,022.00	39,034.71	110,214.92
02/01/2032	130,000.00	1.700%	15,142.50	145,142.50	152,399.63		39,034.70	113,364.93
02/01/2033	130,000.00	1.800%	12,932.50	142,932.50	150,079.13		39,034.71	111,044.42
02/01/2034	135,000.00	1.850%	10,592.50	145,592.50	152,872.13		39,034.71	113,837.42
02/01/2035	135,000.00	1.900%	8,095.00	143,095.00	150,249.75		39,034.71	111,215.04
02/01/2036	140,000.00	1.950%	5,530.00	145,530.00	152,806.50		39,034.70	113,771.80
02/01/2037	140,000.00	2.000%	2,800.00	142,800.00	149,940.00		39,034.70	110,905.30
Total	\$3,540,000.00	-	\$418,457.13	\$3,958,457.13	\$4,156,379.99	\$1,738,406.78	\$617,895.05	\$1,800,078.16

Dated..... 9/2/2020
Delivery Date..... 9/2/2020
First Coupon Date..... 8/01/2021

Yield Statistics

Bond Year Dollars..... \$27,923.00
Average Life..... 7.888 Years
Average Coupon..... 1.4986109%
Net Interest Cost (NIC)..... 1.6253881%
True Interest Cost (TIC)..... 1.6235432%
Bond Yield for Arbitrage Purposes..... 1.4866626%
All Inclusive Cost (AIC)..... 1.8058570%

IRS Form 8038

Net Interest Cost..... 1.4986109%
Weighted Average Maturity..... 7.888 Years

\$2,000,000

City of Chaska, Minnesota
General Obligation Bonds, Series 2020C
Improvement Portion

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	105% of Total	Assessment	Levy Required
02/01/2021	-	-	-	-	-	-	-
02/01/2022	100,000.00	0.550%	40,516.63	140,516.63	147,542.46	32,374.45	115,168.01
02/01/2023	115,000.00	0.650%	27,392.50	142,392.50	149,512.13	39,034.71	110,477.42
02/01/2024	120,000.00	0.750%	26,645.00	146,645.00	153,977.25	39,034.70	114,942.55
02/01/2025	120,000.00	0.800%	25,745.00	145,745.00	153,032.25	39,034.71	113,997.54
02/01/2026	120,000.00	1.000%	24,785.00	144,785.00	152,024.25	39,034.71	112,989.54
02/01/2027	120,000.00	1.150%	23,585.00	143,585.00	150,764.25	39,034.71	111,729.54
02/01/2028	120,000.00	1.250%	22,205.00	142,205.00	149,315.25	39,034.71	110,280.54
02/01/2029	125,000.00	1.350%	20,705.00	145,705.00	152,990.25	39,034.70	113,955.55
02/01/2030	125,000.00	1.500%	19,017.50	144,017.50	151,218.38	39,034.71	112,183.67
02/01/2031	125,000.00	1.600%	17,142.50	142,142.50	149,249.63	39,034.71	110,214.92
02/01/2032	130,000.00	1.700%	15,142.50	145,142.50	152,399.63	39,034.70	113,364.93
02/01/2033	130,000.00	1.800%	12,932.50	142,932.50	150,079.13	39,034.71	111,044.42
02/01/2034	135,000.00	1.850%	10,592.50	145,592.50	152,872.13	39,034.71	113,837.42
02/01/2035	135,000.00	1.900%	8,095.00	143,095.00	150,249.75	39,034.71	111,215.04
02/01/2036	140,000.00	1.950%	5,530.00	145,530.00	152,806.50	39,034.70	113,771.80
02/01/2037	140,000.00	2.000%	2,800.00	142,800.00	149,940.00	39,034.70	110,905.30
Total	\$2,000,000.00	-	\$302,831.63	\$2,302,831.63	\$2,417,973.21	\$617,895.05	\$1,800,078.16

Dated..... 9/2/2020
Delivery Date..... 9/2/2020
First Coupon Date..... 8/01/2021

Yield Statistics

Bond Year Dollars..... \$18,580.00
Average Life..... 9.290 Years
Average Coupon..... 1.6298796%

Net Interest Cost (NIC)..... 1.7375222%
True Interest Cost (TIC)..... 1.7362459%
Bond Yield for Arbitrage Purposes..... 1.4866626%
All Inclusive Cost (AIC)..... 1.8937687%

IRS Form 8038

Net Interest Cost..... 1.6298796%
Weighted Average Maturity..... 9.290 Years

File | Chaska.xf | 2020C GO Bonds | Improvement Bond Portion | 6/10/2020 | 9:44 AM

\$1,540,000
City of Chaska, Minnesota
General Obligation Bonds, Series 2020C
Utility Portion

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2021	-	-	-	-	-
02/01/2022	140,000.00	0.550%	23,983.00	163,983.00	172,182.15
02/01/2023	150,000.00	0.650%	15,770.00	165,770.00	174,058.50
02/01/2024	150,000.00	0.750%	14,795.00	164,795.00	173,034.75
02/01/2025	150,000.00	0.800%	13,670.00	163,670.00	171,853.50
02/01/2026	155,000.00	1.000%	12,470.00	167,470.00	175,843.50
02/01/2027	155,000.00	1.150%	10,920.00	165,920.00	174,216.00
02/01/2028	155,000.00	1.250%	9,137.50	164,137.50	172,344.38
02/01/2029	160,000.00	1.350%	7,200.00	167,200.00	175,560.00
02/01/2030	160,000.00	1.500%	5,040.00	165,040.00	173,292.00
02/01/2031	165,000.00	1.600%	2,640.00	167,640.00	176,022.00
Total	\$1,540,000.00	-	\$115,625.50	\$1,655,625.50	\$1,738,406.78

SIGNIFICANT DATES

Dated..... 9/2/2020
 Delivery Date..... 9/2/2020
 First Coupon Date..... 8/01/2021

Yield Statistics

Bond Year Dollars..... \$9,343.00
 Average Life..... 6.067 Years
 Average Coupon..... 1.2375629%
 Net Interest Cost (NIC)..... 1.4023922%
 True Interest Cost (TIC)..... 1.4058546%
 Bond Yield for Arbitrage Purposes..... 1.4866626%
 All Inclusive Cost (AIC)..... 1.6366585%

IRS Form 8038

Net Interest Cost..... 1.2375629%
 Weighted Average Maturity..... 6.067 Years

\$391,860

City of Chaska, Minnesota
General Obligation Bonds, Series 2020C

ASSESSMENT INCOME

Date	Principal	Coupon	Interest	Total P+I
12/31/2020	-	-	-	-
12/31/2021	46.00	5.500%	32,328.45	32,374.45
12/31/2022	17,484.93	5.500%	21,549.78	39,034.71
12/31/2023	18,446.60	5.500%	20,588.10	39,034.70
12/31/2024	19,461.17	5.500%	19,573.54	39,034.71
12/31/2025	20,531.53	5.500%	18,503.18	39,034.71
12/31/2026	21,660.77	5.500%	17,373.94	39,034.71
12/31/2027	22,852.11	5.500%	16,182.60	39,034.71
12/31/2028	24,108.98	5.500%	14,925.72	39,034.70
12/31/2029	25,434.97	5.500%	13,599.74	39,034.71
12/31/2030	26,833.89	5.500%	12,200.82	39,034.71
12/31/2031	28,309.76	5.500%	10,724.94	39,034.70
12/31/2032	29,866.79	5.500%	9,167.92	39,034.71
12/31/2033	31,509.47	5.500%	7,525.24	39,034.71
12/31/2034	33,242.49	5.500%	5,792.22	39,034.71
12/31/2035	35,070.82	5.500%	3,963.88	39,034.70
12/31/2036	36,999.72	5.500%	2,034.98	39,034.70
Total	\$391,860.00	-	\$226,035.05	\$617,895.05

SIGNIFICANT DATES

Filing Date..... 7/01/2020
First Payment Date..... 12/31/2021

City of Chaska, Minnesota
Outstanding and Projected Debt Payable from City Utility Funds

Aggregate Debt Service -- Accrual Basis

Calendar Year	2009A Bonds	2012B Bonds	2015C Bonds	2017B Bonds	2019C Bonds	2019D Bonds	2020C Bonds (a)	2020D Bonds Ref 2011A Water Utility Portion (a)	TOTAL
2020	148,475.00	87,675.00	349,387.50	51,687.50	42,551.82	14,886.56	15,115.72	750,587.50 (b)	709,779.10
2021	149,425.00	86,175.00	344,987.50	50,437.50	161,231.25	86,637.50	156,155.00	792,087.50 (b)	1,035,048.75
2022	154,875.00	84,675.00	340,587.50	49,187.50	177,781.25	89,612.50	165,282.50	758,895.00	1,062,001.25
2023		93,075.00	341,137.50	47,937.50	174,031.25	92,437.50	164,232.50	767,385.00	912,851.25
2024		81,475.00	345,362.50	51,562.50	180,131.25	90,187.50	163,070.00	780,082.50	911,788.75
2025		89,832.50	343,237.50	50,062.50	176,081.25	87,937.50	166,695.00	796,567.50	913,846.25
2026		88,005.00	340,962.50	53,437.50	181,881.25	90,612.50	165,028.75	806,027.50	919,927.50
2027		91,035.00	343,462.50	51,687.50	177,531.25	88,212.50	163,168.75	809,127.50	915,097.50
2028			339,437.50	49,937.50	173,181.25	90,737.50	166,120.00	816,257.50	819,413.75
2029			340,187.50	53,612.50	178,681.25	88,378.75	163,840.00	837,292.50	824,700.00
2030			341,937.50	52,362.50	174,031.25	91,147.50	166,320.00	846,892.50	825,798.75
2031			338,462.50	50,762.50	180,056.25			850,595.00	569,281.25
2032			344,687.50	54,287.50	176,653.13			858,480.00	575,628.13
2033			345,537.50	52,937.50	177,987.50				576,462.50
2034			340,965.64	51,587.50	179,106.25				571,659.39
2035			340,965.64	50,237.50	91,068.75				482,271.89
2036			340,443.75	53,812.50					394,256.25
2037			-	52,312.50					52,312.50
2038			-	50,781.25					50,781.25
-	\$600,150	\$2,458,768	\$6,170,488	\$12,904,594	\$2,601,986	\$910,788	\$1,655,028	\$10,470,278	\$13,122,906.01

(a) Estimates

(b) debt service shown is existing debt service on the 2011A Bonds prior to the call date.

Aggregate | 9/12/2019 | 10:06 AM

Exhibit B

\$10,555,000

City of Chaska, Minnesota

Taxable General Obligation Refunding Bonds, Series 2020D
Advance Ref 2011A and 2013A Bonds & Current Ref 2010D Bonds

Refunding Summary

Dated 09/02/2020 | Delivered 09/02/2020

	Crossover Adv Ref 2011A	Crossover Adv Ref 2013A	Current Ref 2010D	Issue Summary
Sources Of Funds				
Par Amount of Bonds.....	\$7,960,000.00	\$2,220,000.00	\$375,000.00	\$10,555,000.00
Total Sources.....	\$7,960,000.00	\$2,220,000.00	\$375,000.00	\$10,555,000.00
Uses Of Funds				
Deposit to Current Refunding Fund.....	7,827,731.02	2,187,563.38	368,290.83	10,383,585.23
Total Underwriter's Discount (0.900%).....	71,640.00	19,980.00	3,375.00	94,995.00
Costs of Issuance.....	56,673.98	15,806.07	2,669.95	75,150.00
Rounding Amount.....	3,955.00	(3,349.45)	664.22	1,269.77
Total Uses.....	\$7,960,000.00	\$2,220,000.00	\$375,000.00	\$10,555,000.00

Flow of Funds Detail

	Net Funded	Net Funded	Gross Funded	Net Funded
Primary Purpose Fund Solution Method.....				
Total Cost of Investments.....	\$7,827,731.02	\$2,187,563.38	\$368,290.83	\$10,383,585.23
Interest Earnings @ 0.159%.....	15,501.91	1,454.67	-	16,956.58
Total Draw s.....	\$7,843,232.93	\$2,189,018.05	\$368,290.83	\$10,400,541.81

PV Analysis Summary (Net to Net)

Net Present Value Benefit.....	\$486,096.24	\$162,432.05	\$73,175.91	\$722,787.59
Net Future Value Benefit.....	\$551,608.80	\$154,833.05	\$82,684.02	\$789,125.87
Net PV Benefit / PV Refunded Debt Service.....	5.870%	6.863%	16.287%	

Bond Statistics

Average Life.....	7.556 Years	6.574 Years	7.381 Years	7.343 Years
Average Coupon.....	1.8968750%	1.8084560%	1.9074517%	1.8806037%
Net Interest Cost (NIC).....	2.0159913%	1.9453631%	2.0293938%	2.0031709%
Bond Yield for Arbitrage Purposes.....	1.8729118%	1.8729118%	1.8729118%	1.8729118%
True Interest Cost (TIC).....	2.0196686%	1.9476918%	2.0333575%	2.0064940%
All Inclusive Cost (AIC).....	2.1237107%	2.0657672%	2.1400744%	2.1132915%

File | Chaska Refunding Folder.sf | 2020D TAX Ref Bonds Adv R | Issue Summary | 6/30/2020 | 7:07 AM

\$10,555,000

City of Chaska, Minnesota

Taxable General Obligation Refunding Bonds, Series 2020D
Advance Ref 2011A and 2013A Bonds & Current Ref 2010D Bonds

Debt Service Comparison

Date	Total P+I	Escrow	Existing D/S	Net New D/S	Old Net D/S	Savings
12/01/2020	44,951.18	(43,355.98)	600,293.75	601,888.95	600,293.75	(1,595.20)
12/01/2021	206,825.00	(9,988,895.00)	10,878,018.75	1,095,948.75	1,098,675.00	2,726.25
12/01/2022	1,056,587.50	-	-	1,056,587.50	1,116,875.00	60,287.50
12/01/2023	1,067,400.00	-	-	1,067,400.00	1,128,750.00	61,350.00
12/01/2024	1,077,107.50	-	-	1,077,107.50	1,139,356.25	62,248.75
12/01/2025	1,100,212.50	-	-	1,100,212.50	1,162,631.26	62,418.76
12/01/2026	1,115,487.50	-	-	1,115,487.50	1,178,093.76	62,606.26
12/01/2027	1,113,827.50	-	-	1,113,827.50	1,176,906.26	63,078.76
12/01/2028	1,125,917.50	-	-	1,125,917.50	1,187,581.26	61,663.76
12/01/2029	1,151,442.50	-	-	1,151,442.50	1,211,193.76	59,751.26
12/01/2030	945,042.50	-	-	945,042.50	1,010,593.75	65,551.25
12/01/2031	951,900.00	-	-	951,900.00	1,016,225.00	64,325.00
12/01/2032	957,790.00	-	-	957,790.00	1,020,412.50	62,622.50
12/01/2033	62,220.00	-	-	62,220.00	115,681.25	53,461.25
12/01/2034	35,840.00	-	-	35,840.00	42,400.00	6,560.00
12/01/2035	-	-	-	-	40,800.00	40,800.00
Total	\$12,012,551.18	(10,032,250.98)	\$11,478,312.50	\$13,458,612.70	\$14,246,468.80	\$787,856.10

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	787,856.10
Gross PV Debt Service Savings.....	721,517.82
Net PV Cashflow Savings @ 1.873%(Bond Yield).....	721,517.82
Contingency or Rounding Amount.....	1,269.77
Net Future Value Benefit.....	\$789,125.87
Net Present Value Benefit.....	\$722,787.59
Net PV Benefit / \$2,178,025.37 PV Refunded Interest.....	33.185%
Net PV Benefit / \$11,097,022.95 PV Refunded Debt Service.....	6.513%
Net PV Benefit / \$10,215,000 Refunded Principal.....	7.076%
Net PV Benefit / \$10,555,000 Refunding Principal.....	6.848%

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

\$7,960,000

City of Chaska, Minnesota

**Taxable General Obligation Refunding Bonds, Series 2020D
Crossover Advance Refunding of Series 2011A**

Debt Service Comparison

Date	Total P+I	Escrow	Existing D/S	Net New D/S	Old Net D/S	Savings
12/01/2020	34,337.93	(34,337.93)	600,293.75	600,293.75	600,293.75	-
12/01/2021	138,895.00	(7,808,895.00)	8,462,087.50	792,087.50	792,087.50	-
12/01/2022	758,895.00	-	-	758,895.00	806,887.50	47,992.50
12/01/2023	767,385.00	-	-	767,385.00	815,687.50	48,302.50
12/01/2024	780,082.50	-	-	780,082.50	828,737.50	48,655.00
12/01/2025	796,567.50	-	-	796,567.50	845,143.76	48,576.26
12/01/2026	806,027.50	-	-	806,027.50	854,668.76	48,641.26
12/01/2027	809,127.50	-	-	809,127.50	858,218.76	49,091.26
12/01/2028	816,257.50	-	-	816,257.50	869,243.76	52,986.26
12/01/2029	837,292.50	-	-	837,292.50	889,043.76	51,751.26
12/01/2030	846,892.50	-	-	846,892.50	896,312.50	49,420.00
12/01/2031	850,595.00	-	-	850,595.00	901,312.50	50,717.50
12/01/2032	858,480.00	-	-	858,480.00	910,000.00	51,520.00
Total	\$9,100,835.43	(7,843,232.93)	\$9,062,381.25	\$10,319,983.75	\$10,867,637.55	\$547,653.80

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	547,653.80
Gross PV Debt Service Savings.....	482,141.24
Net PV Cashflow Savings @ 1.873%(Bond Yield).....	482,141.24
Contingency or Rounding Amount.....	3,955.00
Net Future Value Benefit.....	\$551,608.80
Net Present Value Benefit.....	\$486,096.24
Net PV Benefit / \$1,628,693.98 PV Refunded Interest.....	29.846%
Net PV Benefit / \$8,280,826.50 PV Refunded Debt Service.....	5.870%
Net PV Benefit / \$7,670,000 Refunded Principal.....	6.338%
Net PV Benefit / \$7,960,000 Refunding Principal.....	6.107%

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

\$2,220,000

City of Chaska, Minnesota

Taxable General Obligation Refunding Bonds, Series 2020D
Crossover Advance Refunding of Series 2013A

Debt Service Comparison

Date	Total P+I	Escrow	Existing D/S	Net New D/S	Old Net D/S	Savings
12/01/2020	9,018.05	(9,018.05)	-	-	-	-
12/01/2021	36,477.50	(2,180,000.00)	2,415,931.25	272,408.75	273,937.50	1,528.75
12/01/2022	266,477.50	-	-	266,477.50	277,937.50	11,460.00
12/01/2023	269,062.50	-	-	269,062.50	276,712.50	7,650.00
12/01/2024	266,360.00	-	-	266,360.00	275,068.75	8,708.75
12/01/2025	273,305.00	-	-	273,305.00	282,837.50	9,532.50
12/01/2026	274,507.50	-	-	274,507.50	284,900.00	10,392.50
12/01/2027	270,257.50	-	-	270,257.50	281,412.50	11,155.00
12/01/2028	270,757.50	-	-	270,757.50	277,437.50	6,680.00
12/01/2029	270,912.50	-	-	270,912.50	277,875.00	6,962.50
12/01/2030	60,712.50	-	-	60,712.50	71,800.00	11,087.50
12/01/2031	59,585.00	-	-	59,585.00	69,400.00	9,815.00
12/01/2032	58,430.00	-	-	58,430.00	67,000.00	8,570.00
12/01/2033	62,220.00	-	-	62,220.00	69,500.00	7,280.00
12/01/2034	35,840.00	-	-	35,840.00	42,400.00	6,560.00
12/01/2035	-	-	-	-	40,800.00	40,800.00
Total	\$2,483,923.05	(2,189,018.05)	\$2,415,931.25	\$2,710,836.25	\$2,869,018.75	\$158,182.50

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	158,182.50
Gross PV Debt Service Savings.....	165,781.50
Net PV Cashflow Savings @ 1.873%(Bond Yield).....	165,781.50
Contingency or Rounding Amount.....	(3,349.45)
Net Future Value Benefit.....	\$154,833.05
Net Present Value Benefit.....	\$162,432.05
Net PV Benefit / \$417,024.13 PV Refunded Interest.....	38.950%
Net PV Benefit / \$2,366,913.40 PV Refunded Debt Service.....	6.863%
Net PV Benefit / \$2,180,000 Refunded Principal.....	7.451%
Net PV Benefit / \$2,220,000 Refunding Principal.....	7.317%

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

\$375,000

City of Chaska, Minnesota
Taxable General Refunding Bonds, Series 2020D
Current Refunding of Series 2010D

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/01/2020	1,595.20	1,595.20	-	(1,595.20)
12/01/2021	31,452.50	31,452.50	32,650.00	1,197.50
12/01/2022	31,215.00	31,215.00	32,050.00	835.00
12/01/2023	30,952.50	30,952.50	36,350.00	5,397.50
12/01/2024	30,665.00	30,665.00	35,550.00	4,885.00
12/01/2025	30,340.00	30,340.00	34,650.00	4,310.00
12/01/2026	34,952.50	34,952.50	38,525.00	3,572.50
12/01/2027	34,442.50	34,442.50	37,275.00	2,832.50
12/01/2028	38,902.50	38,902.50	40,900.00	1,997.50
12/01/2029	43,237.50	43,237.50	44,275.00	1,037.50
12/01/2030	37,437.50	37,437.50	42,481.25	5,043.75
12/01/2031	41,720.00	41,720.00	45,512.50	3,792.50
12/01/2032	40,880.00	40,880.00	43,412.50	2,532.50
12/01/2033	-	-	46,181.25	46,181.25
Total	\$427,792.70	\$427,792.70	\$509,812.50	\$82,019.80

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	82,019.80
Gross PV Debt Service Savings.....	72,511.69
Net PV Cashflow Savings @ 2.140%(AIC).....	72,511.69
Contingency or Rounding Amount.....	664.22
Net Future Value Benefit.....	\$82,684.02
Net Present Value Benefit.....	\$73,175.91
Net PV Benefit / \$132,307.26 PV Refunded Interest.....	55.308%
Net PV Benefit / \$449,283.05 PV Refunded Debt Service.....	16.287%
Net PV Benefit / \$365,000 Refunded Principal.....	20.048%
Net PV Benefit / \$375,000 Refunding Principal.....	19.514%

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

\$11,435,000

City of Chaska, Minnesota

General Obligation Water Revenue Refunding Bonds, Series 2011A

Current Refunding of Series 2003A

Debt Service To Maturity And To Call

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
09/02/2020	-	-	-	-	-	-
12/01/2020	-	-	-	3.000%	-	-
12/01/2021	7,670,000.00	7,670,000.00	-	4.000%	-	-
06/01/2022	-	-	-	-	133,443.75	133,443.75
12/01/2022	-	-	540,000.00	3.000%	133,443.75	673,443.75
06/01/2023	-	-	-	-	125,343.75	125,343.75
12/01/2023	-	-	565,000.00	3.000%	125,343.75	690,343.75
06/01/2024	-	-	-	-	116,868.75	116,868.75
12/01/2024	-	-	595,000.00	3.125%	116,868.75	711,868.75
06/01/2025	-	-	-	-	107,571.88	107,571.88
12/01/2025	-	-	630,000.00	3.250%	107,571.88	737,571.88
06/01/2026	-	-	-	-	97,334.38	97,334.38
12/01/2026	-	-	660,000.00	3.250%	97,334.38	757,334.38
06/01/2027	-	-	-	-	86,609.38	86,609.38
12/01/2027	-	-	685,000.00	3.500%	86,609.38	771,609.38
06/01/2028	-	-	-	-	74,621.88	74,621.88
12/01/2028	-	-	720,000.00	3.500%	74,621.88	794,621.88
06/01/2029	-	-	-	-	62,021.88	62,021.88
12/01/2029	-	-	765,000.00	3.625%	62,021.88	827,021.88
06/01/2030	-	-	-	-	48,156.25	48,156.25
12/01/2030	-	-	800,000.00	3.750%	48,156.25	848,156.25
06/01/2031	-	-	-	-	33,156.25	33,156.25
12/01/2031	-	-	835,000.00	3.750%	33,156.25	868,156.25
06/01/2032	-	-	-	-	17,500.00	17,500.00
12/01/2032	-	-	875,000.00	4.000%	17,500.00	892,500.00
Total	\$7,670,000.00	\$7,670,000.00	\$7,670,000.00	-	\$1,805,256.30	\$9,475,256.30

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation..... 9/02/2020
Average Life..... 7.730 Years
Average Coupon..... 3.0449860%
Weighted Average Maturity (Par Basis)..... 7.730 Years
Weighted Average Maturity (Original Price Basis)..... 7.712 Years

Refunding Bond Information

Refunding Dated Date..... 9/02/2020
Refunding Delivery Date..... 9/02/2020

\$2,425,000

City of Chaska, Minnesota
General Obligation Improvement Bonds, Series 2013A

Debt Service To Maturity And To Call

Date	Refunded Bonds	D/S To Call	Principal	Interest	Refunded D/S
09/02/2020	-	-	-	-	-
02/01/2021	2,180,000.00	2,180,000.00	-	-	-
08/01/2021	-	-	-	38,006.25	38,006.25
02/01/2022	-	-	205,000.00	38,006.25	243,006.25
08/01/2022	-	-	-	34,931.25	34,931.25
02/01/2023	-	-	210,000.00	34,931.25	244,931.25
08/01/2023	-	-	-	31,781.25	31,781.25
02/01/2024	-	-	215,000.00	31,781.25	246,781.25
08/01/2024	-	-	-	28,287.50	28,287.50
02/01/2025	-	-	230,000.00	28,287.50	258,287.50
08/01/2025	-	-	-	24,550.00	24,550.00
02/01/2026	-	-	240,000.00	24,550.00	264,550.00
08/01/2026	-	-	-	20,350.00	20,350.00
02/01/2027	-	-	245,000.00	20,350.00	265,350.00
08/01/2027	-	-	-	16,062.50	16,062.50
02/01/2028	-	-	250,000.00	16,062.50	266,062.50
08/01/2028	-	-	-	11,375.00	11,375.00
02/01/2029	-	-	260,000.00	11,375.00	271,375.00
08/01/2029	-	-	-	6,500.00	6,500.00
02/01/2030	-	-	60,000.00	6,500.00	66,500.00
08/01/2030	-	-	-	5,300.00	5,300.00
02/01/2031	-	-	60,000.00	5,300.00	65,300.00
08/01/2031	-	-	-	4,100.00	4,100.00
02/01/2032	-	-	60,000.00	4,100.00	64,100.00
08/01/2032	-	-	-	2,900.00	2,900.00
02/01/2033	-	-	65,000.00	2,900.00	67,900.00
08/01/2033	-	-	-	1,600.00	1,600.00
02/01/2034	-	-	40,000.00	1,600.00	41,600.00
08/01/2034	-	-	-	800.00	800.00
02/01/2035	-	-	40,000.00	800.00	40,800.00
Total	\$2,180,000.00	\$2,180,000.00	\$2,180,000.00	\$453,087.50	\$2,633,087.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	9/02/2020
Average Life.....	6.079 Years
Average Coupon.....	3.4189406%
Weighted Average Maturity (Par Basis).....	6.079 Years
Weighted Average Maturity (Original Price Basis).....	6.052 Years

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

File | Chaska Refunding Folder.sf | 2020D TAX Ref Bonds Adv R | TXB Crossove Adv Ref 2013 | 6/30/2020 | 7:19 AM

\$405,000

City of Chaska, Minnesota

Taxable General Obligation Abatement Bonds, Series 2010D

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
09/02/2020	-	-	-	-	-	-	-
10/07/2020	365,000.00	3,290.83	368,290.83	-	-	-	-
02/01/2021	-	-	-	15,000.00	4.000%	8,975.00	23,975.00
08/01/2021	-	-	-	-	-	8,675.00	8,675.00
02/01/2022	-	-	-	15,000.00	4.000%	8,675.00	23,675.00
08/01/2022	-	-	-	-	-	8,375.00	8,375.00
02/01/2023	-	-	-	20,000.00	4.000%	8,375.00	28,375.00
08/01/2023	-	-	-	-	-	7,975.00	7,975.00
02/01/2024	-	-	-	20,000.00	4.000%	7,975.00	27,975.00
08/01/2024	-	-	-	-	-	7,575.00	7,575.00
02/01/2025	-	-	-	20,000.00	5.000%	7,575.00	27,575.00
08/01/2025	-	-	-	-	-	7,075.00	7,075.00
02/01/2026	-	-	-	25,000.00	5.000%	7,075.00	32,075.00
08/01/2026	-	-	-	-	-	6,450.00	6,450.00
02/01/2027	-	-	-	25,000.00	5.000%	6,450.00	31,450.00
08/01/2027	-	-	-	-	-	5,825.00	5,825.00
02/01/2028	-	-	-	30,000.00	5.000%	5,825.00	35,825.00
08/01/2028	-	-	-	-	-	5,075.00	5,075.00
02/01/2029	-	-	-	35,000.00	5.000%	5,075.00	40,075.00
08/01/2029	-	-	-	-	-	4,200.00	4,200.00
02/01/2030	-	-	-	35,000.00	5.250%	4,200.00	39,200.00
08/01/2030	-	-	-	-	-	3,281.25	3,281.25
02/01/2031	-	-	-	40,000.00	5.250%	3,281.25	43,281.25
08/01/2031	-	-	-	-	-	2,231.25	2,231.25
02/01/2032	-	-	-	40,000.00	5.250%	2,231.25	42,231.25
08/01/2032	-	-	-	-	-	1,181.25	1,181.25
02/01/2033	-	-	-	45,000.00	5.250%	1,181.25	46,181.25
Total	\$365,000.00	\$3,290.83	\$368,290.83	\$365,000.00	-	\$144,812.50	\$509,812.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	9/02/2020
Average Life.....	7.688 Years
Average Coupon.....	5.1056044%
Weighted Average Maturity (Par Basis).....	7.688 Years
Weighted Average Maturity (Original Price Basis).....	7.688 Years

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

File | Chaska Refunding Folder.sf | 2010D TAX GO Tax Abatemen | SINGLE PURPOSE | 6/10/2020 | 9:13 AM

\$10,555,000

City of Chaska, Minnesota

Taxable General Obligation Refunding Bonds, Series 2020D
Advance Ref 2011A and 2013A Bonds & Current Ref 2010D Bonds

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Escrow	Existing D/S	Net New D/S
12/01/2020	-	-	44,951.18	44,951.18	(43,355.98)	600,293.75	601,888.95
06/01/2021	-	-	90,912.50	90,912.50	(2,249,447.50)	2,559,475.00	400,940.00
12/01/2021	25,000.00	0.950%	90,912.50	115,912.50	(7,739,447.50)	8,318,543.75	695,008.75
06/01/2022	-	-	90,793.75	90,793.75	-	-	90,793.75
12/01/2022	875,000.00	1.050%	90,793.75	965,793.75	-	-	965,793.75
06/01/2023	-	-	86,200.00	86,200.00	-	-	86,200.00
12/01/2023	895,000.00	1.150%	86,200.00	981,200.00	-	-	981,200.00
06/01/2024	-	-	81,053.75	81,053.75	-	-	81,053.75
12/01/2024	915,000.00	1.300%	81,053.75	996,053.75	-	-	996,053.75
06/01/2025	-	-	75,106.25	75,106.25	-	-	75,106.25
12/01/2025	950,000.00	1.550%	75,106.25	1,025,106.25	-	-	1,025,106.25
06/01/2026	-	-	67,743.75	67,743.75	-	-	67,743.75
12/01/2026	980,000.00	1.700%	67,743.75	1,047,743.75	-	-	1,047,743.75
06/01/2027	-	-	59,413.75	59,413.75	-	-	59,413.75
12/01/2027	995,000.00	1.800%	59,413.75	1,054,413.75	-	-	1,054,413.75
06/01/2028	-	-	50,458.75	50,458.75	-	-	50,458.75
12/01/2028	1,025,000.00	1.900%	50,458.75	1,075,458.75	-	-	1,075,458.75
06/01/2029	-	-	40,721.25	40,721.25	-	-	40,721.25
12/01/2029	1,070,000.00	2.000%	40,721.25	1,110,721.25	-	-	1,110,721.25
06/01/2030	-	-	30,021.25	30,021.25	-	-	30,021.25
12/01/2030	885,000.00	2.050%	30,021.25	915,021.25	-	-	915,021.25
06/01/2031	-	-	20,950.00	20,950.00	-	-	20,950.00
12/01/2031	910,000.00	2.100%	20,950.00	930,950.00	-	-	930,950.00
06/01/2032	-	-	11,395.00	11,395.00	-	-	11,395.00
12/01/2032	935,000.00	2.200%	11,395.00	946,395.00	-	-	946,395.00
06/01/2033	-	-	1,110.00	1,110.00	-	-	1,110.00
12/01/2033	60,000.00	2.300%	1,110.00	61,110.00	-	-	61,110.00
06/01/2034	-	-	420.00	420.00	-	-	420.00
12/01/2034	35,000.00	2.400%	420.00	35,420.00	-	-	35,420.00
Total	\$10,555,000.00	-	\$1,457,551.18	\$12,012,551.18	(10,032,250.98)	\$11,478,312.50	\$13,458,612.70

SIGNIFICANT DATES

Dated Date..... 9/02/2020
Delivery Date..... 9/02/2020
First Coupon Date..... 12/01/2020

Yield Statistics

Bond Year Dollars..... \$77,504.43
Average Life..... 7.343 Years
Average Coupon..... 1.8806037%

Net Interest Cost (NIC)..... 2.0031709%
True Interest Cost (TIC)..... 2.0064940%
Bond Yield for Arbitrage Purposes..... 1.8729118%
All Inclusive Cost (AIC)..... 2.1132915%

IRS Form 8038

Net Interest Cost..... 1.8806037%
Weighted Average Maturity..... 7.343 Years

File | Chaska Refunding Folder.sf | 2020D TAX Ref Bonds Adv R | Issue Summary | 6/10/2020 | 9:10 AM

\$7,960,000

City of Chaska, Minnesota

Taxable General Obligation Refunding Bonds, Series 2020D

Crossover Advance Refunding of Series 2011A

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Escrow	Existing D/S	Net New D/S
12/01/2020	-	-	34,337.93	34,337.93	(34,337.93)	600,293.75	600,293.75
06/01/2021	-	-	69,447.50	69,447.50	(69,447.50)	143,543.75	143,543.75
12/01/2021	-	-	69,447.50	69,447.50	(7,739,447.50)	8,318,543.75	648,543.75
06/01/2022	-	-	69,447.50	69,447.50	-	-	69,447.50
12/01/2022	620,000.00	1.050%	69,447.50	689,447.50	-	-	689,447.50
06/01/2023	-	-	66,192.50	66,192.50	-	-	66,192.50
12/01/2023	635,000.00	1.150%	66,192.50	701,192.50	-	-	701,192.50
06/01/2024	-	-	62,541.25	62,541.25	-	-	62,541.25
12/01/2024	655,000.00	1.300%	62,541.25	717,541.25	-	-	717,541.25
06/01/2025	-	-	58,283.75	58,283.75	-	-	58,283.75
12/01/2025	680,000.00	1.550%	58,283.75	738,283.75	-	-	738,283.75
06/01/2026	-	-	53,013.75	53,013.75	-	-	53,013.75
12/01/2026	700,000.00	1.700%	53,013.75	753,013.75	-	-	753,013.75
06/01/2027	-	-	47,063.75	47,063.75	-	-	47,063.75
12/01/2027	715,000.00	1.800%	47,063.75	762,063.75	-	-	762,063.75
06/01/2028	-	-	40,628.75	40,628.75	-	-	40,628.75
12/01/2028	735,000.00	1.900%	40,628.75	775,628.75	-	-	775,628.75
06/01/2029	-	-	33,646.25	33,646.25	-	-	33,646.25
12/01/2029	770,000.00	2.000%	33,646.25	803,646.25	-	-	803,646.25
06/01/2030	-	-	25,946.25	25,946.25	-	-	25,946.25
12/01/2030	795,000.00	2.050%	25,946.25	820,946.25	-	-	820,946.25
06/01/2031	-	-	17,797.50	17,797.50	-	-	17,797.50
12/01/2031	815,000.00	2.100%	17,797.50	832,797.50	-	-	832,797.50
06/01/2032	-	-	9,240.00	9,240.00	-	-	9,240.00
12/01/2032	840,000.00	2.200%	9,240.00	849,240.00	-	-	849,240.00
Total	\$7,960,000.00	-	\$1,140,835.43	\$9,100,835.43	(7,843,232.93)	\$9,062,381.25	\$10,319,983.75

SIGNIFICANT DATES

Dated Date..... 9/02/2020
Delivery Date..... 9/02/2020
First Coupon Date..... 12/01/2020

Yield Statistics

Bond Year Dollars..... \$60,142.89
Average Life..... 7.556 Years
Average Coupon..... 1.8968750%

Net Interest Cost (NIC)..... 2.0159913%
True Interest Cost (TIC)..... 2.0196686%
Bond Yield for Arbitrage Purposes..... 1.8729118%
All Inclusive Cost (AIC)..... 2.1237107%

IRS Form 8038

Net Interest Cost..... 1.8968750%
Weighted Average Maturity..... 7.556 Years

File | Chaska Refunding Folder.sf | 2020D TAX Ref Bonds Adv R | TXB Crossover Adv Ref 201 | 6/10/2020 | 9:10 AM

\$2,220,000

City of Chaska, Minnesota

Taxable General Obligation Refunding Bonds, Series 2020D

Crossover Advance Refunding of Series 2013A

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Escrow	Existing D/S	Net New D/S
12/01/2020	-	-	9,018.05	9,018.05	(9,018.05)	-	-
06/01/2021	-	-	18,238.75	18,238.75	(2,180,000.00)	2,415,931.25	254,170.00
12/01/2021	-	-	18,238.75	18,238.75	-	-	18,238.75
06/01/2022	-	-	18,238.75	18,238.75	-	-	18,238.75
12/01/2022	230,000.00	1.050%	18,238.75	248,238.75	-	-	248,238.75
06/01/2023	-	-	17,031.25	17,031.25	-	-	17,031.25
12/01/2023	235,000.00	1.150%	17,031.25	252,031.25	-	-	252,031.25
06/01/2024	-	-	15,680.00	15,680.00	-	-	15,680.00
12/01/2024	235,000.00	1.300%	15,680.00	250,680.00	-	-	250,680.00
06/01/2025	-	-	14,152.50	14,152.50	-	-	14,152.50
12/01/2025	245,000.00	1.550%	14,152.50	259,152.50	-	-	259,152.50
06/01/2026	-	-	12,253.75	12,253.75	-	-	12,253.75
12/01/2026	250,000.00	1.700%	12,253.75	262,253.75	-	-	262,253.75
06/01/2027	-	-	10,128.75	10,128.75	-	-	10,128.75
12/01/2027	250,000.00	1.800%	10,128.75	260,128.75	-	-	260,128.75
06/01/2028	-	-	7,878.75	7,878.75	-	-	7,878.75
12/01/2028	255,000.00	1.900%	7,878.75	262,878.75	-	-	262,878.75
06/01/2029	-	-	5,456.25	5,456.25	-	-	5,456.25
12/01/2029	260,000.00	2.000%	5,456.25	265,456.25	-	-	265,456.25
06/01/2030	-	-	2,856.25	2,856.25	-	-	2,856.25
12/01/2030	55,000.00	2.050%	2,856.25	57,856.25	-	-	57,856.25
06/01/2031	-	-	2,292.50	2,292.50	-	-	2,292.50
12/01/2031	55,000.00	2.100%	2,292.50	57,292.50	-	-	57,292.50
06/01/2032	-	-	1,715.00	1,715.00	-	-	1,715.00
12/01/2032	55,000.00	2.200%	1,715.00	56,715.00	-	-	56,715.00
06/01/2033	-	-	1,110.00	1,110.00	-	-	1,110.00
12/01/2033	60,000.00	2.300%	1,110.00	61,110.00	-	-	61,110.00
06/01/2034	-	-	420.00	420.00	-	-	420.00
12/01/2034	35,000.00	2.400%	420.00	35,420.00	-	-	35,420.00
Total	\$2,220,000.00	-	\$263,923.05	\$2,483,923.05	(2,189,018.05)	\$2,415,931.25	\$2,710,836.25

SIGNIFICANT DATES

Dated Date..... 9/02/2020
Delivery Date..... 9/02/2020
First Coupon Date..... 12/01/2020

Yield Statistics

Bond Year Dollars..... \$14,593.83
Average Life..... 6.574 Years
Average Coupon..... 1.8084560%

Net Interest Cost (NIC)..... 1.9453631%
True Interest Cost (TIC)..... 1.9476918%
Bond Yield for Arbitrage Purposes..... 1.8729118%
All Inclusive Cost (AIC)..... 2.0657672%

IRS Form 8038

Net Interest Cost..... 1.8084560%
Weighted Average Maturity..... 6.574 Years

File | Chaska Refunding Folders.f | 2020D TAX Ref Bonds Adv R | TXB Crossover Adv Ref 2013 | 6/10/2020 | 9:10 AM

\$375,000

City of Chaska, Minnesota
Taxable General Refunding Bonds, Series 2020D
Current Refunding of Series 2013A

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2020	-	-	1,595.20	1,595.20
06/01/2021	-	-	3,226.25	3,226.25
12/01/2021	25,000.00	0.950%	3,226.25	28,226.25
06/01/2022	-	-	3,107.50	3,107.50
12/01/2022	25,000.00	1.050%	3,107.50	28,107.50
06/01/2023	-	-	2,976.25	2,976.25
12/01/2023	25,000.00	1.150%	2,976.25	27,976.25
06/01/2024	-	-	2,832.50	2,832.50
12/01/2024	25,000.00	1.300%	2,832.50	27,832.50
06/01/2025	-	-	2,670.00	2,670.00
12/01/2025	25,000.00	1.550%	2,670.00	27,670.00
06/01/2026	-	-	2,476.25	2,476.25
12/01/2026	30,000.00	1.700%	2,476.25	32,476.25
06/01/2027	-	-	2,221.25	2,221.25
12/01/2027	30,000.00	1.800%	2,221.25	32,221.25
06/01/2028	-	-	1,951.25	1,951.25
12/01/2028	35,000.00	1.900%	1,951.25	36,951.25
06/01/2029	-	-	1,618.75	1,618.75
12/01/2029	40,000.00	2.000%	1,618.75	41,618.75
06/01/2030	-	-	1,218.75	1,218.75
12/01/2030	35,000.00	2.050%	1,218.75	36,218.75
06/01/2031	-	-	860.00	860.00
12/01/2031	40,000.00	2.100%	860.00	40,860.00
06/01/2032	-	-	440.00	440.00
12/01/2032	40,000.00	2.200%	440.00	40,440.00
Total	\$375,000.00	-	\$52,792.70	\$427,792.70

SIGNIFICANT DATES

Dated Date..... 9/02/2020
Delivery Date..... 9/02/2020
First Coupon Date..... 12/01/2020

Yield Statistics

Bond Year Dollars..... \$2,767.71
Average Life..... 7.381 Years
Average Coupon..... 1.9074517%

Net Interest Cost (NIC)..... 2.0293938%
True Interest Cost (TIC)..... 2.0333575%
Bond Yield for Arbitrage Purposes..... 1.8729118%
All Inclusive Cost (AIC)..... 2.1400744%

IRS Form 8038

Net Interest Cost..... 1.9074517%
Weighted Average Maturity..... 7.381 Years

File | Chaska Refunding Folder.sf | 2020D TAX Ref Bonds Adv R | TXB Current Ref 2010D | 6/10/2020 | 9:10 AM

\$10,555,000

City of Chaska, Minnesota

Taxable General Obligation Refunding Bonds, Series 2020D
Advance Ref 2011A and 2013A Bonds & Current Ref 2010D Bonds

Current Refunding Escrow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
09/02/2020	-	-	-	1.40	-	1.40
10/07/2020	368,290.83	-	-	368,290.83	368,290.83	1.40
12/01/2020	40,299.00	0.1400000%	3,056.49	43,355.49	43,355.98	0.91
02/01/2021	2,178,548.00	0.1600000%	1,451.56	2,179,999.56	2,180,000.00	0.47
06/01/2021	63,186.00	0.1600000%	6,261.93	69,447.93	69,447.50	0.90
12/01/2021	7,733,260.00	0.1600000%	6,186.60	7,739,446.60	7,739,447.50	-
Total	\$10,383,583.83	-	\$16,956.58	\$10,400,541.81	\$10,400,541.81	-

Investment Parameters

Investment Model [PV, GIC, or Securities]..... GIC
Default investment yield target..... Unrestricted

Cash Deposit..... 1.40
Cost of Investments Purchased with Bond Proceeds..... 10,383,583.83
Total Cost of Investments..... \$10,383,585.23

Target Cost of Investments at bond yield..... \$10,204,087.83

Yield to Receipt..... 0.1593761%
Yield for Arbitrage Purposes..... 1.8729118%

State and Local Government Series (SLGS) rates for..... 6/03/2020

**REQUEST FOR ACTION
CHASKA CITY COUNCIL
07/06/2020**

Subject: Consider Lot Split for Pinnacle/Del Webb at Chaska

Applicant: Pulte Homes

Location: Hammers site, 1084 Cardinal Street

Synopsis: The applicant is requesting approval of a Lot Split on the Hammers site to make way for the new Pinnacle/Del Webb at Chaska residential development

Prepared By: Elizabeth Hanson, City Planner

Staff Recommendation: Motion to adopt Resolution approving the lot split

Request

The applicant is requesting a lot split of the Hammers site (totaling approximately 86 acres) to divide off 51 acres of land in the Hammers site for the purposes of the first phase of the new Pinnacle residential development; noted as Parcel A in the attached exhibit.

Background

In December 2018, the concept plan was approved for Pinnacle. The Preliminary Plat was approved in June 2020. A lot split for the site was also approved at this time. The amenity center area was not included in this original lot split, which the lot split is meant to encompass the first phase of development. The new lot split now shows the amenity center in the first phase of development. It should be noted that the lot split is only being approved to facilitate closing on the land and that the Developer will file the final plat after closing and that the Developer will still pay all costs and fees associated with re-platting.

Analysis

The proposed two lots are located in the Open (O) zoning district. Splitting the parcel will not render the parcels in violation of the Zoning Ordinance.

CITY COUNCIL ACTION REQUESTED

Motion to adopt Resolution No. 2020-, approving the Lot Split.

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

RESOLUTION

DATE 07/06/2020 **RESOLUTION NO.** 2020-

MOTION BY COUNCILMEMBER **SECOND BY COUNCILMEMBER**

**Resolution approving the lot split for 1084 Cardinal Street
for the Pinnacle/Del Webb at Chaska Development**

WHEREAS, the applicant is requesting a lot split of the Hammers site (totaling approximately 86 acres) to divide off 51 acres of land in the Hammers site for the purposes of the first phase of the new Pinnacle residential development; noted as Parcel A in the attached exhibit; and

WHEREAS, in December 2018, the concept plan was approved for Pinnacle; and

WHEREAS, the Preliminary Plat was approved in June 2020; and

WHEREAS, a lot split for the site was also approved at this time; and

WHEREAS, the amenity center area was not included in this original lot split, which the lot split is meant to encompass the first phase of development; and

WHEREAS, the new lot split now shows the amenity center in the first phase of development; and

WHEREAS, it should be noted that the lot split is only being approved to facilitate closing on the land and that the Developer will file the final plat after closing and that the Developer will still pay all costs and fees associated with re-platting; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chaska, Minnesota, hereby approves the lot split for 1084 Cardinal Street subject to the following conditions:

1. Approvals shall be based on the following graphic exhibit:
 - a. Administrative Lot Split, prepared by Westwood, dated February 28, 2020 and revised May 20, 2020
2. Lot split approval based on the facilitation of closing on the land
3. Developer shall file the final plat for Pinnacle after closing
4. Developer shall pay all costs and fees associated with re-platting

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 6th day of July, 2020.

Mark Windschitl, Mayor

Attest: _____
Chaska Deputy Clerk

DESIGNED:	
CHECKED:	BRP
DRAWN:	SRM
HORIZONTAL SCALE:	150'
VERTICAL SCALE:	

INITIAL ISSUE:	02/28/2020
REVISIONS:	
04/06/2020	UPDATED DESCRIPTIONS TO REFLECT THE NEW LOCATION OF CARDINAL STREET (SRM)
05/18/2020	UPDATED TO ADD AN ADDITIONAL PARCEL A (SRM)
05/20/2020	SWAPPED PARCEL NAMES AROUND (SRM)

PREPARED FOR:

PULTE GROUP
7500 FLYING CLOUD DRIVE, SUITE 670
EDEN PRAIRIE, MN 55344

DEL WEBB AT CHASKA
CHASKA, MINNESOTA

EXISTING PROPERTY DESCRIPTION (PER TITLE COMMITMENT NO. 54386:

That part of the Southeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota described as follows:

Beginning at the Northwest corner of the Southeast Quarter of said Section 5, thence on an assumed bearing of South 88 degrees 43 minutes 30 seconds East along the North line of said Southeast Quarter, a distance of 1,253.47 feet to the Northeast corner of the Northwest Quarter of the Southeast Quarter of said Section 5; thence South 00 degrees 48 minutes 04 seconds East along the East line of said Northwest Quarter of the Southeast Quarter a distance of 190.17 feet; thence South 88 degrees 43 minutes 30 seconds East a distance of 650.00 feet along the South line of said Hammers Addition, according to the recorded plat thereof; thence continuing North 79 degrees 57 minutes 54 seconds East along the South line of said Hammers Addition a distance of 101.98 feet; thence continuing South 88 degrees 43 minutes 30 seconds East along the South line of said Hammers Addition a distance of 133.01 feet to the Westerly right of way of Cardinal Street; thence South 22 degrees 21 minutes 30 seconds East along the Westerly right of way line of said Cardinal Street a distance of 485.79 feet to the intersection with the East line of Southeast Quarter of said Section 5; thence South 01 degrees 36 minutes 37 seconds East along the East line of the Southeast Quarter of said Section 5, a distance of 179.83 feet; thence South 88 degrees 23 minutes 23 seconds West a distance of 140.25 feet; thence South 01 degrees 36 minutes 37 seconds East a distance of 162.33 feet; thence North 89 degrees 03 minutes 52 seconds West a distance of 114.20 feet; thence North 03 degrees 25 minutes 56 seconds West a distance of 350.36 feet; thence South 01 degrees 36 minutes 37 seconds East a distance of 70.00 feet; thence South 88 degrees 23 minutes 23 seconds West a distance of 366.68 feet; thence South 00 degrees 48 minutes 04 seconds West a distance of 373.90 feet; thence South 88 degrees 23 minutes 24 seconds West a distance of 151.09 feet; thence South 00 degrees 48 minutes 04 seconds East a distance of 866.79 feet to the South line of the Southeast Quarter of said Section 5, thence North 89 degrees 23 minutes 40 seconds West along the South line of the Southeast Quarter of said Section 5, a distance of 204.34 feet; to a point on said South line, distant 257.66 feet East from the Southwest corner of the Southeast Quarter of said Section 5, thence North 03 degrees 25 minutes 56 seconds West a distance of 237.97 feet; thence North 88 degrees 57 minutes 27 seconds West a distance of 147.68 feet; thence North 05 degrees 26 minutes 54 seconds West a distance of 177.20 feet; thence North 72 degrees 39 minutes 14 seconds West a distance of 88.47 feet to a point on the East line of the Southeast Quarter of the Southeast Quarter distant 473.11 feet Northerly from the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 5, thence North 72 degrees 39 minutes 14 seconds West a distance of 408.22 feet; thence North 23 degrees 29 minutes 27 seconds West a distance of 1,215.19 feet; thence North 17 degrees 16 minutes 19 seconds West a distance of 257.54 feet; thence North 00 degrees 00 minutes 00 seconds West a distance of 151.89 feet; thence North 48 degrees 13 minutes 45 seconds West a distance of 144.16 feet to the West line of the Southeast Quarter of said Section 5; thence North 00 degrees 00 minutes 00 seconds West along the West line of the Southeast Quarter of said Section 5, a distance of 704.00 feet to the Point of Beginning.

AND

The South 1.42 feet of that part of the Southwest Quarter of the Northeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, lying Southwesterly of the centerline of Victoria Drive and West of Highland Acres, according to the recorded plat thereof, Carver County, Minnesota.

PROPOSED PARCEL A DESCRIPTION:

That part of the Southeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota described as follows:

Beginning at the Northwest corner of the Southeast Quarter of said Section 5, thence on an assumed bearing of South 88 degrees 43 minutes 30 seconds East along the North line of said Southeast Quarter, a distance of 1,253.47 feet to the Northeast corner of the Northwest Quarter of the Southeast Quarter of said Section 5, thence South 00 degrees 48 minutes 04 seconds East along the East line of said Northwest Quarter of the Southeast Quarter a distance of 190.17 feet; thence South 88 degrees 43 minutes 30 seconds East a distance of 650.00 feet along the South line of said Hammers Addition, according to the recorded plat thereof; thence continuing North 79 degrees 57 minutes 54 seconds East along the South line of said Hammers Addition a distance of 101.98 feet; thence continuing South 88 degrees 43 minutes 30 seconds East along the South line of said Hammers Addition a distance of 133.01 feet to the Westerly right of way of Cardinal Street; thence South 22 degrees 21 minutes 30 seconds East along the Westerly right of way line of said Cardinal Street a distance of 485.79 feet to the intersection with the East line of Southeast Quarter of said Section 5; thence South 01 degrees 36 minutes 37 seconds East along the East line of the Southeast Quarter of said Section 5, a distance of 179.83 feet; thence South 88 degrees 23 minutes 23 seconds West a distance of 140.25 feet; thence South 01 degrees 36 minutes 37 seconds East a distance of 70.00 feet; thence South 88 degrees 23 minutes 23 seconds West a distance of 366.68 feet; thence South 00 degrees 48 minutes 04 seconds West a distance of 373.90 feet; thence South 88 degrees 23 minutes 24 seconds West a distance of 151.09 feet; thence South 00 degrees 48 minutes 04 seconds East a distance of 866.79 feet to the South line of the Southeast Quarter of said Section 5, thence North 89 degrees 23 minutes 40 seconds West along the South line of the Southeast Quarter of said Section 5, a distance of 204.34 feet; to a point on said South line, distant 257.66 feet East from the Southwest corner of the Southeast Quarter of said Section 5, thence North 03 degrees 25 minutes 56 seconds West a distance of 237.97 feet; thence North 88 degrees 57 minutes 27 seconds West a distance of 147.68 feet; thence North 05 degrees 26 minutes 54 seconds West a distance of 177.20 feet; thence North 72 degrees 39 minutes 14 seconds West a distance of 88.47 feet to a point on the East line of the Southeast Quarter of the Southeast Quarter distant 473.11 feet Northerly from the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 5, thence North 72 degrees 39 minutes 14 seconds West a distance of 408.22 feet; thence North 23 degrees 29 minutes 27 seconds West a distance of 1,215.19 feet; thence North 17 degrees 16 minutes 19 seconds West a distance of 257.54 feet; thence North 00 degrees 00 minutes 00 seconds West along the West line of the Southeast Quarter of said Section 5, a distance of 704.00 feet to the Point of Beginning.

AND

The South 1.42 feet of that part of the Southwest Quarter of the Northeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, lying Southwesterly of the centerline of Victoria Drive and West of Highland Acres, according to the recorded plat thereof, Carver County, Minnesota.

EXCEPTING THEREFROM THE FOLLOWING FOUR PARCEL DESCRIPTIONS

That part of the Southeast Quarter and that part of the Southwest Quarter of the Northeast Quarter all in Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet to the point of beginning; thence continuing North 00 degrees 07 minutes 37 seconds West, along said west line of said Southeast Quarter, a distance of 1940.08 feet to the northwest corner of said Southeast Quarter; thence continuing North 00 degrees 07 minutes 37 seconds West, along the west line of said Southwest Quarter of the Northeast Quarter, a distance of 1.42 feet to the north line of the South 1.42 feet of said Southwest Quarter of the Northeast Quarter; thence South 88 degrees 50 minutes 49 seconds East, along said north line, a distance of 1,061.22 feet along said north line of the South 1.42 feet; thence South 01 degree 25 minutes 14 seconds West, a distance of 266.32 feet; thence southerly, along a tangential curve, concave to the east, having a central angle of 5 degrees 58 minutes 53 seconds, a radius of 1,031.50 feet for an arc distance of 107.68 feet; thence South 88 degrees 24 minutes 46 seconds East, not tangent to said curve, a distance of 186.67 feet; thence South 10 degrees 23 minutes 37 seconds East, a distance of 102.13 feet; thence South 21 degrees 07 minutes 51 seconds East, a distance of 290.85 feet; thence southerly, along a non-tangential curve, concave to the southeast, having a central angle of 16 degrees 55 minutes 55 seconds, a radius of 840.00 feet for an arc distance of 248.23 feet; the chord of said curve bears South 64 degrees 45 minutes 51 seconds West; thence South 56 degrees 17 minutes 53 seconds West, tangent to said curve, a distance of 258.20 feet; thence northerly along a non-tangential curve concave to the northeast having a central angle of 05 degrees 09 minutes 04 seconds, a radius of 1080.00 feet for an arc distance of 97.10 feet; the chord of said curve bears North 29 degrees 00 minutes 13 seconds West; thence South 68 degrees 09 minutes 56 seconds West, not tangent to said curve, a distance of 282.42 feet; thence North 23 degrees 29 minutes 46 seconds West, a distance of 124.54 feet; thence northerly, along a non-tangential curve, concave to the northeast, having a central angle of 14 degrees 23 minutes 57 seconds, a radius of 1,020.00 feet for an arc distance of 257.54 feet; thence North 17 degrees 07 minutes 19 seconds West, a distance of 151.89 feet; thence North 48 degrees 21 minutes 04 seconds West, a distance of 144.20 feet to the point of beginning.

AND

That part of the Southeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet; thence South 71 degrees 09 minutes 28 seconds East, a distance of 1078.83 feet to the point of beginning; thence North 56 degrees 17 minutes 53 seconds East, a distance of 138.15 feet; thence northerly, along a tangential curve, concave to the southeast, having a central angle of 03 degrees 50 minutes 03 seconds, a radius of 760.00 feet for an arc distance of 50.86 feet; thence southerly, along a non-tangential curve, concave to the northeast, having a central angle of 14 degrees 08 minutes 14 seconds, a radius of 770.00 feet for an arc distance of 189.99 feet; the chord of said curve bears South 44 degrees 03 minutes 44 seconds East; thence South 38 degrees 52 minutes 09 seconds West, not tangent to said curve, a distance of 124.77 feet; thence South 51 degrees 12 minutes 13 seconds East, a distance of 3.81 feet; thence South 38 degrees 48 minutes 28 seconds West, a distance of 124.54 feet; thence northerly, along a non-tangential curve, concave to the northeast, having a central angle of 14 degrees 23 minutes 57 seconds, a radius of 1,020.00 feet for an arc distance of 256.34 feet; the chord of said curve bears North 43 degrees 59 minutes 33 seconds West to the point of beginning.

AND

That part of the Southeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet; thence North 85 degrees 41 minutes 07 seconds East, a distance of 1917.55 feet to the point of beginning; thence South 30 degrees 10 minutes 54 seconds East, a distance of 231.02 feet; thence South 68 degrees 21 minutes 52 seconds East, a distance of 389.81 feet to the west line of RLS No. 117, according to the recorded plat thereof; said Carver County; thence North 01 degrees 44 minutes 20 seconds West, along said west line, a distance of 81.16 feet to the north line of said RLS No. 117; thence North 88 degrees 15 minutes 40 seconds East, along said north line, a distance of 140.25 feet to the east line of said Southeast Quarter; thence North 01 degrees 44 minutes 20 seconds West, along said east line, a distance of 223.20 feet to the southerly line of Cardinal Street; thence North 24 degrees 07 minutes 42 seconds West, along said southerly right of way line, a distance of 101.25 feet; thence westerly along a non-tangential curve, concave to the north, having a central angle of 8 degrees 03 minutes 38 seconds, a radius of 692.70 feet for an arc distance of 97.45 feet; the chord of said curve bears South 88 degrees 43 minutes 45 seconds West; thence North 89 degrees 14 minutes 26 seconds West, tangent to said curve, a distance of 246.30 feet; thence southerly along a tangential curve, concave to the south, having a central angle of 29 degrees 06 minutes 54 seconds, a radius of 460.00 feet for an arc distance of 233.75 feet to the point of beginning.

AND

That part of the Southeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet; thence South 61 degrees 13 minutes 41 seconds East, a distance of 1028.00 feet to the point of beginning; thence South 43 degrees 13 minutes 37 seconds East, a distance of 158.25 feet; thence South 32 degrees 32 minutes 40 seconds East, a distance of 67.23 feet; thence South 52 degrees 25 minutes 40 seconds East, a distance of 129.85 feet; thence South 13 degrees 27 minutes 38 seconds East, a distance of 170.03 feet; thence South 76 degrees 32 minutes 22 seconds West, a distance of 131.84 feet; thence South 73 degrees 55 minutes 46 seconds West, a distance of 60.15 feet; thence South 69 degrees 19 minutes 21 seconds West, a distance of 256.47 feet; thence North 23 degrees 29 minutes 46 seconds West, a distance of 248.51 feet; thence North 42 degrees 41 minutes 53 seconds East, a distance of 130.86 feet; thence North 81 degrees 11 minutes 25 seconds East, a distance of 43.72 feet; thence northerly along a non-tangential curve concave to the southeast having a central angle of 37 degrees 05 minutes 05 seconds, a radius of 600.00 feet for an arc distance of 38.84 feet; the chord of said curve bears North 08 degrees 43 minutes 58 seconds East; thence North 61 degrees 43 minutes 29 seconds West, a distance of 120.00 feet; thence North 28 degrees 16 minutes 31 seconds East, a distance of 31.39 feet; thence North 48 degrees 03 minutes 42 seconds East, a distance of 62.79 feet; thence North 67 degrees 50 minutes 53 seconds East, a distance of 156.11 feet to the point of beginning.

PROPOSED PARCEL B DESCRIPTION:

That part of the Southeast Quarter and that part of the Southwest Quarter of the Northeast Quarter all in Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet to the point of beginning; thence continuing North 00 degrees 07 minutes 37 seconds West, along said west line, a distance of 1913.86 feet to the northwest corner of said Southeast Quarter; thence continuing North 00 degrees 07 minutes 37 seconds West, along the west line of said Southwest Quarter of the Northeast Quarter, a distance of 1.42 feet to the north line of the South 1.42 feet of said Southwest Quarter of the Northeast Quarter; thence South 88 degrees 50 minutes 49 seconds East, along said north line, a distance of 1,061.22 feet along said north line of the South 1.42 feet; thence South 01 degree 25 minutes 14 seconds West, a distance of 266.32 feet; thence southerly, along a tangential curve, concave to the east, having a central angle of 5 degrees 58 minutes 53 seconds, a radius of 1,031.50 feet for an arc distance of 107.68 feet; thence South 88 degrees 24 minutes 46 seconds East, not tangent to said curve, a distance of 186.67 feet; thence South 10 degrees 23 minutes 37 seconds East, a distance of 102.13 feet; thence South 21 degrees 07 minutes 51 seconds East, a distance of 290.85 feet; thence southerly, along a non-tangential curve, concave to the southeast, having a central angle of 16 degrees 55 minutes 55 seconds, a radius of 840.00 feet for an arc distance of 248.23 feet; the chord of said curve bears South 64 degrees 45 minutes 51 seconds West; thence South 56 degrees 17 minutes 53 seconds West, tangent to said curve, a distance of 258.20 feet; thence northerly along a non-tangential curve concave to the northeast having a central angle of 05 degrees 09 minutes 04 seconds, a radius of 1080.00 feet for an arc distance of 97.10 feet; the chord of said curve bears North 29 degrees 00 minutes 13 seconds West; thence South 68 degrees 09 minutes 56 seconds West, not tangent to said curve, a distance of 282.42 feet; thence North 23 degrees 29 minutes 46 seconds West, a distance of 124.54 feet; thence northerly, along a non-tangential curve, concave to the northeast, having a central angle of 14 degrees 23 minutes 57 seconds, a radius of 1,020.00 feet for an arc distance of 257.54 feet; thence North 17 degrees 07 minutes 19 seconds West, a distance of 151.89 feet; thence North 48 degrees 21 minutes 04 seconds West, a distance of 144.20 feet to the point of beginning.

TOGETHER WITH

That part of the Southwest Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet; thence South 71 degrees 09 minutes 28 seconds East, a distance of 1078.83 feet to the point of beginning; thence North 56 degrees 17 minutes 53 seconds East, a distance of 138.15 feet; thence northerly, along a tangential curve, concave to the southeast, having a central angle of 03 degrees 50 minutes 03 seconds, a radius of 760.00 feet for an arc distance of 50.86 feet; thence southerly, along a non-tangential curve, concave to the northeast, having a central angle of 14 degrees 08 minutes 14 seconds, a radius of 770.00 feet for an arc distance of 189.99 feet; the chord of said curve bears South 44 degrees 03 minutes 44 seconds East; thence South 38 degrees 52 minutes 09 seconds West, not tangent to said curve, a distance of 124.77 feet; thence South 51 degrees 12 minutes 13 seconds East, a distance of 3.81 feet; thence South 38 degrees 48 minutes 28 seconds West, a distance of 124.54 feet; thence northerly, along a non-tangential curve, concave to the northeast, having a central angle of 14 degrees 23 minutes 57 seconds, a radius of 1,020.00 feet for an arc distance of 256.34 feet; the chord of said curve bears North 43 degrees 59 minutes 33 seconds West to the point of beginning.

TOGETHER WITH

That part of the Southeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

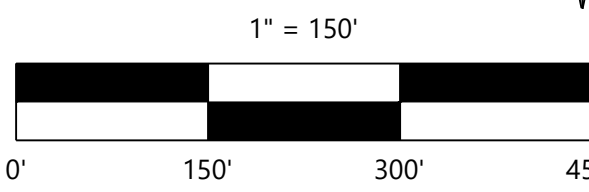
Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet; thence North 85 degrees 41 minutes 07 seconds East, a distance of 1917.55 feet to the point of beginning; thence South 30 degrees 10 minutes 54 seconds East, a distance of 231.02 feet; thence South 68 degrees 21 minutes 52 seconds East, a distance of 389.81 feet to the west line of RLS No. 117, according to the recorded plat thereof; said Carver County; thence North 01 degrees 44 minutes 20 seconds West, along said west line, a distance of 81.16 feet to the north line of said RLS No. 117; thence North 88 degrees 15 minutes 40 seconds East, along said north line, a distance of 140.25 feet to the east line of said Southeast Quarter; thence North 01 degrees 44 minutes 20 seconds West, along said east line, a distance of 223.20 feet to the southerly line of Cardinal Street; thence North 24 degrees 07 minutes 42 seconds West, along said southerly right of way line, a distance of 101.25 feet; thence westerly along a non-tangential curve, concave to the north, having a central angle of 8 degrees 03 minutes 38 seconds, a radius of 692.70 feet for an arc distance of 97.45 feet; the chord of said curve bears South 88 degrees 43 minutes 45 seconds West; thence North 89 degrees 14 minutes 26 seconds West, tangent to said curve, a distance of 246.30 feet; thence southerly along a tangential curve, concave to the south, having a central angle of 29 degrees 06 minutes 54 seconds, a radius of 460.00 feet for an arc distance of 233.75 feet to the point of beginning.

TOGETHER WITH

That part of the Southeast Quarter of Section 5, Township 115, Range 23, Carver County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter; thence North 00 degrees 07 minutes 37 seconds West, assumed bearing along the west line of said Southeast Quarter, a distance of 1940.08 feet; thence South 61 degrees 13 minutes 41 seconds East, a distance of 1028.00 feet to the point of beginning; thence South 43 degrees 13 minutes 37 seconds East, a distance of 158.25 feet; thence South 32 degrees 32 minutes 40 seconds East, a distance of 67.23 feet; thence South 52 degrees 25 minutes 40 seconds East, a distance of 129.85 feet; thence South 13 degrees 27 minutes 38 seconds East, a distance of 170.03 feet; thence South 76 degrees 32 minutes 22 seconds West, a distance of 131.84 feet; thence South 73 degrees 55 minutes 46 seconds West, a distance of 60.15 feet; thence South 69 degrees 19 minutes 21 seconds West, a distance of 256.47 feet; thence North 23 degrees 29 minutes 46 seconds West, a distance of 248.51 feet; thence North 42 degrees 41 minutes 53 seconds East, a distance of 130.86 feet; thence North 81 degrees 11 minutes 25 seconds East, a distance of 43.72 feet; thence northerly along a non-tangential curve concave to the southeast having a central angle of 37 degrees 05 minutes 05 seconds, a radius of 600.00 feet for an arc distance of 38.84 feet; the chord of said curve bears North 08 degrees 43 minutes 58 seconds East; thence North 61 degrees 43 minutes 29 seconds West, a distance of 120.00 feet; thence North 28 degrees 16 minutes 31 seconds East, a distance of 31.39 feet; thence North 48 degrees 03 minutes 42 seconds East, a distance of 62.79 feet; thence North 67 degrees 50 minutes 53 seconds East, a distance of 156.11 feet to the point of beginning.

EXISTING PROPERTY = 3,752,728 SF / 86.15 AC
PROPOSED PARCEL A = 2,242,033 SF / 51.47 AC
PROPOSED PARCEL B = 1,510,661 SF / 34.68 AC



NOT FOR CONSTRUCTION

SHEET NUMBER:

1

OF

1

PROJECT NUMBER: 0015521.00

DATE: 02/28/2020

REQUEST FOR ACTION CHASKA CITY COUNCIL 7/6/2020

Subject: 2020 Overlay program

Prepared By: Brian Jung, Public Works Director

Specifications were prepared for 2020 Overlay program. The lists of streets are as follows:

Manuela	Yellowbrick
Christian Dr	
Christian Pkwy	
Pioneer	

Bids were opened on June 29th, 2020 at 1:00PM. The results were as follows:

- | | |
|---------------------|--------------|
| • GMH Asphalt | \$309,669.38 |
| • Northwest Asphalt | \$310,537.02 |
| • Valley Paving | \$319,967.80 |
| • Wm Mueller | \$334,988.08 |

Pavement overlay and seal coat are handled as maintenance operations in the General Fund. The low bid is below the budget amount. GMH Asphalt is a reputable local firm that has done work for the City of Chaska in the past.

Staff recommends awarding the bid for 2020 Overlay to GMH Asphalt.

CITY COUNCIL ACTION REQUESTED

Motion to approve Resolution 2020-51 awarding the bid for the 2019 Overlay Program to GMH Asphalt in the low bid amount of \$309,669.38.

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

RESOLUTION

DATE: 06/24/2020 **RESOLUTION NO.** 2020- 51

MOTION BY COUNCILMEMBER _____ **SECOND BY COUNCILMEMBER** _____

A Resolution Awarding the 2020 Bid for the 2020 Overlay Program to GMH Asphalt Corp in the Low Bid Amount of \$309,669.38

WHEREAS, on June 29, 2020, bids were opened and tabulated for the 2020 Overlay program for the following streets according to State Statute; and

- | | |
|---------------------|--------------|
| • GMH Asphalt | \$309,669.38 |
| • Northwest Asphalt | \$310,537.02 |
| • Valley Paving | \$319,967.80 |
| • Wm Mueller | \$334,988.08 |

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Chaska, Minnesota, does hereby award the bid for the 2020 Overlay program for the following streets to the low responsible bidder, GMH Asphalt Corp, in the amount of \$309,669.38

Manuela Yellowbrick
Christian Dr
Christian Pkwy
Pioneer

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 6th day of July, 2020.

Mark Windschitl, Mayor

Attest _____
Deputy City Clerk

**2020 OVERLAY PROGRAM
PROJECT NO. 20-1
CITY OF CHASKA, MINNESOTA**

Streets: Manuela, Christian Dr, Christian Pkwy, Pioneer, Yellowbrick Rd
Timberview Trl, Forest Ridge

Actual Total Base Bid			\$309,669.38	\$310,537.02	\$319,967.80	\$334,988.08	\$0.00	\$0.00
Contractor Submitted Total Base Bid			\$309,669.38	\$310,537.02	\$319,967.80	\$334,988.08		
	Quantity	Units	GMH	Northwest	Valley	Wm Mueller		
			Asphalt	Asphalt	Paving			
Bituminous Wear Course	4610	Tons	\$56.71	\$56.51	\$60.54	\$61.90		
(SP 12.5 Wearing Course (SPWEB240B)			\$261,433.10	\$260,511.10	\$279,089.40	\$285,359.00	\$0.00	\$0.00
Bituminous Tack Coat (0.05/Sq Yd)	1920	Gallons	\$3.50	\$2.50	\$1.60	\$3.40		
			\$6,720.00	\$4,800.00	\$3,072.00	\$6,528.00	\$0.00	\$0.00
Edge Milling Street Surface	22,196	Lineal Ft	\$1.18	\$0.92	\$0.90	\$1.23		
			\$26,191.28	\$20,420.32	\$19,976.40	\$27,301.08	\$0.00	\$0.00
Misc. Milling (Butt Joints/Drainage Areas)	140	Sq Yard	\$7.50	\$3.79	\$4.50	\$7.00		
			\$1,050.00	\$530.60	\$630.00	\$980.00	\$0.00	\$0.00
Full Width Milling of Street Surface	8500	Sq Yard	\$1.15	\$0.87	\$1.20	\$0.92		
			\$9,775.00	\$7,395.00	\$10,200.00	\$7,820.00	\$0.00	\$0.00
SUBTOTAL			\$305,169.38	\$293,657.02	\$312,967.80	\$327,988.08	\$0.00	\$0.00
Mobilization			\$4,500.00	\$16,880.00	\$7,000.00	\$7,000.00		

REQUEST FOR ACTION CHASKA CITY COUNCIL 07/06/2020

Subject: Annual 2019 Financial Reports

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

Background

Staff has completed work with the City's independent auditor on annual audits and financial reports for both the City of Chaska and the Chaska Fire Department Relief Association (CFDRA) as of and for fiscal year ended December 31, 2019.

The following enclosed reports relate to the City of Chaska audit:

- 1) City of Chaska, 2019 Comprehensive Annual Financial Report (CAFR)
Included in this report starting on page 11 is the Independent Auditor's Report. This report states that the financial statements present fairly, in all material respects, the financial position of the City as of the year ended December 31, 2019, and the results of its operations for that year. This is considered an unmodified "clean" audit opinion.
- 2) City of Chaska, 2019 Special Purpose Audit Reports
Included in this report are two separate reports issued by the auditor. The first report starting on page 1 address internal controls over financial reporting and legal compliance. The auditors found no deficiencies in internal controls or material weaknesses to report.

The second report starting on page 3 addresses compliance with Minnesota State Laws and Regulations. This report found that the City complied with all material terms and conditions of applicable legal provisions.

- 3) City of Chaska, 2019 Management Report
This report is prepared by the auditor and communicates information relevant to city finances and provides comments generated during the audit process. This report also includes Required Communications that addresses the role of the auditor. Included in this report is a fund overview of each of the budgeted operational funds of the City.

The following enclosed reports relate to the CFDRA audit:

- 1) CFDRA, 2019 Annual Financial Report (AFR).
Included in this report starting on page 3 is the Independent Auditor's Report. This

report states that the financial statements present fairly, in all material respects, the financial position of the CFDRA as of the year ended December 31, 2019, and the results of its operations for that year. This is considered an unmodified "clean" audit opinion.

2) CFDRA, 2019 Special Purpose Audit Reports on Internal Controls and Compliance with Laws and Regulations

Included in this report are two separate reports issued by the auditor. The first report addresses internal controls over financial reporting and legal compliance and begins on page 1. The auditors identified two material weaknesses as reportable concerning internal control procedures. The first addresses the lack of segregation of duties due to the small size of the relief accounting staff. The second addresses the lack of complete receipt documentation from fund raising activities. These two comments are consistent with comments from prior years.

The second report on Compliance with Minnesota State Laws and Regulations begins on page 2. This report found the CFDRA complied with material terms and conditions of applicable legal provisions with one exception. This one exception addresses the need for two signatures on all checks and disbursements. This issue has been reviewed with the Relief Trustees in order to implement changes to ensure future compliance.

3) CFDRA, 2019 Management Letter

This report is prepared by the auditor and communicates information relevant to CFDRA finances and provides comments generated during the audit process. This report also includes Required Communications that addresses the role of the auditor.

Ms. Jackie Huegel, Principal with the audit firm Malloy, Montague, Karnowski, Radosevich & Co., P.A. (MMKR) will present at the Council meeting to review issued auditor's reports and findings for both the City and the CFDRA.

In accordance with Minnesota State Statutes, the 2019 CAFR for the City of Chaska and all associated reports issued by the auditor have been submitted to the Office of the State Auditor. Also, in accordance with State Statutes a summary of the 2019 CAFR was published in the Chaska Herald on Thursday, July 2, 2020.

The 2019 CAFR for the City of Chaska has also been submitted to bond rating agencies, bond insurance companies, bond trustees, various institutions holding City of Chaska bonds, and other parties requesting detailed financial reports from the City. The 2019 CAFR is available on the City Web Site at www.chaskamn.com and is also available for public inspection at both Chaska City Hall and Chaska Library.

CITY COUNCIL ACTION REQUESTED

Motion to accept City of Chaska 2019 Comprehensive Annual Financial Reports and Chaska Fire Department Relief Association 2019 Annual Financial Reports.

CITY OF CHASKA

STATE OF MINNESOTA

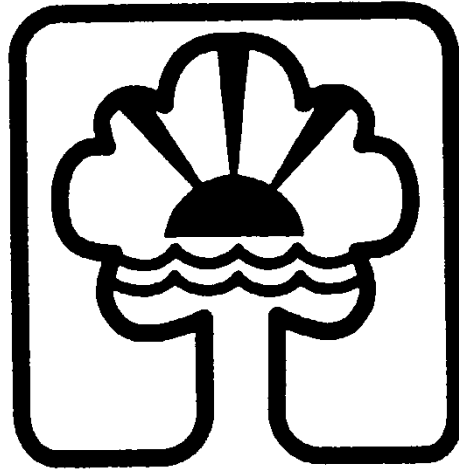
2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

**CITY OF CHASKA
STATE OF MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2019**

Prepared by:
Administrative Services Department

Noel J. Graczyk
Administrative Services Director,
Treasurer

Kelly L. Grinnell
Finance Manager



CHASKA

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City of Chaska, Minnesota

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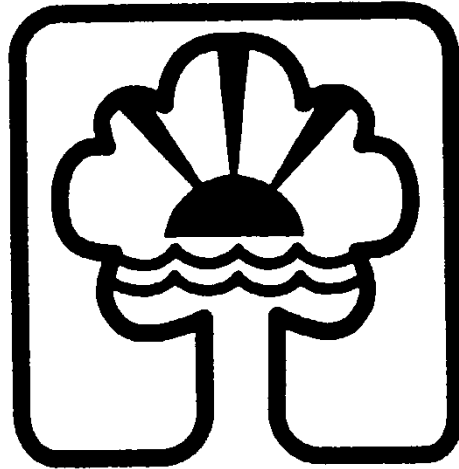
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CHASKA



City of Chaska

June 08, 2020

**To the Citizens of the City of Chaska, Honorable Mayor and Council Members, and
Mr. Matt Podhradsky, City Administrator**

The comprehensive annual financial report of the City of Chaska, Minnesota, for the year ended December 31, 2019, is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and meets the requirements of the Minnesota State Auditor's Office.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. Based upon the audit, the independent auditor concluded that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first item in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Chaska's MD&A can be found in the financial section of this report, immediately following the report of the independent auditors.

ONE CITY HALL PLAZA / CHASKA, MN 55318-1962 / PH: (952) 448-9200 / FAX: (952) 448-9300 / www.chaskamn.com

City Profile

The City of Chaska was founded in 1851 and incorporated on March 3, 1891. The City is located in eastern Carver County, with the Minnesota River bordering the City to the south.

Since 1975 the City has operated under a Statutory Plan A form of government. Policymaking and legislative authorities are vested in the City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees. The City Council consists of a mayor and four council members. The mayor is elected for a two-year term of office and four council members serve four-year staggered terms, with two council members elected every two years. Non-partisan elections are held on the Tuesday after the first Monday in November, of each even-numbered year.

The City Administrator is appointed by the City Council and also serves as the City Clerk. The City Administrator is responsible for carrying out the policies and ordinances of the city council and overseeing daily operations of the City. A City Attorney is retained and appointed by the Chaska City Council. The Administrative Services Director serves as City Treasurer.

The City of Chaska provides a full range of services, including police and fire protection; building inspections; construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; and general administrative services. The City also operates nine enterprises: electric, water, sewer, and storm water utilities, a community center, two golf courses, curling and event center, and a turbine generator. The City provided fiber internet service until 2018, when this enterprise service was merged into the General Fund.

The City is also financially accountable for the Chaska Economic Development Authority (EDA), which is included in this report as a blended component unit. The Chaska City Council serves as the board of the EDA.

The primary mission of the City of Chaska is to enhance and maintain the high quality of life of its “shareholders”, the citizens of Chaska. Consistent with its mission, the City will strive to maintain its unique historical small town image and sense of community while supporting well-planned, orderly growth. To achieve its mission, the City has established six ongoing core strategies:

- Enhance Chaska’s high quality of life
- Plan orderly community development
- Maintain a sense of community and small-town values
- Assure that quality basic municipal services are provided
- Maintain a commitment to excellence
- Develop and maintain partnerships

The annual budget serves as the foundation for the City of Chaska’s financial planning and control. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Chaska City Council. Activities of the General Fund and certain special revenue and capital project funds are included in the annual appropriated budget. Debt service budgetary control is established by bond sale resolution covenants. Project-length financial plans are adopted for capital projects funds.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures for departments or divisions that exceed

City of Chaska, Minnesota**For the Year Ended December 31, 2019**

appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

The City maintains stable financial operations due to a history of conservative budgeting, maintenance of healthy reserves, and a lack of reliance on state aid.

Economic Condition and Outlook

Since 2000, the City of Chaska has seen a significant amount of population growth and expects to continue growth through 2040.

<i>Year</i>	<i>Population*</i>	<i>% Increase</i>
2000	17,500	
2010	23,770	35.8%
2018 Estimate	27,622	16.2%
2030 Projected	32,000	15.8%
2040 Projected	36,600	14.4%

**Source of Projected Population: Metropolitan Council*

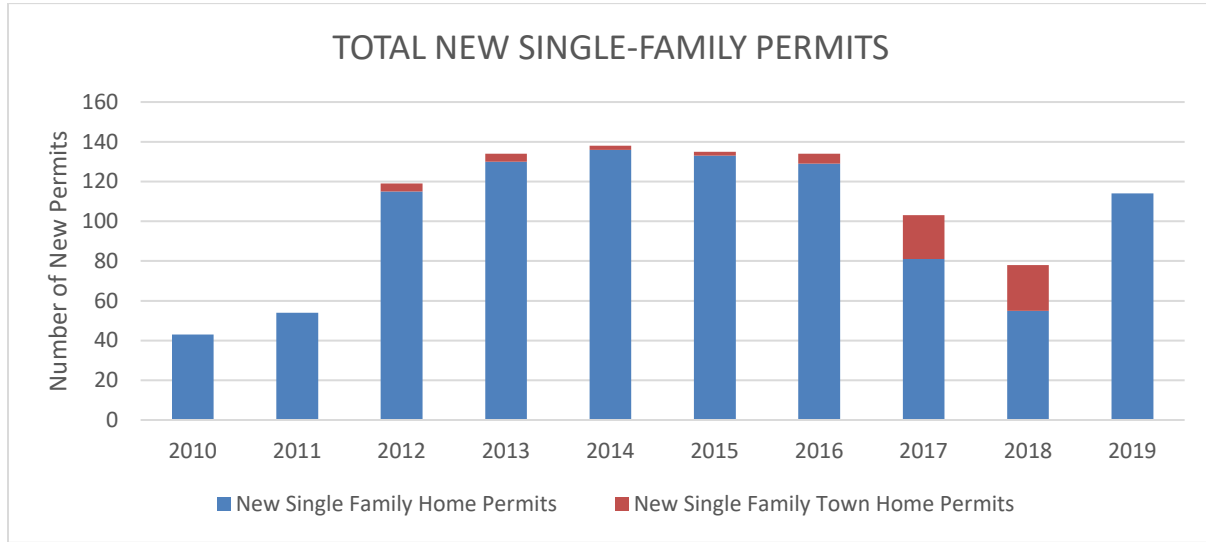
The rapid increase in population between 2000 and 2010 is attributed to the addition of approximately 200 to 500 housing units (both single family and multifamily units) per year from 2002 through 2005, as well as the addition of a significant amount of commercial development in the community. This commercial development included both small boutiques and large service centers such as Home Depot, Super Target and Kohl's.

Chaska saw the majority of its industrial development growth in the late 1980s and early 1990s. Nearly 8,000 jobs were created, with over 13,000 jobs in total in the community. The industrial park was near full capacity in the 1990s, with the exception of a few remaining sites. National and international companies such as Entegris, FSI, Lake Region Manufacturing, and Beckman Coulter all offer several hundred jobs at each facility. Housing and commercial development occurring after 2000 resulted directly from both a strong housing market and employment opportunities available in Chaska.

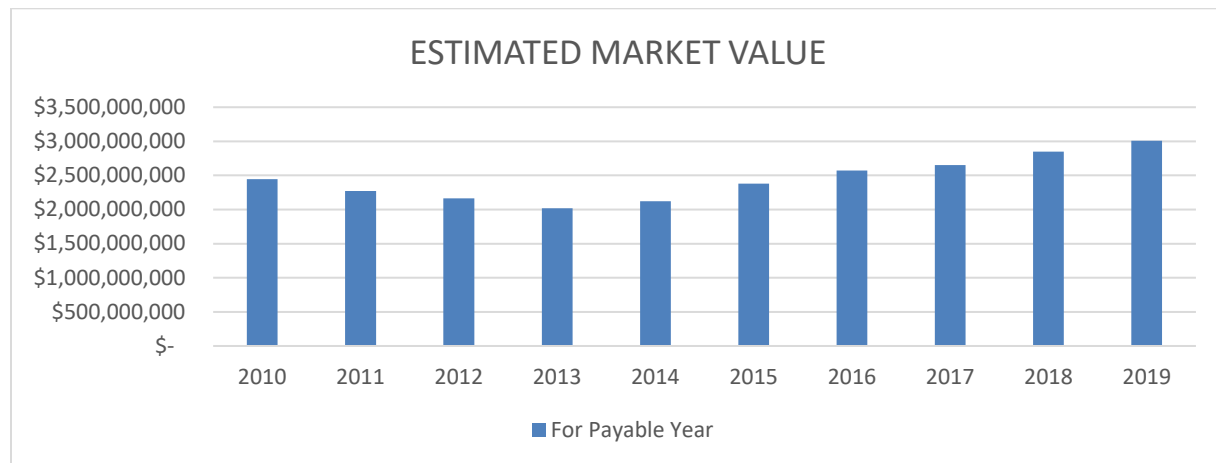
As with other communities across the country, the City saw a drop in new housing development beginning in 2007. The number of new single family permits rebounded beginning in 2012. Growth since then has been stable.

City of Chaska, Minnesota

For the Year Ended December 31, 2019



With the rebound in housing, market value in the City has also increased since 2014.



Other development opportunities within the City include the following:

Industrial Parks

There are two existing industrial parks located within Chaska with a combined capacity of 679 acres. Currently there are over one hundred enterprises occupying the parks, the largest of which include Lake Region Manufacturing, FSI International Inc., Beckman Coulter, Bailiwick and Lifecore Biomedical. There are a few remaining sites available within the industrial park.

Southwest Chaska Corporate and Industrial Development

The City has approximately 390 acres of corporate and industrial land that has started to develop along Highway 212. There is room for 5.5 million square feet of office and industrial space which will be marketed towards bioscience and high-tech companies. When complete, it is expected to add between \$300 and \$500 million of taxable market value as well as 4,000 to 6,000 quality jobs.

The first project in this new industrial area was United Health Group's 250,000 square foot data center that began operations in 2012. The second project was Stream Data's 115,000 square foot data center that completed construction in late 2014. The third project was the development of an approximately 100,000 square foot data center facility for US Bank National Association completed in 2017. The City continues to actively recruit other data centers to locate in the remaining parcels in this area.

Southwest Chaska Master Plan

Development of objectives outlined in the Southwest Chaska Master Plan began in 2017. The plan guides development and land use for an undeveloped two square mile area in southwest Chaska along Highway 212. While most of this area was originally determined to be residential, the new master plan allows for more corporate uses and allows the residential development to be more consistent with market conditions.

To support access to the southwest Chaska area, the City received approval in late 2011 for the addition of an interchange off U.S. Highway 212 at Carver County Road 44. This will open up additional land for corporate/industrial development. In 2017, this \$21 million interchange project was approved for \$10 million in funding as part of the State Bonding Bill. The City of Chaska and Carver County will provide funding for the remaining \$11 million. Construction began in 2019 and will be completed in 2020.

Long-Term Financial Planning

Each year the City develops a five-year financial forecast. The primary purpose of the forecast is to project available revenues and anticipated expenditures for all operating funds supported by property tax levies. The forecast is also used to establish the City's maximum tax levy. In preparing the five-year forecast, every attempt is made to accurately and conservatively estimate revenues and expenditures. The 2020 budget and five-year forecast were both developed based on the following objectives:

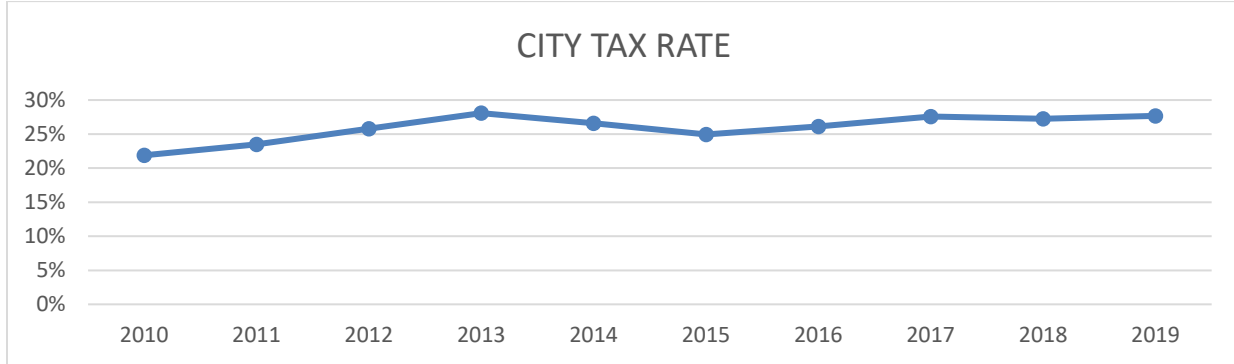
1. Support budget programs that help Chaska strengthen its mission of being "The Best Small Town in Minnesota"
2. Maintain existing high-quality service levels, funding new programs only after our existing, necessary programs are funded
3. Limit tax levy growth to capture only new growth and inflation
4. Fully fund scheduled maintenance and replacement of equipment/property
5. Increase levy additionally only if new service levels or assets are being added.
6. Budget utilizing a plan that avoids draw-down of the City's General fund reserve
7. Fully levy to support our adopted street reconstruction program
8. Develop a budget plan that is sustainable from a resource perspective to support the service levels residents expect

Key factors which impact both the costs of providing services and the City's revenue resources are changes in Chaska's population and households. The current 2019 – 2023 financial forecast strives to balance existing and future service level demands within the forecasted revenues while at the same time maintaining a low property tax rate.

The City's tax rate increased after the Great Recession in 2008 – 2009 due to declines in market values. As market values have slowly recovered and with the addition of an annual \$1,000,000 capital maintenance program, City property tax levels have remained relatively constant, with a tax rate of 27.68 percent in 2019.

City of Chaska, Minnesota

For the Year Ended December 31, 2019



In 2018, the City updated its Comprehensive Plan, which is a requirement from the Metropolitan Council to make local plans consistent with its updated Regional Development Framework. The 2040 Comprehensive Plan guides the direction of the City in several major areas: land use, transportation, environment, parks and trails, and public facilities. Each of these areas is examined in a comprehensive manner, in order to take advantage of opportunities, avoid problems, and work toward building a stronger community.

Major Initiatives

One of the City's main initiatives has been the development and implementation of its Downtown Master Plan. Chaska has a historic downtown core, with several commercial buildings and homes over 100 years old. A major focus of this initiative is to define how the City, businesses, and residents reinvest back into this unique area, to make it economically viable into the future.

Downtown redevelopment continues to be a priority. The 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 2020 or early 2021.

Another major initiative for the City is the continuing capital maintenance plan. Key to this is the \$1 million annually dedicated to reinvest into parks, streets and trails.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chaska for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended December 31, 2018.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

A Certificate of Achievement is valid for a period of one year only. The City of Chaska has received a Certificate of Achievement every year since 1989. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

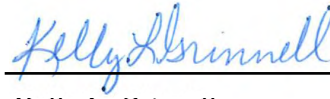
The preparation of this report was made possible by the dedicated service of the City staff, and in particular, members of the Administrative Services Department. Special recognition goes to Lisa M. Nelson, Controller, whose contributions were essential in the preparation and production of this report.

We would like to express appreciation to Matt Podhradsky, the City Administrator, and to the Honorable Mayor and Chaska City Council members for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Noel J. Graczyk
Administrative Services Director, Treasurer



Kelly L. Grinnell
Finance Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Chaska
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

Organization and Administrative Structure

City of Chaska, Minnesota

For the Year December 31, 2019

City of Chaska Residents and Businesses		
Elected Five (5) Member City Council		
Appointed Boards	Council Selected Outside Professional Advisors	Appointed Positions
Planning Commission	Independent Financial Auditing Firm	City Attorney
Parks Recreation and Arts (Cable)	Financial Consulting Firm	City Administrator, City Clerk
Human Rights Commission	Engineering Consulting Firm	

ADMINISTRATIVE STRUCTURE [584 Employees (155-292-0-137)]

City Administrator, City Clerk (1-0-0-0)

Administration (7-1-0-1) (1-0-0-0) Assistant City Administrator, Economic Development Coordinator (1-0-0-0) Deputy Clerk (1-0-0-0) Administration Clerk (0-0-0-1) Seasonal Intern (1-0-0-0) Human Resources Manager (1-0-0-0) Human Resources Generalist (1-0-0-0) Communications Manager (1-0-0-0) Cable Communications Coordinator (0-1-0-0) Cable TV Camera Operator Administrative Services (20-3-0-1) (1-0-0-0) Administrative Services Director, Treasurer (1-0-0-0) Finance Manager (1-0-0-0) Controller (1-0-0-0) Senior Accountant (1-0-0-0) Accountant (1-0-0-0) Payroll Coordinator (1-0-0-0) Senior Accounting Clerk (1-0-0-0) Administrative Services Clerk (1-0-0-0) Accounting Clerk (1-0-0-0) Accounts Payable Clerk (0-1-0-0) Support Staff (1-0-0-0) Customer Relations Supervisor (1-0-0-0) Utility Billing Coordinator (1-0-0-0) Assist. Utility Billing Coordinator (1-0-0-0) Utility Account Clerk (1-2-0-0) Customer Service Representative (1-0-0-0) Information Systems Manager (1-0-0-0) IS Network Administrator (1-0-0-0) IS Desktop Support Analyst (2-0-0-0) IS Network/Field Support Technicians (0-0-0-1) Seasonal Intern Community Development and Planning Services (7-0-0-0) (1-0-0-0) Community Development Director (1-0-0-0) City Planner (1-0-0-0) Building Official (3-0-0-0) Building Inspector (1-0-0-0) Community Development/Permit Technician Engineering Services (3-0-0-0) (1-0-0-0) City Engineer (1-0-0-0) Civil Engineer II (1-0-0-0) Water Resources Coordinator Police Services (32-1-0-0) [26 licensed officers] (1-0-0-0) Chief of Police (1-0-0-0) Deputy Chief (2-0-0-0) Lieutenant (5-0-0-0) Sergeant (1-0-0-0) Detective (2-0-0-0) Youth Services/ School Resource Officer (13-0-0-0) Patrol Officer (1-0-0-0) Community Partnership Officer (1-0-0-0) Community Service Officer Manager (3-0-0-0) Community Service Officer (2-0-0-0) Secretary/Administrative Assistant (0-1-0-0) Evidence Clerk Public Works Services (22-0-0-19) (1-0-0-0) Public Works Director (1-0-0-0) Assistant Public Works Director (1-0-0-0) Office Manager (1-0-0-0) Accounting/Inventory Clerk (3-0-0-0) Foreman (Street/Park/Mechanic) (2-0-0-0) Leadworker (Street/Park) (2-0-0-0) Mechanic (10-0-0-0) Maintenance III (Street/Park) (1-0-0-0) Maintenance II (Street/Park) (0-0-0-19) Maintenance-Seasonal Fire Services (5-0-0-0) (1-0-0-0) Fire Chief (1-0-0-0) Fire Marshal/Assistant Chief (2-0-0-0) Firefighter Inspector (1-0-0-0) Firefighter Administrative Assistant Chaska Volunteer Fire Department - 44 Active Volunteers	Electric Utility Services (14-0-0-3) (1-0-0-0) Electrical Director (1-0-0-0) Assistant Electrical Director (1-0-0-0) General Manager (1-0-0-0) Foreman (Lineworker) (2-0-0-0) Lead Lineworker (7-0-0-0) Journeyman Line Worker (1-0-0-0) Apprentice Lineworker (0-0-0-2) Temporary Groundman (0-0-0-1) Seasonal Laborer Water and Sewer Utility Services (9-0-0-0) (1-0-0-0) Water/Sewer Director (1-0-0-0) Foreman (Water/Sewer) (1-0-0-0) Leadworker (Water/Sewer) (5-0-0-0) Maintenance III (Water/Sewer) (1-0-0-0) Maintenance II (Water/Sewer) Parks Recreation and Arts (27-287-0-40) (Includes Community Center and Curling/Event Center) (1-0-0-0) Parks and Recreation Director Parks, Recreation and Arts (5-0-0-29) (1-0-0-0) Assistant to the Director (0-0-0-1) Seasonal Intern (1-0-0-0) Recreation Manager (1-0-0-0) Recreation Coordinator (1-0-0-0) Recreation Supervisor (1-0-0-0) Admin Assistant II (0-0-0-17) Rink Attendant, Outdoor (0-0-0-11) Concessions (Parks/Beach) Community Center (15-227-0-11) (1-0-0-0) Community Center Manager (1-0-0-0) Ice Arena Supervisor (1-0-0-0) Maintenance Supervisor (1-0-0-0) Facilities/Website Supervisor (1-0-0-0) Aquatics Supervisor (1-0-0-0) Aquatics & Operations Coordinator (1-0-0-0) AOA Specialist (1-0-0-0) Member Services Supervisor (1-0-0-0) Fitness Supervisor (1-0-0-0) Youth Supervisor (1-0-0-0) Recreation Supervisor - AOA (1-0-0-0) Athletics Supervisor (0-29-0-0) Rink Attendant/Monitor/Referee (3-26-0-0) Custodian/Maintenance (0-83-0-0) Pool Staff and Instructors (0-19-0-0) Front Desk/Cashier (0-18-0-0) Day Care/Preschool instructors (0-26-0-0) Fitness Instructor (0-26-0-11) Activities Instructor/Assistant Curling and Event Center (6-60-0-0) (1-0-0-0) Curling Center Manager (1-0-0-0) Head Ice Maker - Curling (1-0-0-0) Event Center Supervisor (1-0-0-0) Curling & Event Center Coordinator (1-0-0-0) Software Systems Supervisor (1-3-0-0) Custodian/Maintenance (0-26-0-0) Curling Instructors (0-26-0-0) Curling Center Staff (0-5-0-0) Event Center Staff Golf Courses (8-0-0-73) (1-0-0-0) Golf Professional (2-0-0-0) Assistant Golf Professionals Chaska Town Course (4-0-0-61) (1-0-0-0) Golf Superintendent (3-0-0-0) Greenskeeper (0-0-0-38) Course Staff (0-0-0-23) Maintenance-Seasonal Chaska Par 30 (1-0-0-12) (1-0-0-0) Greenskeeper (0-0-0-9) Course Staff (0-0-0-3) Maintenance-Seasonal
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Key to Number of Employees:
 (Full-Time - Part-Time - Seasonal Full-Time - Seasonal Part-Time)

Elected Officials

Name	Title	Term Expires
Mark Windschitl	Mayor	December 31, 2020
Jon Grau	Council Member, Ward 1	December 31, 2022
Taylor Hubbard	Council Member, Ward 2	December 31, 2020
McKayla Hatfield	Council Member, Ward 3	December 31, 2022
Mike Huang	Council Member, Ward 4	December 31, 2020

Administrative Officials

City Staff:	
City Administrator/City Clerk	Matt Podhradsky
Assistant City Administrator	Nate Kabat
Administrator Services Director, Treasurer	Noel Graczyk
Community Development Director	Kevin Ringwald
City Engineer	Matt Clark
Chief of Police	Scott Knight
Deputy Chief – Interim Chief of Police	Benjamin Anderson
Fire Chief	Timothy Wiebe
Public Works Director	Brian Jung
Director of Parks and Recreation	Marshall Grange
Electric Director	Toby Saxon
Interim Electric Director	Andrew Romine
Water and Sewer Director	Matt Haefner
Golf Professional	John Kellin
Executive Director of Chaska Economic Development Authority (EDA)	Matt Podhradsky
Independent Consultant:	
City Attorney	Luke Melchert Melchert, Hubert, Sjodin, PLLP

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, 2019, 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.

(continued)

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, 2019, 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. 84, *Fiduciary Activities*, during the year ended December 31, 2019. 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.

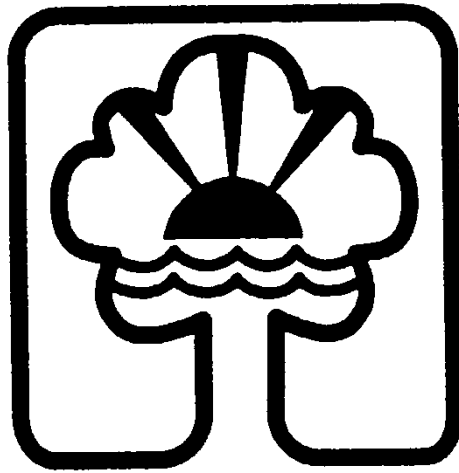
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OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2020, 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 8, 2020



CHASKA

As management of the City of Chaska (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information 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 \$190,553,093 (*net position*). Of that amount, \$35,661,523 is restricted for specific purposes (*restricted net position*) and \$176,001,472 represents the net investment in capital assets.
- The City's governmental funds reported combined ending fund balances of \$18,883,796. This is an increase of \$10,502,586 from the prior year.
- At the end of the current fiscal year, the General fund had a fund balance of \$1,910,861. While these funds are not legally restricted, the City has committed \$1,133,435 for compensated absences, leaving \$777,426 unassigned.
- The City issued four new bonds series and one temporary bond in 2019. Total bonds and premium payable increased \$11,676,588 during the year. At the end of the year, the City reported \$125,529,521 in bonds payable.

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, 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. The City's funds are reported in two categories: governmental funds and proprietary 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, both of 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, and Curling Center operations.
- *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.

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.

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.

A statistical section has been included to facilitate additional analysis and it is the final 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 \$190,553,093 at the close of 2019.

By far, the largest portion of the City's net position (92.4 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

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$ 38,094,282	\$ 29,726,863	\$ 45,612,191	\$ 48,538,240	\$ 83,706,473	\$ 78,265,103
Capital Assets	187,836,859	188,231,207	69,314,873	69,705,234	257,151,732	257,936,441
Total Assets	<u>\$ 225,931,141</u>	<u>\$ 217,958,070</u>	<u>\$ 114,927,064</u>	<u>\$ 118,243,474</u>	<u>\$ 340,858,205</u>	<u>\$ 336,201,544</u>
Deferred Outflows of Resources						
Pension Plan Deferments	\$ 4,356,357	\$ 5,121,120	\$ 396,098	\$ 760,653	\$ 4,752,455	\$ 5,881,773
OPEB Plan Deferments	27,156	15,097	11,501	6,394	38,657	21,491
Total Deferred Outflows of Resources	<u>\$ 4,383,513</u>	<u>\$ 5,136,217</u>	<u>\$ 407,599</u>	<u>\$ 767,047</u>	<u>\$ 4,791,112</u>	<u>\$ 5,903,264</u>
Total Assets and Deferred Outflows	<u>\$ 230,314,654</u>	<u>\$ 223,094,287</u>	<u>\$ 115,334,663</u>	<u>\$ 119,010,521</u>	<u>\$ 345,649,317</u>	<u>\$ 342,104,808</u>
Liabilities						
Other Liabilities	\$ 4,944,611	\$ 4,540,271	\$ 4,716,767	\$ 5,007,643	\$ 9,661,378	\$ 9,547,914
Noncurrent Liabilities	69,832,981	56,601,970	69,477,712	70,422,540	139,310,693	127,024,510
Total Liabilities	<u>\$ 74,777,592</u>	<u>\$ 61,142,241</u>	<u>\$ 74,194,479</u>	<u>\$ 75,430,183</u>	<u>\$ 148,972,071</u>	<u>\$ 136,572,424</u>
Deferred Inflows of Resources						
Debt Refunding Deferments	\$ -	\$ -	\$ 407,286	\$ 444,312	\$ 407,286	\$ 444,312
Pension Plan Deferments	5,035,913	6,361,652	680,954	965,812	5,716,867	7,327,464
Total Deferred Inflows of Resources	<u>\$ 5,035,913</u>	<u>\$ 6,361,652</u>	<u>\$ 1,088,240</u>	<u>\$ 1,410,124</u>	<u>\$ 6,124,153</u>	<u>\$ 7,771,776</u>
Net Position						
Net Investment in Capital Assets	\$ 143,383,394	\$ 146,659,763	\$ 32,618,078	\$ 33,206,537	\$ 176,001,472	\$ 179,866,300
Restricted	19,254,366	20,434,329	16,407,157	16,111,606	35,661,523	36,545,935
Unrestricted	(12,136,611)	(11,503,698)	(8,973,291)	(7,147,929)	(21,109,902)	(18,651,627)
Total Net Position	<u>\$ 150,501,149</u>	<u>\$ 155,590,394</u>	<u>\$ 40,051,944</u>	<u>\$ 42,170,214</u>	<u>\$ 190,553,093</u>	<u>\$ 197,760,608</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 230,314,654</u>	<u>\$ 223,094,287</u>	<u>\$ 115,334,663</u>	<u>\$ 119,010,521</u>	<u>\$ 345,649,317</u>	<u>\$ 342,104,808</u>

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 \$35,661,523. After restrictions, the City is reporting an unrestricted net position deficit of \$21,109,902 a decrease of \$2,458,275 from the prior year.

Governmental activities – Total net position of the governmental activities decreased \$5,089,245 to \$150,501,149. The change in net position is due to the increase in noncurrent liabilities, including compensated absences, pension liabilities, other post-employment benefits, and debt.

Business-type activities – Total net position of the business-type activities decreased \$2,118,270 to \$40,051,944. Unrestricted net position decreased \$1,825,362 due to transfers out of utility funds for various improvement projects.

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2019

City of Chaska - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services	\$ 7,294,779	\$ 7,255,529	\$ 58,273,008	\$ 57,683,986	\$ 65,567,787	\$ 64,939,515
Operating Grants & Contributions	10,909,953	777,833	142,669	99,052	11,052,622	876,885
Capital Grants & Contributions	2,644,120	7,951,347	678,369	198,433	3,322,489	8,149,780
General Revenues:						
Property Taxes	10,805,084	10,129,998	-	-	10,805,084	10,129,998
Franchise Taxes	752,914	4,576,985	-	-	752,914	4,576,985
Grants & Contributions Not Restricted	42,379	26,334	283	211	42,662	26,545
Investment Earnings	428,710	400,814	407,297	362,111	836,007	762,925
Other General Revenues	277,822	366,702	138,006	82,857	415,828	449,559
Total Revenues	33,155,761	31,485,542	59,639,632	58,426,650	92,795,393	89,912,192
Expenses						
General Government	6,466,463	6,025,119	-	-	6,466,463	6,025,119
Economic Development	1,682,326	4,352,049	-	-	1,682,326	4,352,049
Public Safety	6,805,386	6,189,888	-	-	6,805,386	6,189,888
Public Works	26,781,348	10,088,913	-	-	26,781,348	10,088,913
Parks, Recreation & Arts	1,636,562	1,526,003	-	-	1,636,562	1,526,003
Interest on Long-term Debt	1,522,276	1,550,437	-	-	1,522,276	1,550,437
Electric	-	-	35,599,483	38,896,423	35,599,483	38,896,423
Water	-	-	3,391,370	3,015,694	3,391,370	3,015,694
Sewer	-	-	4,091,831	3,801,595	4,091,831	3,801,595
Community Center	-	-	4,716,992	4,752,021	4,716,992	4,752,021
Par 30 Golf Course	-	-	187,568	189,814	187,568	189,814
Chaska Town Course	-	-	2,505,095	2,452,056	2,505,095	2,452,056
Turbine Generator	-	-	1,023,865	1,016,539	1,023,865	1,016,539
Internet Service Provider	-	-	-	159,357	-	159,357
Storm Water	-	-	1,173,012	1,072,424	1,173,012	1,072,424
Chaska Curling Center	-	-	2,419,331	2,635,334	2,419,331	2,635,334
Total Expenses	44,894,361	29,732,409	55,108,547	57,991,257	100,002,908	87,723,666
Excess (Deficiency) Before Transfers	(11,738,600)	1,753,133	4,531,085	435,393	(7,207,515)	2,188,526
Transfers	6,649,355	(769,471)	(6,649,355)	769,471	-	-
Change in Net Position	(5,089,245)	983,662	(2,118,270)	1,204,864	(7,207,515)	2,188,526
Net Position - Beginning	155,590,394	154,606,732	42,170,214	40,965,350	197,760,608	195,572,082
Net Position - Ending	\$ 150,501,149	\$ 155,590,394	\$ 40,051,944	\$ 42,170,214	\$ 190,553,093	\$ 197,760,608

As a whole, the City had total revenues of \$92,795,393 for the year ended December 31, 2019. This is an increase of \$2,883,201 from the prior year.

The total cost of all programs and services was \$100,002,908, an increase of \$12,279,242 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 increased \$1,670,219 from the prior year and expenses increased \$15,161,952. Significant components of revenue and expenses include:

- Operating Grants and Contributions were the largest source of revenues at 32.9 percent. Operating Grants and Contributions for 2019 were \$10,132,120 more than the prior year,

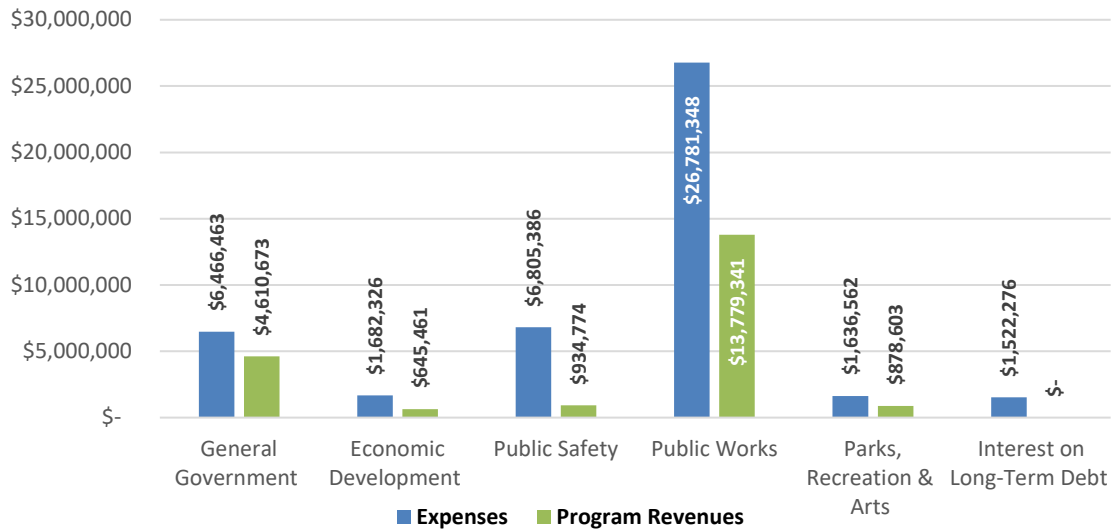
largely due to significant reimbursements from the County for a share of the cost of the highway 212/44 interchange project.

- The City's next largest source of revenue was property taxes at \$10,805,084 or 32.6 percent of total revenues. Property tax revenue increased \$675,086 from the prior year due to an increase in taxes levied.
- Charges for Services made up 22.0 percent of total revenue, which was very similar to the prior year. Charges for services were \$39,250 more than 2018.
- Capital Grants and Contributions were \$2,644,120, a decrease of \$5,307,227 from the prior year. This decrease is because the City did not receive any new developer donated infrastructure in 2019.
- Franchise taxes decreased \$3,824,071, largely due to the elimination of the Electric fund franchise fee. In lieu of this franchise fee, for years 2019 and forward, the City will make a transfer from the Electric fund to the General Fund. The increase in net transfers reflects this change.
- The total costs of all programs and services were \$44,894,361. The cost of providing street maintenance/construction makes up 59.7 percent of this total. This function increased \$16,692,435 from the prior year due to extensive construction and expansion projects in the south-west area that are not City-owned assets. The next largest expenses were in public safety and general government which account for 15.2 and 14.4 percent of the total, respectively.
- Economic Development expenses were \$2,669,723 less than the prior year as new redevelopment projects in Tax Increment Districts were mostly completed in 2018.
- Additional comparisons can be found in the accompanying graphs.

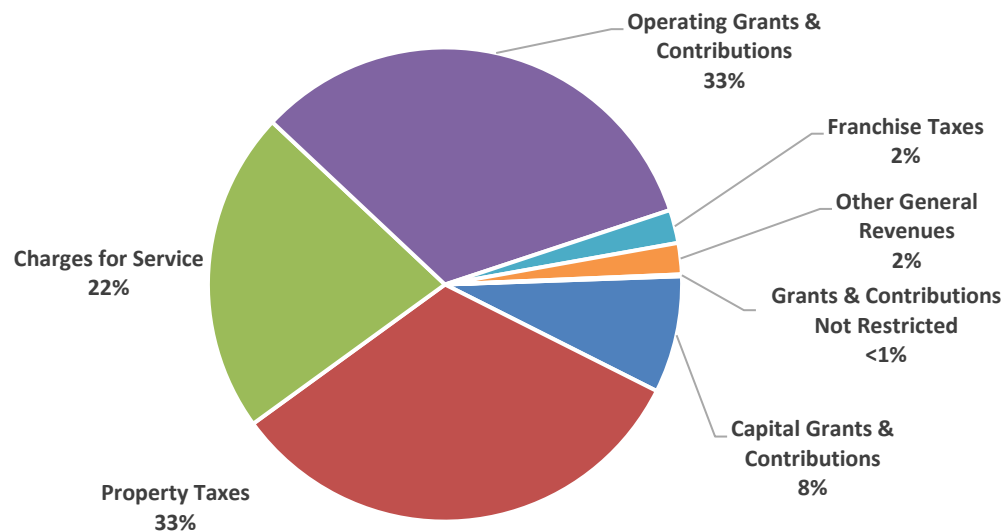
Business-type activities – Business-type Activities revenue increased \$1,212,982 from the prior year and expenses decreased \$2,882,710. Significant components of revenue and expenses include:

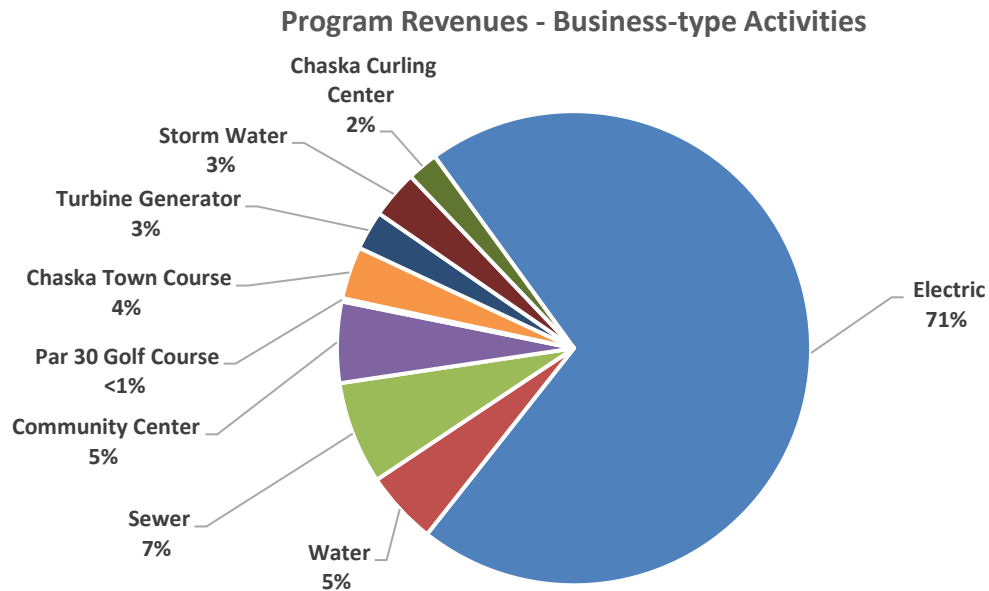
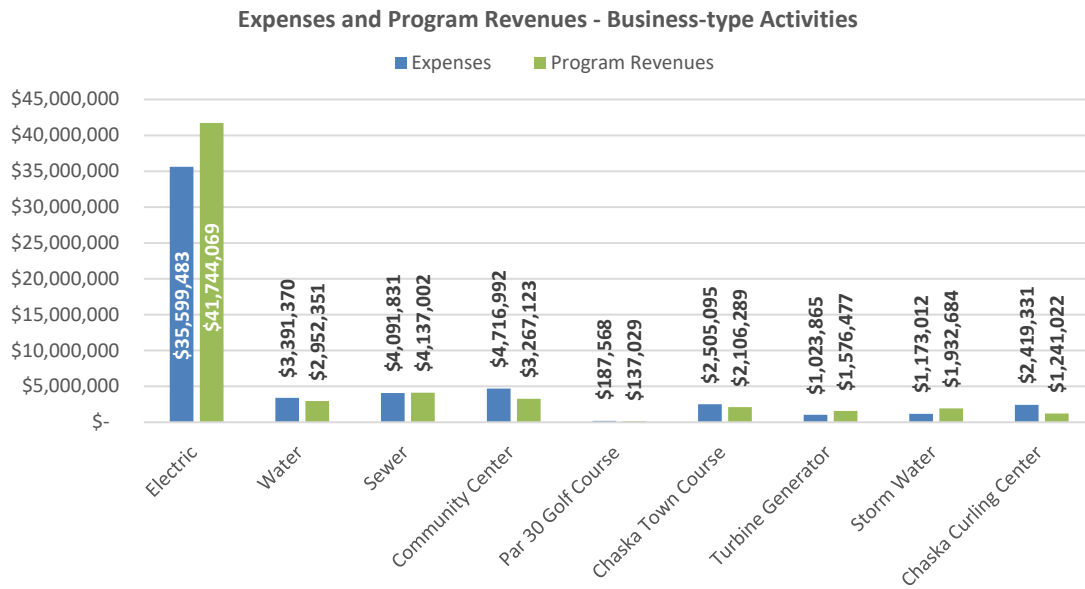
- Charges for services for business-type activities includes charges for Electric, Water, Sewer and Storm Water utilities. Also included in charges for services are Community Center, Par 30 golf course, Chaska Town Course golf course, Turbine Generator, and Chaska Curling Center operations.
- The Electric fund comprises about 71 percent of all business-type revenue and 65 percent of all business-type expenses.
- Charges for services were stable compared to the prior year, increasing \$589,022 or 1.0 percent from the prior year.
- Capital Grants and Contributions increased \$479,936. The City received grants this year for an electric substation and an environmental habitat project related to the storm water system.
- Electric fund expenses decreased \$3,296,940, largely due to the elimination of the franchise fee paid to the General Fund.
- Net transfers reflects the increase in transfers out of the Electric Fund.
- Additional comparisons can be found in the accompanying graphs.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities





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 \$18,883,796. Revenues for the City's governmental funds were \$34,281,279, while total expenditures were \$47,599,610. Intergovernmental revenue, property taxes, and charges for services were the most significant sources of revenue (84.1 percent) while capital outlay was the most significant expenditure (42.4 percent) followed by Public Works (14.5 percent) and Public Safety (13.7 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 \$777,426. Total fund balance decreased \$128,342 to \$1,910,861 as of December 31, 2019.

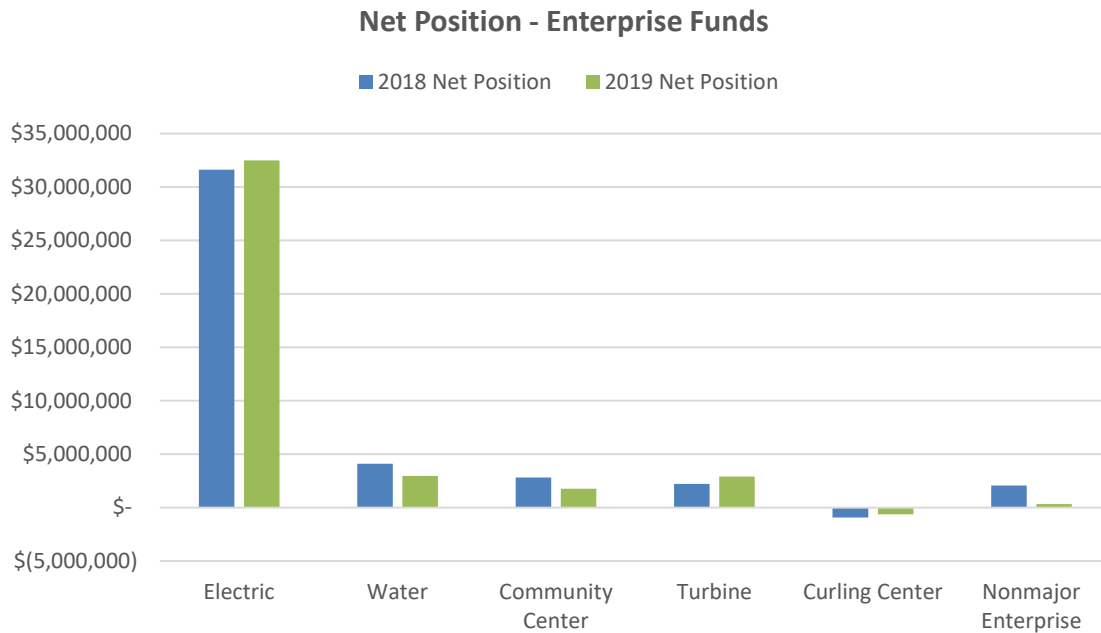
- For the year, total revenues and other financing sources were \$17,381,011 and total expenditures and other financing uses were \$17,509,353, resulting in a \$128,342 decrease in fund balance. Total revenues were \$4,418,930 less than total expenditures, due to lower than expected permit revenue and the elimination of the electric fund franchise fee. In lieu of the franchise fee the electric fund transferred \$3,927,340 to the General fund.
- The City has committed \$1,133,435 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 increased \$1,661,649 as of December 31, 2019 due to bonding and transfers from other funds to assist with project costs.

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 decreased \$2,045,888 to \$39,874,943. 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 funds and combined non-major funds between 2019 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 2019, the original budget was amended, decreasing revenues \$3,874,000, increasing expenditures \$45,000, and increasing other financing sources \$3,919,000. The original budget was amended to reflect the elimination of the electric franchise fee paid to the General fund and to reflect the activity of the closed Internet Service Provider fund into General fund. In lieu of the franchise fee, the Electric fund will make a transfer to the General fund. The Internet Service Provider fund closed as of the end of 2018.

The City's final budget for the General fund anticipated that revenues and other financing sources would be equal to expenditures and other financing uses. At year-end, revenues were \$455,194 less than the final budget, and expenditures were \$569,736 more than final budget. Other financing sources and uses were \$896,588 more than budget. For the year, the net change in fund balance was a decrease of \$128,342.

Budgetary variances – Revenues

- Total General Fund property taxes were \$5,697,923, slightly less than the final budget of \$5,711,506.
- Licenses and Permit revenue was \$499,420 under budget due a decrease in total building permits issued.

- Intergovernmental revenue surpassed the final budget by \$139,935. State training aid for Police and Fire comprised \$33,842 of the variance. The police department liaison program generated \$60,093 more than budget due to expanded service during the school year.
- Investment earnings were \$21,246 more than final budget due to better interest rates.

Budgetary variances - Expenditures

- General Government expenditures were \$394,487 over budget. Professional services and personnel services accounted for much of this variance as open positions were filled with outside services. A staffing study done early in the year resulted in adding staff prior to the end of the year that were not originally budgeted. Technology costs related to existing and new software systems were also higher than expected.
- Public Safety expenditures were \$32,880 more than the final budget. Higher costs for employee wages and benefits, training, and equipment were offset by savings on fuel, repairs, and insurance costs allocated to police and fire.
- Public Works expenditures were \$264,427 over budget related to personnel costs and higher than expected snow removal and utility costs.
- Parks, Recreation and Arts were under budget by \$124,277 due to administrative fees and insurance costs lower than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in capital asset table below, at the end of 2019, the City had \$257.2 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 51,583,265	\$ 51,583,265	\$ 1,231,421	\$ 1,231,421	\$ 52,814,686	\$ 52,814,686
Works of Art/Historical Treasures	105,027	105,027	-	-	105,027	105,027
Buildings	2,384,153	2,416,629	34,659,453	36,160,012	37,043,606	38,576,641
Other Improvements	11,327,233	11,966,322	945,333	1,081,052	12,272,566	13,047,374
Furniture & Equipment	3,882,498	4,080,492	4,700,857	5,088,132	8,583,355	9,168,624
Infrastructure	94,194,419	95,779,033	20,166,959	20,376,465	114,361,378	116,155,498
Construction in Progress	24,360,264	22,300,439	7,610,850	5,768,152	31,971,114	28,068,591
Total Capital Assets, Net of Depreciation	<u>\$ 187,836,859</u>	<u>\$ 188,231,207</u>	<u>\$ 69,314,873</u>	<u>\$ 69,705,234</u>	<u>\$ 257,151,732</u>	<u>\$ 257,936,441</u>

In 2019, Construction in Progress increased in both governmental activities and business-type activities.

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2019

- 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 sewer and storm water infrastructure projects.

Long-Term Debt

At year-end, the City had \$119.2 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 - Outstanding Debt						
(Does Not Include Premiums, Compensated Absences, Other Post-Employment Benefit or Net Pension Liabilities)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Equipment Certificates	\$ 3,480,000	\$ 2,505,000	\$ -	\$ -	\$ 3,480,000	\$ 2,505,000
General Obligation Bonds	1,590,000	1,880,000	17,220,000	15,100,000	18,810,000	16,980,000
General Obligation Tax Increment Bonds	3,210,000	1,125,000	-	-	3,210,000	1,125,000
General Obligation Abatement Bonds	620,000	630,000	-	-	620,000	630,000
General Obligation Improvement Bonds	33,595,000	29,405,000	-	-	33,595,000	29,405,000
General Obligation Revenue Bonds	645,000	720,000	-	-	645,000	720,000
Temporary General Obligation Bonds	5,205,000	-	-	-	5,205,000	-
Revenue Bonds	-	-	26,290,000	27,905,000	26,290,000	27,905,000
EDA Lease Revenue Bonds	9,270,000	9,545,000	17,835,000	19,145,000	27,105,000	28,690,000
Promissory Note Payable	83,696	96,139	-	-	83,696	96,139
Capital Lease Payable	12,878	-	101,541	145,571	114,419	145,571
Total	\$ 57,711,574	\$ 45,906,139	\$ 61,446,541	\$ 62,295,571	\$ 119,158,115	\$ 108,201,710

- During 2019, the City made principal payments of \$8,390,000 on outstanding bonds, \$12,443 on notes payable, and \$45,442 on capital leases.
- During the year, the City issued four new bonds, one temporary bond, and entered into a capital lease agreement for fitness equipment at the Fire department.

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 A2 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, 2019, the City's legal debt margin was \$58,062,399. 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 2020 budget. Specifically, six major economic issues were considered:

1. Market values across the community increased by an average of 9.14 percent. This will increase our overall property values in the community to \$3.2 billion, the highest level in our City's history. 1.35 percent of this change came from new construction with the rest being increased values on existing properties.
2. Based on State formulas, the City receives minimal Local Government Aid to help reduce our tax levy need. The amount the City is projected to receive in 2020 is \$14,171. In 2018, the City recaptured half of the \$250,000 lost annually from LGA reductions and has retained that amount in the 2020 budget.
3. Residential and commercial building permits in 2018 and 2019 were strong, but not as strong as they were in 2017. Much of this has to do with running out of room for additional commercial/industrial development and expansions. Because of that, we have reduced the amount we are budgeting towards building permit revenue by over \$300,000 in 2020. We do expect to see that increase once we have the new Industrial Park opened at the County Road 44/212 interchange.
4. The City continues to see an increase in population, with a steady increase in the number of residential units being built in the community. We expect the population of Chaska to be just over 28,000 in 2020.
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 electric fund transfers to the General fund.
6. The City expects to see a good balance of residential, commercial and industrial development occur in the City, especially now that the interchange is open at Highways 44/212 and additional property is becoming available for development.

The COVID-19 pandemic has caused significant volatility in economic conditions worldwide and has caused an economic downturn as several businesses have had to temporarily halt operations or scale back. In 2020, the City has temporarily closed certain operations, including the Community Center and Curling and Event Center. This situation will result in lower revenues, decreased demand for certain services, an increase in delinquencies or uncollectible accounts receivable, and increased expenses. The City will likely make amendments to its 2020 budget due to COVID-19.

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.

Government-Wide Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2019

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2019

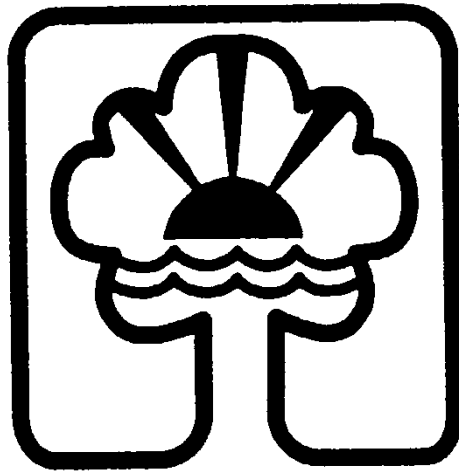
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash And Investments	\$ 20,387,071	\$ 5,075,807	\$ 25,462,878
Receivables:			
Taxes	161,488	-	161,488
Special Assessments	12,478,493	32,156	12,510,649
Accounts, Net Of Allowance	216,403	6,666,296	6,882,699
Interest	16,352	148,091	164,443
Leases	71,523	17,998,284	18,069,807
Notes	15,195	-	15,195
Internal Balances	3,194,779	(3,194,779)	-
Due From Other Governments	322,042	253,857	575,899
Inventories	-	2,012,965	2,012,965
Net Pension Asset	242,430	-	242,430
Restricted Assets:			
Cash And Investments For Operating And Maintenance	-	10,958,000	10,958,000
Cash With Escrow Agent - Debt Service	988,506	5,661,514	6,650,020
Capital Assets:			
Not Depreciated	76,048,556	8,842,271	84,890,827
Net Of Depreciation	111,788,303	60,472,602	172,260,905
TOTAL ASSETS	225,931,141	114,927,064	340,858,205
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan Deferments	4,356,357	396,098	4,752,455
OPEB Plan Deferments	27,156	11,501	38,657
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,383,513	407,599	4,791,112
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 230,314,654	\$ 115,334,663	\$ 345,649,317
LIABILITIES			
Accounts Payable	\$ 1,550,433	\$ 262,324	\$ 1,812,757
Salaries Payable	462,088	288,160	750,248
Deposits Payable	374,823	370,420	745,243
Accrued Interest Payable	682,996	609,525	1,292,521
Due To Other Governments	37,774	2,411,763	2,449,537
Unearned Revenue	1,836,497	774,575	2,611,072
Non-Current Liabilities:			
Due Within One Year	7,086,580	4,279,901	11,366,481
Due In More Than One Year	62,746,401	65,197,811	127,944,212
TOTAL LIABILITIES	74,777,592	74,194,479	148,972,071
DEFERRED INFLOWS OF RESOURCES			
Debt Refunding Deferments	-	407,286	407,286
Pension Plan Deferments	5,035,913	680,954	5,716,867
TOTAL DEFERRED INFLOWS OF RESOURCES	5,035,913	1,088,240	6,124,153
NET POSITION			
Net Investment in Capital Assets	143,383,394	32,618,078	176,001,472
Restricted for:			
Special Purposes	108,701	-	108,701
Capital Projects	2,297,970	-	2,297,970
Debt Service	14,399,553	16,407,157	30,806,710
Economic Development	1,504,942	-	1,504,942
Fire Relief Pensions	943,200	-	943,200
Unrestricted	(12,136,611)	(8,973,291)	(21,109,902)
TOTAL NET POSITION	150,501,149	40,051,944	190,553,093
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 230,314,654	\$ 115,334,663	\$ 345,649,317

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General Government	\$ 6,466,463	\$ 4,522,047	\$ 88,626	\$ -	\$ (1,855,790)	\$ -	\$ (1,855,790)
Economic Development	1,682,326	85,000	179,670	380,791	(1,036,865)	-	(1,036,865)
Public Safety	6,805,386	240,462	672,371	21,941	(5,870,612)	-	(5,870,612)
Public Works	26,781,348	1,794,876	9,955,511	2,028,954	(13,002,007)	-	(13,002,007)
Parks, Recreation And Arts	1,636,562	652,394	13,775	212,434	(757,959)	-	(757,959)
Interest On Long-Term Debt	1,522,276	-	-	-	(1,522,276)	-	(1,522,276)
Total Governmental Activities	44,894,361	7,294,779	10,909,953	2,644,120	(24,045,509)	-	(24,045,509)
Business-type Activities:							
Electric	35,599,483	41,203,336	2,386	538,347	-	6,144,586	6,144,586
Water	3,391,370	2,921,859	870	29,622	-	(439,019)	(439,019)
Sewer	4,091,831	4,136,124	134,699	-	-	178,992	178,992
Community Center	4,716,992	3,264,746	2,377	-	-	(1,449,869)	(1,449,869)
Par 30 Golf Course	187,568	136,903	126	-	-	(50,539)	(50,539)
Chaska Town Course	2,505,095	2,105,154	1,135	-	-	(398,806)	(398,806)
Turbine Generator	1,023,865	1,576,477	-	-	-	552,612	552,612
Storm Water	1,173,012	1,688,118	345	110,400	-	625,851	625,851
Chaska Curling Center	2,419,331	1,240,291	731	-	-	(1,178,309)	(1,178,309)
Total Business-type Activities	55,108,547	58,273,008	142,669	678,369	-	3,985,499	3,985,499
TOTAL	\$ 100,002,908	\$ 65,567,787	\$ 11,052,622	\$ 3,322,489	(24,045,509)	3,985,499	(20,060,010)
General Revenues:							
Property Taxes					10,805,084	-	10,805,084
Franchise Taxes					752,914	-	752,914
Grants & Contributions Not Restricted to Specific Functions					42,379	283	42,662
Investment Earnings					428,710	407,297	836,007
Other					277,822	138,006	415,828
Transfers					6,649,355	(6,649,355)	-
Total General Revenues & Transfers					18,956,264	(6,103,769)	12,852,495
Change in Net Position					(5,089,245)	(2,118,270)	(7,207,515)
Net Position - Beginning					155,590,394	42,170,214	197,760,608
Net Position - Ending					\$ 150,501,149	\$ 40,051,944	\$ 190,553,093

The notes to the financial statements are an integral part of this statement.



CHASKA

Governmental Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2019

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 2,490,895	\$ -	\$ 17,297,185	\$ 19,788,080
Cash With Escrow Agent	-	-	988,506	988,506
Receivables:				
Taxes	113,252	-	48,236	161,488
Special Assessments	-	508,848	11,969,645	12,478,493
Accounts, Net of Allowance	198,590	-	17,813	216,403
Interest	2,284	-	7,264	9,548
Lease	-	-	71,523	71,523
Notes	-	-	15,195	15,195
Due From Other Funds	-	-	5,777,324	5,777,324
Due From Other Governments	62,654	259,388	-	322,042
Interfund Receivable	-	-	313,952	313,952
Advance To Other Funds	-	-	1,918,756	1,918,756
TOTAL ASSETS	\$ 2,867,675	\$ 768,236	\$ 38,425,399	\$ 42,061,310
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 115,707	\$ 957,270	\$ 477,097	\$ 1,550,074
Salaries Payable	462,088	-	-	462,088
Deposits Payable	308,872	43,413	22,538	374,823
Due To Other Funds	-	4,553,266	1,224,058	5,777,324
Due To Other Governments	31,989	5,658	-	37,647
Interfund Payable	-	-	110,713	110,713
Advance From Other Funds	-	-	2,250,215	2,250,215
Unearned Revenue	-	-	1,836,497	1,836,497
TOTAL LIABILITIES	918,656	5,559,607	5,921,118	12,399,381
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	38,158	-	24,438	62,596
Unavailable Revenue - Special Assessments	-	508,848	10,119,971	10,628,819
Unavailable Revenue - Notes Receivable	-	-	15,195	15,195
Unavailable Revenue - Lease Receivable	-	-	71,523	71,523
TOTAL DEFERRED INFLOWS OF RESOURCES	38,158	508,848	10,231,127	10,778,133
FUND BALANCES:				
Restricted	-	509,838	13,037,083	13,546,921
Committed	1,133,435	186,282	4,301,663	5,621,380
Assigned	-	-	8,511,304	8,511,304
Unassigned	777,426	(5,996,339)	(3,576,896)	(8,795,809)
TOTAL FUND BALANCES	1,910,861	(5,300,219)	22,273,154	18,883,796
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,867,675	\$ 768,236	\$ 38,425,399	\$ 42,061,310

The notes to the financial statements are an integral part of this statement.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total fund balances - governmental funds \$ 18,883,796

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	284,739,580
Less: Accumulated Depreciation	(96,902,721)

Due to availability, certain revenues are not recognized under the governmental fund statements until received; however, under full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received.

Delinquent Taxes	62,596
Special Assessments	10,628,819
Notes Receivable	15,195
Leases Receivable	71,523

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	4,356,357
Deferred Inflows - Pension Plan Deferments	(5,035,913)
Deferred Outflows - OPEB Plan Deferments	27,156

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.

4,105,309

Internal balances from business-type activities for internal service fund services. (177,001)

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. (682,996)

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	(7,086,580)
Due in more than one year	(62,746,401)

Net position of governmental activities \$ 150,501,149

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, 2019

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Property	\$ 5,697,923	\$ -	\$ 5,099,910	\$ 10,797,833
Franchise	752,914	-	-	752,914
Licenses And Permits	910,342	-	-	910,342
Intergovernmental	795,598	9,910,984	1,040,516	11,747,098
Charges For Services	4,140,543	-	2,158,722	6,299,265
Fines And Forfeitures	64,114	-	8,342	72,456
Special Assessments	-	162,920	2,372,673	2,535,593
Investment Earnings (Charges)	43,246	(152,460)	406,936	297,722
Other Revenue	160,743	7,200	700,113	868,056
TOTAL REVENUES	12,565,423	9,928,644	11,787,212	34,281,279
EXPENDITURES				
CURRENT:				
General Government	5,847,504	-	139,469	5,986,973
Economic Development	-	-	1,590,071	1,590,071
Public Safety	6,459,160	-	39,519	6,498,679
Public Works	3,724,981	2,271,479	926,233	6,922,693
Parks, Recreation And Arts	950,489	-	102,286	1,052,775
DEBT SERVICE:				
Principal	1,412	-	3,322,443	3,323,855
Interest	582	-	1,717,497	1,718,079
Issuance Costs And Fiscal Agent Fees	225	69,821	248,982	319,028
CAPITAL OUTLAY	-	17,031,438	3,156,019	20,187,457
TOTAL EXPENDITURES	16,984,353	19,372,738	11,242,519	47,599,610
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,418,930)	(9,444,094)	544,693	(13,318,331)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,801,298	4,051,916	8,904,992	17,758,206
Transfers Out	(525,000)	(68,286)	(9,489,100)	(10,082,386)
Bonds Issued	-	7,039,650	7,695,350	14,735,000
Refunding Bonds Issued	-	-	1,740,000	1,740,000
Premium on Bonds Issued	-	82,463	933,344	1,015,807
Capital Lease Issued	14,290	-	-	14,290
Payment to Refunding Bond Escrow Agent	-	-	(1,360,000)	(1,360,000)
TOTAL OTHER FINANCING SOURCES (USES)	4,290,588	11,105,743	8,424,586	23,820,917
NET CHANGE IN FUND BALANCES	(128,342)	1,661,649	8,969,279	10,502,586
FUND BALANCES, JANUARY 1	2,039,203	(6,961,868)	13,303,875	8,381,210
FUND BALANCES, DECEMBER 31	\$ 1,910,861	\$ (5,300,219)	\$ 22,273,154	\$ 18,883,796

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

**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, 2019**

Total net change in fund balances - governmental funds	\$ 10,502,586
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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	6,758,755
Less: Depreciation Expense	(7,129,405)
Net Book Value of assets sold or disposed	(23,698)

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	7,251
Special Assessments	(1,343,075)
Notes Receivable	(11,400)
Leases Receivable	(27,860)

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)	(20,267,285)
Reductions to long-term liabilities (decreases governmental fund balances)	7,036,274

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.

Deferred Outflows - Pension Plan Deferments	(764,763)
Deferred Inflows - Pension Plan Deferments	1,325,739
Deferred Outflows - OPEB Deferments	12,059

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 recognized as the interest accrues, regardless of when it is due.	(6,607)
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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.	(1,230,198)
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Internal service fund profit allocated to business-type activities.	<u>72,382</u>
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Change in net position - governmental activities	<u>\$ (5,089,245)</u>
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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, 2019**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>				
Taxes:				
Property	\$ 5,711,506	\$ 5,711,506	\$ 5,697,923	\$ (13,583)
Franchise	4,711,400	792,400	752,914	(39,486)
Licenses And Permits	1,409,762	1,409,762	910,342	(499,420)
Intergovernmental	655,663	655,663	795,598	139,935
Charges For Services	4,213,511	4,213,511	4,140,543	(72,968)
Fines And Forfeitures	121,845	121,845	64,114	(57,731)
Investment Earnings	22,000	22,000	43,246	21,246
Other Revenue	48,930	93,930	160,743	66,813
TOTAL REVENUES	16,894,617	13,020,617	12,565,423	(455,194)
<u>EXPENDITURES:</u>				
Current:				
General Government	5,408,017	5,453,017	5,847,504	(394,487)
Public Safety	6,426,280	6,426,280	6,459,160	(32,880)
Public Works	3,460,554	3,460,554	3,724,981	(264,427)
Parks, Recreation And Arts	1,074,766	1,074,766	950,489	124,277
Debt Service:				
Principal	-	-	1,412	(1,412)
Interest	-	-	582	(582)
Cost of Issuance	-	-	225	(225)
TOTAL EXPENDITURES	16,369,617	16,414,617	16,984,353	(569,736)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	525,000	(3,394,000)	(4,418,930)	(1,024,930)
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	-	3,919,000	4,801,298	882,298
Transfers Out	(525,000)	(525,000)	(525,000)	-
Capital Lease Issued	-	-	14,290	14,290
TOTAL OTHER FINANCING SOURCES (USES)	(525,000)	3,394,000	4,290,588	896,588
NET CHANGE IN FUND BALANCES	-	-	(128,342)	(128,342)
FUND BALANCES, January 1	2,039,203	2,039,203	2,039,203	-
FUND BALANCES, December 31	\$ 2,039,203	\$ 2,039,203	\$ 1,910,861	\$ (128,342)

The notes to the financial statements are an integral part of this statement.

Proprietary Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2019

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	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	\$ 1,263,162	\$ 851,593	\$ 1,400	\$ 1,192,460	\$ 50	\$ 1,767,142	\$ 5,075,807	\$ 598,991
Restricted Assets:								
Cash And Investments For Operating And Maintenance	10,958,000	-	-	-	-	-	10,958,000	-
Cash And Investments For Debt Service	181,547	-	167	953,703	4,374	-	1,139,791	-
Receivables:								
Special Assessments	-	-	-	-	-	32,156	32,156	-
Accounts:								
Current	3,089,949	217,846	143,130	-	62,907	450,129	3,963,961	-
Unbilled	2,467,485	116,302	-	-	-	231,128	2,814,915	-
Allowance For Uncollectible Accounts	(91,604)	(6,475)	(245)	-	(944)	(13,312)	(112,580)	-
Interest	10,213	3,519	-	132,382	-	1,977	148,091	6,804
Due From Other Funds	-	2,268,816	-	-	-	1,439,807	3,708,623	3,500,000
Due From Other Governments	250,354	2,508	995	-	-	-	253,857	-
Interfund Receivable	-	-	-	54,675	-	-	54,675	-
Lease Receivable	-	-	-	983,683	-	-	983,683	-
Inventories	1,776,151	161,243	-	-	-	75,571	2,012,965	-
Total Current Assets	19,905,257	3,615,352	145,447	3,316,903	66,387	3,984,598	31,033,944	4,105,795
Noncurrent Assets:								
Restricted Cash And Investments	743,148	-	272,099	2,083,000	1,423,476	-	4,521,723	-
Lease Receivable	-	-	-	17,014,601	-	-	17,014,601	-
Advance To Other Funds	2,250,215	-	-	765,596	-	-	3,015,811	-
Capital Assets:								
Land	778,843	222,130	90,466	-	-	139,982	1,231,421	-
Buildings	4,774,312	17,255,218	25,931,682	-	17,040,442	8,380,433	73,382,087	-
Other Improvements	-	1,271,864	546,340	-	-	387,171	2,205,375	-
Furniture And Equipment	1,986,877	751,611	2,516,288	-	1,866,701	3,717,598	10,839,075	-
Infrastructure	27,965,564	5,340,455	-	-	-	4,025,938	37,331,957	-
Construction In Progress	6,918,384	12,901	-	-	-	679,565	7,610,850	-
Less: Accumulated Depreciation	(18,417,758)	(13,580,909)	(18,249,244)	-	(2,010,964)	(11,027,017)	(63,285,892)	-
Total Net Capital Assets	24,006,222	11,273,270	10,835,532	-	16,896,179	6,303,670	69,314,873	-
Total Noncurrent Assets	26,999,585	11,273,270	11,107,631	19,863,197	18,319,655	6,303,670	93,867,008	-
TOTAL ASSETS	46,904,842	14,888,622	11,253,078	23,180,100	18,386,042	10,288,268	124,900,952	4,105,795
DEFERRED OUTFLOWS OF RESOURCES								
Pension Plan Deferments	106,800	38,935	106,412	-	32,730	111,221	396,098	-
OPEB Plan Deferments	5,034	919	1,773	-	304	3,471	11,501	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	111,834	39,854	108,185	-	33,034	114,692	407,599	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 47,016,676	\$ 14,928,476	\$ 11,361,263	\$ 23,180,100	\$ 18,419,076	\$ 10,402,960	\$ 125,308,551	\$ 4,105,795
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 84,090	\$ 39,225	\$ 61,602	\$ -	\$ 8,466	\$ 68,941	\$ 262,324	\$ 359
Salaries Payable	78,953	26,692	92,286	-	27,538	62,691	288,160	-
Deposits Payable	153,272	1,750	60,702	-	6,932	147,764	370,420	-
Compensated Absences	156,657	42,323	97,040	-	16,804	100,065	412,889	-
Accrued Interest Payable	73,887	43,415	12,836	215,563	202,095	61,729	609,525	-
Due To Other Funds	-	-	2,268,816	-	4,769,628	170,179	7,208,623	-
Due To Other Governments	2,280,878	16,909	11,419	62,721	1,131	38,705	2,411,763	127
Interfund Payable	54,675	13,783	29,524	-	-	159,932	257,914	-
Revenue Bonds Payable	430,000	625,000	340,000	1,220,000	1,000,000	205,000	3,820,000	-
Capital Lease Payable	-	-	47,012	-	-	-	47,012	-
Unearned Revenue	-	-	365,983	-	217,688	190,904	774,575	-
Total Current Liabilities	3,312,412	809,097	3,387,220	1,498,284	6,250,282	1,205,910	16,463,205	486
Noncurrent Liabilities:								
Compensated Absences	95,912	10,044	69,687	-	25,173	56,609	257,425	-
Advance From Other Funds	765,596	117,587	613,163	-	-	1,188,006	2,684,352	-
Revenue Bonds Payable	8,965,256	10,543,336	4,197,300	18,374,281	12,380,000	6,233,910	60,694,083	-
Capital Lease Payable	-	-	54,529	-	-	-	54,529	-
Other Post Employment Benefits	171,251	31,254	60,319	-	10,351	118,107	391,282	-
Net Pension Liability	1,024,726	373,575	1,021,006	-	314,041	1,067,144	3,800,492	-
Total Noncurrent Liabilities	11,022,741	11,075,796	6,016,004	18,374,281	12,729,565	8,663,776	67,882,163	-
TOTAL LIABILITIES	14,335,153	11,884,893	9,403,224	19,872,565	18,979,847	9,869,686	84,345,368	486
DEFERRED INFLOWS OF RESOURCES								
Debt Refunding Deferments	-	-	-	407,286	-	-	407,286	-
Pension Plan Deferments	183,606	66,935	182,939	-	56,268	191,206	680,954	-
TOTAL DEFERRED INFLOWS OF RESOURCES	183,606	66,935	182,939	407,286	56,268	191,206	1,088,240	-
NET POSITION								
Net Investment In Capital Assets	15,490,522	2,086,391	6,298,232	-	3,516,179	5,226,754	32,618,078	-
Restricted For Debt Service	11,882,695	-	272,266	2,824,346	1,427,850	-	16,407,157	-
Unrestricted	5,124,700	890,257	(4,795,398)	75,903	(5,561,068)	(4,884,686)	(9,150,292)	4,105,309
TOTAL NET POSITION	32,497,917	2,976,648	1,775,100	2,900,249	(617,039)	342,068	39,874,943	4,105,309
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 47,016,676	\$ 14,928,476	\$ 11,361,263	\$ 23,180,100	\$ 18,419,076	\$ 10,402,960	125,308,551	\$ 4,105,795
Net position - total enterprise funds							39,874,943	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							177,001	
Net position of business-type activities							\$ 40,051,944	

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FOR THE YEAR ENDED DECEMBER 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
OPERATING REVENUES:								
Sales	\$ 41,203,336	\$ 2,921,859	\$ 3,264,746	\$ 1,576,477	\$ 1,240,291	\$ 8,066,299	\$ 58,273,008	\$ 332,134
OPERATING EXPENSES:								
Production	28,292,977	494,554	-	-	-	2,453,778	31,241,309	-
Distribution / Collections	2,646,014	892,223	-	-	-	1,081,722	4,619,959	-
Administration	3,119,557	794,911	3,786,406	389,787	1,295,609	3,425,090	12,811,360	735,533
Depreciation	1,180,170	819,733	748,506	-	628,588	753,467	4,130,464	-
TOTAL OPERATING EXPENSES	35,238,718	3,001,421	4,534,912	389,787	1,924,197	7,714,057	52,803,092	735,533
OPERATING INCOME (LOSS)	5,964,618	(79,562)	(1,270,166)	1,186,690	(683,906)	352,242	5,469,916	(403,399)
NON-OPERATING REVENUES:								
Investment Earnings (Charges)	362,224	77,786	(48,929)	80,811	(106,919)	42,324	407,297	130,988
Intergovernmental	2,628	870	2,377	-	731	136,346	142,952	-
Payments	-	-	-	52,659	-	-	52,659	-
Miscellaneous Refunds	-	85,347	-	-	-	-	85,347	68,678
TOTAL NON-OPERATING REVENUES	364,852	164,003	(46,552)	133,470	(106,188)	178,670	688,255	199,666
NON-OPERATING EXPENSES:								
Interest	338,566	355,201	158,859	629,578	486,765	169,305	2,138,274	-
Issuance Costs And Fiscal Agent Fees	450	26,858	3,000	4,500	3,200	54,450	92,458	-
Loss On Sale Of Capital Assets	-	-	2,341	-	-	-	2,341	-
TOTAL NON-OPERATING EXPENSES	339,016	382,059	164,200	634,078	489,965	223,755	2,233,073	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,990,454	(297,618)	(1,480,918)	686,082	(1,280,059)	307,157	3,925,098	(203,733)
CAPITAL CONTRIBUTIONS	538,347	29,622	-	-	-	110,400	678,369	-
TRANSFERS IN (OUT):								
Transfers In	-	596,000	432,000	-	1,590,287	313,826	2,932,113	-
Transfers Out	(5,671,340)	(1,458,905)	-	-	-	(2,451,223)	(9,581,468)	(1,026,465)
TOTAL TRANSFERS IN (OUT)	(5,671,340)	(862,905)	432,000	-	1,590,287	(2,137,397)	(6,649,355)	(1,026,465)
CHANGE IN NET POSITION	857,461	(1,130,901)	(1,048,918)	686,082	310,228	(1,719,840)	(2,045,888)	(1,230,198)
NET POSITION, JANUARY 1	31,640,456	4,107,549	2,824,018	2,214,167	(927,267)	2,061,908	41,920,831	5,335,507
NET POSITION, DECEMBER 31	\$ 32,497,917	\$ 2,976,648	\$ 1,775,100	\$ 2,900,249	\$ (617,039)	\$ 342,068	39,874,943	\$ 4,105,309
Change in net position - total enterprise funds							\$ (2,045,888)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(72,382)	
Change in net position - business-type activities							\$ (2,118,270)	

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, 2019

	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	\$ 41,452,753	\$ 2,981,664	\$ 3,303,061	\$ 1,576,477	\$ 1,193,349	\$ 8,153,999	\$ 58,661,303	\$ 332,134
Payments To Suppliers	(32,520,059)	(1,458,756)	(1,619,046)	(417,623)	(640,367)	(4,746,419)	(41,402,270)	(735,047)
Payments To Employees	(1,802,756)	(664,422)	(2,183,906)	-	(610,375)	(2,161,129)	(7,422,588)	68,678
Net Cash Provided (Used) By Operating Activities	7,129,938	858,486	(499,891)	1,158,854	(57,393)	1,246,451	9,836,445	(334,235)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
Transfers From Other Funds	-	596,000	432,000	-	1,590,287	313,826	2,932,113	-
Transfers To Other Funds	(5,671,340)	(1,458,905)	-	-	-	(2,451,223)	(9,581,468)	(1,026,465)
Due From Other Funds	850,000	(218,816)	-	515,000	-	(79,459)	1,066,725	1,630,000
Due To Other Funds	-	-	53,816	-	49,628	70,179	173,623	-
Interfund Loans To Other Funds	(49,005)	-	-	51,560	-	-	2,555	-
Interest Payments On Interfund Loans	-	-	-	52,659	-	-	52,659	-
Intergovernmental	2,628	870	2,377	-	731	136,346	142,952	-
Net Cash Provided (Used) By Non-Capital Financing Activities	(4,867,717)	(1,080,851)	488,193	619,219	1,640,646	(2,010,331)	(5,210,841)	603,535
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Proceeds From Revenue Bonds	-	1,007,638	-	-	-	2,034,977	3,042,615	-
Capital Contributions	538,347	29,622	-	-	-	110,400	678,369	-
Principal Paid On Bonds	(420,000)	(594,000)	(330,000)	(1,195,000)	(980,000)	(201,000)	(3,720,000)	-
Principal Paid on Capital Leases	-	-	(44,030)	-	-	-	(44,030)	-
Interest And Fiscal Charges	(309,595)	(389,289)	(172,049)	(890,650)	(498,646)	(184,433)	(2,444,662)	-
Construction And Acquisition of Capital Assets	(2,802,959)	(195,691)	(40,425)	-	-	(703,369)	(3,742,444)	-
Lease Payments Received	-	-	-	909,284	-	-	909,284	-
Interfund Loan Payments To Other Funds	(51,560)	(11,630)	642,687	-	-	211,589	791,086	-
Interest Payments On Interfund Loans	(52,659)	(6,859)	-	-	-	(37,466)	(96,984)	-
Net Cash Provided (Used) By Capital And Related Financing Activities	(3,098,426)	(160,209)	56,183	(1,176,366)	(1,478,646)	1,230,698	(4,626,766)	-
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest (Charges) On Investments	361,092	76,858	(48,929)	83,246	(106,919)	41,530	406,878	130,207
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS								
	(475,113)	(305,716)	(4,444)	684,953	(2,312)	508,348	405,716	399,507
CASH AND CASH EQUIVALENTS, January 1								
	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, December 31								
	\$ 13,145,857	\$ 851,593	\$ 273,666	\$ 4,229,163	\$ 1,427,900	\$ 1,767,142	\$ 21,695,321	\$ 598,991
CASH AND CASH EQUIVALENTS:								
Cash And Investments	\$ 1,263,162	\$ 851,593	\$ 1,400	\$ 1,192,460	\$ 50	\$ 1,767,142	\$ 5,075,807	\$ 598,991
Restricted Assets-Revenue Bonds:								
Cash And Investments	11,882,695	-	272,266	3,036,703	1,427,850	-	16,619,514	-
Total Cash And Cash Equivalents	\$ 13,145,857	\$ 851,593	\$ 273,666	\$ 4,229,163	\$ 1,427,900	\$ 1,767,142	\$ 21,695,321	\$ 598,991
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating Income (Loss)								
	\$ 5,964,618	\$ (79,562)	\$ (1,270,166)	\$ 1,186,690	\$ (683,906)	\$ 352,242	\$ 5,469,916	\$ (403,399)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:								
Depreciation Expense	1,180,170	819,733	748,506	-	628,588	753,467	4,130,464	-
Allowance For Uncollectible Accounts	36,970	3,516	(24)	-	287	5,959	46,708	-
Miscellaneous Receipts	-	85,347	-	-	-	-	85,347	68,678
(Increase) Decrease In Assets And Deferred Outflows:								
Special Assessments	-	-	-	-	-	9,532	9,532	-
Accounts Receivable	424,854	(25,773)	2,864	-	(19,125)	7,110	389,930	-
Due From Other Governments	(222,925)	(35)	(995)	-	-	27,876	(196,079)	-
Inventory	72,984	7,839	-	-	-	(14,385)	66,438	-
Deferred Outflows	106,243	32,417	93,728	-	24,543	102,517	359,448	-
Increase (Decrease) In Liabilities And Deferred Inflows:								
Accounts Payable	(219,863)	8,881	(92,779)	-	1,834	35,831	(266,096)	359
Salaries Payable	18,035	4,765	14,245	-	1,652	5,493	44,190	-
Deposits Payable	10,518	(3,250)	(48,343)	-	(9,068)	41,361	(8,782)	-
Compensated Absences Payable	38,315	9,977	47,222	-	7,847	4,913	108,274	-
Net Pension Liability	(77,858)	6,047	(8,072)	-	20,019	(35,440)	(95,304)	-
Due To Other Governments	(129,440)	12,010	(508)	(27,836)	(447)	33,858	(112,363)	127
Unearned Revenue	-	-	84,813	-	(19,036)	(4,138)	61,639	-
Other Post Employment Benefits	17,054	753	1,799	-	6,043	2,392	28,041	-
Deferred Inflows - Pensions	(89,737)	(24,179)	(72,181)	-	(16,624)	(82,137)	(284,858)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
	\$ 7,129,938	\$ 858,486	\$ (499,891)	\$ 1,158,854	\$ (57,393)	\$ 1,246,451	\$ 9,836,445	\$ (334,235)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:								
Amortization Of Bond Premiums	\$ 19,838	\$ 16,576	\$ 9,626	\$ 213,571	\$ -	\$ 4,813	\$ 264,424	\$ -
Amortization Of Gain On Refunding	\$ -	\$ -	\$ -	\$ 37,026	\$ -	\$ -	\$ 37,026	\$ -

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 services such as, public safety, highways and streets, culture-recreation, public improvements, planning and zoning and general administration. The City operates electric, water, sewer and storm water utilities in addition to a community center, two golf courses, a gas turbine generator and a curling and event center.

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 (Statement of Net Position and Statement of Activities) report information based on the City as a whole. 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 Governmental funds and Proprietary funds. 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 improvement projects.

The City reports the following major proprietary funds:

- **Electric Fund** – This fund accounts for the activities of the City’s Electric Utility operations.
- **Water Fund** – This fund accounts for the activities of the City’s Water Utility operations.
- **Community Center Fund** – This fund accounts for activities of the Chaska Community Center operations.
- **Turbine Generator Fund** – This fund accounts for the activities of the City’s Turbine Generator Utility operations.

- **Curling Center Fund** – This fund accounts for the activities of the City’s Curling and Event Center operations.

Additionally, the City reports the following fund type:

- **Internal Service Fund** – 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.

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.

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 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 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 non-major 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 20 each year. 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 benefiting properties for the assessable costs of special assessment improvement projects in accordance with state statutes. The City usually adopts assessment rolls before an improvement contract is awarded. 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 assessments receivable at December 31, 2019 totaled \$28,872.

- **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, 2019, the allowance for uncollectible accounts is \$113,906.

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 proprietary 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	\$10,000
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's policy permits employees to accumulate earned, but unused personal, vacation, sick leave 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 Statements 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 Statements 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 and deferred outflows of resources less 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 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 and deferred outflows of resources less 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.

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.

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 (asset), 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 (asset), 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 reported using a one year look-back period. Investments are reported at fair value.

S) Change in Accounting Principle

During the year ended December 31, 2019, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which establishes new criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by accounting for the use of certain own-source revenues in the City's newly established Police Forfeitures and Evidence Special Revenue Fund and its governmental activities, rather than in a fiduciary (agency) fund as it has in the past. The Builders Deposit and Developers funds have been incorporated into the appropriate departments within the General Fund and the Metropolitan Council Environmental Services Collection fund is now included in the Sewer fund activity. This change in accounting principle did not require the restatement of beginning net position or fund balances.

Note 2 Compliance and Accountability

A) Budget

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annually appropriated budgets are adopted for the General Fund, two Special Revenue Funds: Mount Pleasant Maintenance and Care Fund and Chaska EDA Fund, and one Capital Project Fund: Equipment Acquisition Fund. Budgeted amounts are as originally adopted and as amended by the City Council.

The City follows these procedures in establishing and monitoring the annual budget:

1. Prior to September 30 each year, the City Administrator submits to the City Council a proposed operating budget for the year commencing the following January 1.
2. Public hearings are held to obtain public comments.
3. The budget is legally enacted by resolution after obtaining public comments.
4. 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.
5. 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.
6. Unused budgeted expenditure appropriations lapse at year-end.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

7. Annual appropriated budgets are not adopted for Debt Service Funds because budgetary control is achieved through bond indenture provisions. Budgetary control for other Capital Project Funds is accomplished through project controls, so budgets are not adopted.

B) Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, expenditures exceeded appropriations in the General fund by \$569,736, and the Chaska EDA Special Revenue fund by \$94,176. Variances in the General fund were offset by transfers into the fund, and the Chaska EDA variance was offset with higher than expected revenue.

C) Nonmajor Funds with Negative Equity

The following nonmajor funds maintained a deficit fund balance/net position at December 31, 2019:

Special Revenue Fund	
Chaska EDA	\$ 994,997
Capital Project Funds	
Permanent Improvement Revolving/Storm Water	\$ 229,131
TIF Dist #14 - Downtown Redevelopment	2,049,557
TIF Dist #17 - Chaska Preserve	143,561
TIF Dist #20 - Brewery Project	24,336
TIF Dist #21 - Hot Spot Project	58,902
TIF Dist #22 - Ernst House Project	26,649
Enterprise Funds	
Sewer	\$ 1,128,645
Par 30 Golf	243,726

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 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 Sewer fund is related to capital projects for infrastructure improvements, and Par 30 Golf is from ongoing operations. Revenue from future operations is expected to eliminate these deficits.

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".

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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	\$25,462,878
Restricted Cash and Investments	17,608,020
Total Cash and Investments	<u>\$43,070,898</u>

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 – In the case of deposits, this 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 \$2,877,740, while the balance on the bank records was \$3,279,958. At December 31, 2019, 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:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	More than 5	
U.S. Government Agencies	AA+	S&P	Level 2	\$ -	\$ 3,742,640	\$ -	\$ 3,742,640
State and Local Bonds	AA	S&P	Level 2	500,630	-	-	500,630
Commercial Paper	A-1	S&P	Level 2	2,688,452	-	-	2,688,452
Investments in Mutual Funds & Money Markets							
First American Treasury Obligations	AAA	S&P	Level 2	N/A	N/A	N/A	169
100% Treasury MM Fund	AAA	S&P	Level 1	N/A	N/A	N/A	3,270,782
Minnesota Municipal MM Fund	N/R	N/R	N/A	N/A	N/A	N/A	29,986,342
Total Investments:				<u>\$ 3,189,082</u>	<u>\$ 3,742,640</u>	<u>\$ -</u>	<u>40,189,015</u>
Total Deposits							2,877,740
Petty Cash and Change Funds							4,143
Total Deposits and Investments							<u>\$ 43,070,898</u>

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 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; 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.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2019

At year-end, the City had more than 5.0 percent of its investments in the following:

<u>Issuer</u>	<u>Percent</u>	<u>Amount</u>
Federal Home Loan Banks	8.07%	\$ 3,242,785
U.S. Bank National Association Commercial Paper	6.69%	2,688,452

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, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass & Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 51,583,265	\$ -	\$ -	\$ -	\$ 51,583,265
Works of Art/Treasures	105,027	-	-	-	105,027
Construction In Progress	22,300,439	5,964,183	-	(3,904,358)	24,360,264
Total capital assets, not being depreciated:	73,988,731	5,964,183	-	(3,904,358)	76,048,556
Capital assets, being depreciated:					
Buildings	10,000,938	194,973	-	-	10,195,911
Other Improvements	20,750,504	12,240	-	-	20,762,744
Furniture & Equipment	11,176,667	543,691	(107,449)	35,541	11,648,450
Infrastructure	162,135,893	43,668	-	3,904,358	166,083,919
Total capital assets being depreciated:	204,064,002	794,572	(107,449)	3,939,899	208,691,024
Less accumulated depreciation for:					
Buildings	(7,584,309)	(227,449)	-	-	(7,811,758)
Other Improvements	(8,784,182)	(651,329)	-	-	(9,435,511)
Furniture & Equipment	(7,096,175)	(717,987)	83,751	(35,541)	(7,765,952)
Infrastructure	(66,356,860)	(5,532,640)	-	-	(71,889,500)
Total accumulated depreciation:	(89,821,526)	(7,129,405)	83,751	(35,541)	(96,902,721)
Total capital assets, being depreciated, net:	114,242,476	(6,334,833)	(23,698)	3,904,358	111,788,303
Governmental activities capital assets, net:	<u>\$ 188,231,207</u>	<u>\$ (370,650)</u>	<u>\$ (23,698)</u>	<u>\$ -</u>	<u>\$ 187,836,859</u>

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2019

	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	5,768,152	2,735,448	-	(892,750)	7,610,850
Total capital assets, not being depreciated:	6,999,573	2,735,448	-	(892,750)	8,842,271
Capital assets, being depreciated:					
Buildings	72,722,135	40,425	-	619,527	73,382,087
Other Improvements	2,205,375	-	-	-	2,205,375
Furniture & Equipment	10,854,692	194,982	(175,058)	(35,541)	10,839,075
Infrastructure	36,287,145	771,589	-	273,223	37,331,957
Total capital assets, being depreciated:	122,069,347	1,006,996	(175,058)	857,209	123,758,494
Less accumulated depreciation for:					
Buildings	(36,562,123)	(2,160,511)	-	-	(38,722,634)
Other Improvements	(1,124,323)	(135,719)	-	-	(1,260,042)
Furniture & Equipment	(5,766,560)	(579,916)	172,717	35,541	(6,138,218)
Infrastructure	(15,910,680)	(1,254,318)	-	-	(17,164,998)
Total accumulated depreciation:	(59,363,686)	(4,130,464)	172,717	35,541	(63,285,892)
Total capital assets, being depreciated, net:	62,705,661	(3,123,468)	(2,341)	892,750	60,472,602
Business-type activities capital assets, net:	\$ 69,705,234	\$ (388,020)	\$ (2,341)	\$ -	\$ 69,314,873

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities		Business-Type Activities	
General Government	\$ 274,776	Electric	\$ 1,180,170
Economic Development	7,970	Water	819,733
Public Safety	375,568	Community Center	748,506
Public Works	5,864,541	Chaska Curling Center	628,588
Parks, Recreation and Arts	606,550	Sewer	124,554
Total Depreciation Expense -		Chaska Par 30	3,939
Governmental Activities:	<u>\$ 7,129,405</u>	Chaska Town Course	449,265
		Storm Water	175,709
		Total Depreciation Expense -	
		Business-Type Activities:	<u>\$ 4,130,464</u>

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

City of Chaska, Minnesota**For the Year Ended December 31, 2019**

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 1 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	Interest
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	1,383,614	1,102,570
2025-2029	9,000,332	3,430,588
2030-2031	3,122,258	192,654
Total:	<u>\$ 17,998,284</u>	<u>\$ 10,178,468</u>

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
2020	\$ 31,241
2021	32,179
2022	8,103
Total:	<u>\$ 71,523</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Note 6 Long-Term Liabilities

Long-term liabilities for the year ended December 31, 2019 are as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds:					
Equipment Certificates	\$ 2,505,000	\$ 1,240,000	\$ (265,000)	\$ 3,480,000	\$ 295,000
General Obligation Bonds	1,880,000	-	(290,000)	1,590,000	300,000
Tax Increment Bonds	1,125,000	2,600,000	(515,000)	3,210,000	110,000
Taxable Abatement Bonds	630,000	-	(10,000)	620,000	20,000
Improvement Bonds	29,405,000	7,430,000	(3,240,000)	33,595,000	5,215,000
G.O. Revenue Bonds	720,000	-	(75,000)	645,000	75,000
Temporary G.O. Bonds	-	5,205,000	-	5,205,000	-
EDA Lease Revenue Bonds	9,545,000	-	(275,000)	9,270,000	280,000
Plus: Premium	2,587,041	1,015,807	(202,410)	3,400,438	-
Total Bonds Payable:	<u>48,397,041</u>	<u>17,490,807</u>	<u>(4,872,410)</u>	<u>61,015,438</u>	<u>6,295,000</u>
Notes Payable:					
Promissory Note Payable	96,139	-	(12,443)	83,696	13,044
Leases Payable:					
Capital Lease Payable	-	14,290	(1,412)	12,878	2,565
Compensated Absences	1,010,606	919,440	(796,611)	1,133,435	775,971
Total OPEB Liability	855,036	86,286	(17,432)	923,890	-
Net Pension Liability	<u>6,243,148</u>	<u>1,756,462</u>	<u>(1,335,966)</u>	<u>6,663,644</u>	<u>-</u>
Governmental Activity					
Long-term Liabilities:	<u>\$ 56,601,970</u>	<u>\$ 20,267,285</u>	<u>\$ (7,036,274)</u>	<u>\$ 69,832,981</u>	<u>\$ 7,086,580</u>
Business-type Activities					
Bonds Payable:					
General Obligation Revenue Bonds	\$ 15,100,000	\$ 2,915,000	\$ (795,000)	\$ 17,220,000	\$ 830,000
Revenue Bonds	27,905,000	-	(1,615,000)	26,290,000	1,650,000
EDA Lease Revenue Bonds	19,145,000	-	(1,310,000)	17,835,000	1,340,000
Plus: Premium	3,305,892	127,615	(264,424)	3,169,083	-
Total Bonds Payable:	<u>65,455,892</u>	<u>3,042,615</u>	<u>(3,984,424)</u>	<u>64,514,083</u>	<u>3,820,000</u>
Leases Payable:					
Capital Lease Payable	145,571	-	(44,030)	101,541	47,012
Compensated absences	562,040	470,989	(362,715)	670,314	412,889
Total OPEB Liability	363,241	32,100	(4,059)	391,282	-
Net Pension Liability	<u>3,895,796</u>	<u>36,913</u>	<u>(132,217)</u>	<u>3,800,492</u>	<u>-</u>
Business-type Activity					
Long-term Liabilities:	<u>\$ 70,422,540</u>	<u>\$ 3,582,617</u>	<u>\$ (4,527,445)</u>	<u>\$ 69,477,712</u>	<u>\$ 4,279,901</u>

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.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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, 2019 are as follows:

<u>Governmental Activities</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding 12/31/2019</u>
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	\$ 440,000
G.O. Equipment Certificates, Series 2017B	11/29/17	02/01/27	5.00%	1,960,000	1,800,000
G.O. Equipment Certificates, Series 2019B	11/06/19	02/01/29	4.00-5.00%	1,240,000	1,240,000
Total Equipment Certificates				<u>4,115,000</u>	<u>3,480,000</u>
General Obligation Bonds					
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/24	0.70-3.00%	<u>2,705,000</u>	<u>1,590,000</u>
Tax Increment Bonds					
G.O. Taxable TI Cross-over Refunding Bonds, Series 2013B	08/15/13	12/01/21	2.00-2.75%	580,000	150,000
G.O. Taxable Cross-over Refunding Bonds, Series 2017D	12/27/17	02/01/31	3.00-3.50%	460,000	460,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	1,670,000	1,670,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	260,000	260,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	670,000	670,000
Total Tax Increment Bonds				<u>4,205,000</u>	<u>3,210,000</u>
Taxable Abatement Bonds					
G.O. Taxable Abatement Bonds, Series 2010D	09/15/10	02/01/33	4.00-5.25%	405,000	375,000
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/39	1.80-3.45%	245,000	245,000
Total Taxable Abatement Bonds				<u>650,000</u>	<u>620,000</u>

(Continued)

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2019

(Continued)

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2019
Governmental Activities					
Improvement Bonds					
G.O. Improvement Bonds, Series 2010A	07/01/10	02/01/31	2.00-4.00%	3,220,000	1,180,000
G.O. Improvement Bonds, Series 2010C	09/15/10	02/01/33	2.00-3.75%	2,180,000	1,435,000
G.O. Bonds, Series 2011B	09/15/11	02/01/27	2.00-3.25%	3,455,000	1,230,000
G.O. Improvement Bonds, Series 2012A	08/15/12	02/01/28	2.00-2.40%	2,430,000	1,480,000
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	3,295,000	1,370,000
G.O. Improvement Bonds, Series 2013A	08/15/13	02/01/35	2.00-4.00%	3,330,000	2,570,000
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/30	0.70-3.00%	3,080,000	2,360,000
G.O. Improvement Bonds, Series 2015B	08/19/15	02/01/31	3.00-5.00%	5,940,000	5,130,000
G.O. Improvement Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	6,875,000	6,745,000
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/33	1.70-3.45%	1,790,000	1,670,000
G.O. Cross-over Refunding, Series 2017E	12/27/17	02/01/29	2.01-2.87%	995,000	995,000
G.O. Improvement Bonds, Series 2019B	11/06/19	02/01/39	2.125-5.00%	4,440,000	4,440,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/35	2.55-3.00%	1,165,000	1,165,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/29	2.55-3.00%	85,000	85,000
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/33	3.00-5.00%	1,180,000	1,180,000
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/31	4.00-5.00%	560,000	560,000
Total Improvement Bonds				44,020,000	33,595,000
Temporary Bonds					
G.O. Temporary Series 2019A	03/29/19	03/01/21	2.58%	5,205,000	5,205,000
G.O. Revenue Bonds					
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	1,380,000	645,000
EDA Lease Revenue Bonds					
Lease Revenue Bonds, Series 2015B	04/15/15	02/01/35	2.00-4.00%	9,000,000	8,485,000
Lease Revenue Bonds, Series 2015D	12/30/15	02/01/26	2.00-4.00%	1,085,000	785,000
Total EDA Lease Revenue Bonds				10,085,000	9,270,000
Premium				4,207,727	3,400,438
Total Bonds Payable - Governmental Activities				\$72,487,727	\$61,015,438
Business-type Activities					
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	\$ 425,000
G.O. Water Revenue Refunding Bonds, Series 2011A	09/15/11	12/01/32	2.00-4.00%	11,435,000	8,625,000
G.O. Utility Revenue Bonds, Series 2015C	12/30/15	02/01/36	2.00-4.00%	5,170,000	4,540,000
G.O. Utility Revenue Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	735,000	715,000
G.O. Utility Revenue Bonds, Series 2019C	11/06/19	02/01/35	2.00-3.00%	2,135,000	2,135,000
G.O. Utility Revenue Bonds, Series 2019D	12/04/19	02/01/30	2.55-3.00%	780,000	780,000
Total General Obligation Revenue Bonds				21,750,000	17,220,000
Revenue Bonds					
Electric Utility Revenue Bonds, Series 2011D	12/22/11	10/01/31	2.00-3.65%	3,535,000	2,320,000
Electric Revenue Refunding Bonds, Series 2015A	10/01/15	10/01/30	2.00-5.00%	21,760,000	17,245,000
Electric Utility Revenue Bonds, Series 2017A	09/06/17	10/01/37	2.25-4.00%	7,220,000	6,725,000
Total Revenue Bonds				32,515,000	26,290,000
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	2,905,000
Taxable Lease Revenue Bonds, Series 2015A	04/15/15	02/01/35	1.22-4.40%	12,855,000	10,525,000
Taxable Lease Revenue Bonds, Series 2015C	12/30/15	02/01/31	1.53-4.57%	3,410,000	2,855,000
Lease Revenue Refunding Bonds, Series 2017A	12/27/17	12/01/27	2.00-4.00%	1,880,000	1,550,000
Total EDA Lease Revenue Bonds				21,995,000	17,835,000
Premium				4,262,318	3,169,083
Total Bonds Payable - Business-type Activities				\$80,522,318	\$64,514,083

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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	G.O. Equipment Certificates		G.O. Bonds		Governmental Activities G.O. Tax Increment Bonds		G.O. Abatement Bonds		G.O. Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 295,000	\$ 140,377	\$ 300,000	\$ 41,500	\$ 110,000	\$ 68,878	\$ 20,000	\$ 25,413	\$ 5,215,000	\$ 1,008,710
2021	405,000	141,500	310,000	32,350	110,000	92,134	25,000	24,725	1,925,000	972,901
2022	435,000	123,030	315,000	22,975	40,000	88,945	25,000	23,922	1,920,000	901,487
2023	460,000	102,957	325,000	13,375	70,000	87,296	30,000	23,005	1,965,000	829,276
2024	360,000	83,550	340,000	4,250	115,000	84,519	30,000	21,972	2,370,000	747,078
2025 - 2029	1,525,000	149,975	-	-	650,000	365,699	185,000	88,760	12,325,000	2,343,267
2030 - 2034	-	-	-	-	690,000	264,313	230,000	36,770	7,005,000	539,405
2035 - 2039	-	-	-	-	780,000	160,439	75,000	6,469	870,000	39,013
2040	-	-	-	-	645,000	9,836	-	-	-	-
Total:	<u>\$ 3,480,000</u>	<u>\$ 741,389</u>	<u>\$ 1,590,000</u>	<u>\$ 114,450</u>	<u>\$ 3,210,000</u>	<u>\$ 1,222,059</u>	<u>\$ 620,000</u>	<u>\$ 251,036</u>	<u>\$ 33,595,000</u>	<u>\$ 7,381,137</u>

Temporary bonds were issued in 2019 for the Highway 212/44 interchange project. The City anticipates issuing permanent bonds in early 2021. Estimated debt service payments are as follows:

Year Ending December 31	Governmental Activities G.O. Temporary Bonds	
	Principal	Interest
2020	\$ -	\$ 134,289
2021	5,205,000	33,572
Total:	<u>\$ 5,205,000</u>	<u>\$ 167,861</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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 December 31	Governmental Activities		Business-type Activities	
	G.O. Revenue Bonds		G.O. Revenue Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 75,000	\$ 12,675	\$ 830,000	\$ 527,576
2021	75,000	11,175	1,060,000	524,806
2022	75,000	9,675	1,130,000	488,931
2023	85,000	8,075	1,015,000	456,231
2024	75,000	6,475	1,070,000	425,982
2025 - 2029	260,000	8,873	6,035,000	1,580,579
2030 - 2034	-	-	5,135,000	525,135
2035 - 2038	-	-	945,000	34,622
Total:	<u>\$ 645,000</u>	<u>\$ 56,948</u>	<u>\$ 17,220,000</u>	<u>\$ 4,563,862</u>

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 December 31	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
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	1,980,000	833,115
2025 - 2029	11,350,000	2,700,220
2030 - 2034	4,500,000	523,743
2035 - 2037	1,400,000	84,750
Total:	<u>\$ 26,290,000</u>	<u>\$ 8,305,768</u>

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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 December 31	Governmental Activities		Business-type Activities	
	EDA Lease Revenue Bonds		EDA Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
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	315,000	316,500	1,490,000	456,146
2025 - 2029	3,040,000	1,277,800	5,745,000	1,603,753
2030 - 2034	3,870,000	573,000	4,380,000	584,137
2035	870,000	17,400	640,000	14,080
Total:	<u>\$ 9,270,000</u>	<u>\$ 3,546,625</u>	<u>\$ 17,835,000</u>	<u>\$ 4,927,178</u>

Revenue Pledged:

Future revenue pledged for the payment of long-term debt (revenue bonds) is as follows:

Bond Issue - Revenue Bonds	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
<u>GO Water Revenue Bonds:</u>	<u>Water Treatment Plant and Water Systems</u>						\$ 2,921,859
Series 2009A Refunding Bonds	Partial Refund 2003 Bonds	Utility Charges	100%	2009 - 2022	\$ 452,775	\$ 147,375	
Series 2011A Refunding Bonds	Refund 2003 Bonds	Utility Charges	100%	2011 - 2032	11,017,932	743,488	
<u>GO Utility Revenue Bonds:</u>	<u>Water, Sanitary Sewer and Storm Water</u>						8,746,101
Series 2015C	Utility System Improvements	Utility Charges	100%	2015 - 2036	5,821,750	348,738	
Series 2017B	Utility System Improvements	Utility Charges	100%	2017 - 2038	978,631	47,813	
Series 2019C	Utility System Improvements	Utility Charges	100%	2019 - 2035	2,601,986	-	
Series 2019D	Utility System Improvements	Utility Charges	100%	2019 - 2030	910,788	-	
<u>Electric Revenue Bonds:</u>	<u>Electric Utility Systems and Generating Facilities</u>						
Series 2015A Refunding Bonds	Refund 2000 & 2005 Bonds - Turbine Generator	Lease Revenue	100%	2015 - 2030	22,834,000	2,081,150	1,576,477
Electric Utility Revenue Bonds							41,203,336
Series 2011D	Electric System Improvements	Utility Charges	100%	2011 - 2031	2,849,443	234,770	
Series 2017A	Electric System Improvements	Utility Charges	100%	2017 - 2037	8,912,325	494,375	
<u>EDA Lease Revenue Bonds:</u>	<u>Community Center Additions and Improvements</u>						3,264,746
Series 2013A	Ice Arena & Pool Improvements	Lease Revenue	100%	2013 - 2033	3,774,723	268,795	
Series 2017A Refunding Bonds	Refund 2017A Bonds	Lease Revenue	100%	2017 - 2027	1,786,700	222,000	
Taxable Lease Revenue Bonds	<u>Curling Center, Event Center and Restaurant</u>						1,240,291
Series 2015A	Building Construction	Lease Revenue	100%	2015 - 2035	13,567,699	1,171,704	
Series 2015C	Furniture, Fixtures & Equipment	Lease Revenue	100%	2015 - 2031	3,633,056	303,742	
Lease Revenue Bonds	<u>Firemen's Park Improvements</u>						646,145
Series 2015B	Park Construction	Lease Revenue	100%	2015 - 2035	11,922,150	504,850	
Series 2015D	Fixtures and Equipment	Lease Revenue	100%	2015 - 2026	894,475	129,250	

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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, 2019 is as follows:

	Issue Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding 12/31/2019
<u>Governmental Activities:</u>					
Promissory Note Payable	11/21/16	11/15/21	4.75%	<u>\$ 120,319</u>	<u>\$ 83,696</u>

Promissory note requirements to maturity are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2020	\$ 13,044	\$ 3,756
2021	70,652	2,872
Total:	<u>\$ 83,696</u>	<u>\$ 6,628</u>

Capital Leases Payable:

The City has two leases for the acquisition of fitness equipment:

- In 2019, the Chaska Fire Department entered into a lease for the acquisition of fitness equipment. The lease agreement qualified 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. The lease agreement matures in May of 2024 and carries an interest rate of 7.29%. In the event of default on this lease, the Lessor may exercise one or more of the following remedies: (1) declare due, sue for, and receive from Lessee the sum of all payments and other amount due under this agreement, (2) accelerate the payments of any other agreement or lease; (3) require Lessee to return the equipment at its own expense and in good working order; (4) cancel or terminate any lease or any other agreement between Lessee and Lessor; (5) charge and collect from Lessee all other amounts under this agreement; (6) charge Lessee interest on all monies due from and after the date of default at the rate of 18% per annum, compounded

City of Chaska, Minnesota**For the Year Ended December 31, 2019**

- monthly, until paid in full; (7) charge Lessee an administrative fee equal to the greater of \$25.00 or up to 10% of the past due amount, and the fees and expense of any collection agency or attorneys' employed by Lessor to collect sums due.
- In 2018, the Chaska Community Center entered into a lease for the acquisition of fitness equipment. The lease agreement qualifies as a capital lease and was 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. The lease agreement matures in February 2022 and carries an interest rate of 6.57%. In the event of default on this lease, the Lessor may exercise one or more of the following remedies: (1) terminate the agreement and any or all of the Lessee's rights to the property, (2) proceed by court action to take possession from Lessee of any or all property, (3) proceed by court action to enforce performance by Lessee of its obligations or to recover damages for the breach or pursue any other remedy available to Lessor, (4) declare all unpaid lease payments and other sums payable to be immediately due and payable.

Capital Leases outstanding for the year ended December 31, 2019 are as follows:

	Issue Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding 12/31/2019
<u>Governmental Activities:</u>					
Capital Lease Payable	02/19/19	05/01/24	7.29%	<u>\$ 14,290</u>	<u>\$ 12,878</u>
<u>Business-type Activities:</u>					
Capital Lease Payable	03/15/18	02/15/22	6.57%	<u>\$ 183,475</u>	<u>\$ 101,541</u>

The future minimum lease obligation and the net present value of these minimum lease payments are as follows:

Year Ending December 31	Governmental Activities	Business-type Activities
2020	\$ 3,419	\$ 52,284
2021	3,419	52,284
2022	3,419	4,357
2023	3,419	-
2024	<u>1,425</u>	<u>-</u>
Total Minimum Lease Payments	15,101	108,925
Less: Amount Representing Interest	<u>(2,223)</u>	<u>(7,384)</u>
Present Value of Minimum Lease Payments	<u>\$ 12,878</u>	<u>\$ 101,541</u>

2019 Activity:

On March 29, 2019, the City of Chaska approved the issuance and sale of temporary financing for the Highway 212 and CSAH 44 Interchange project. The City issued \$20,000,000 General Obligation Temporary State Aid Street Bonds, Series 2019A. The bonds are structured in the form of a line of credit. The City requested \$5,205,000 on the line in 2019 and did not repay any of this principal. Interest is paid quarterly on the amount outstanding at an annual percentage rate of 2.58%. The bonds mature March 1, 2021. The City intends to issue permanent bonds at that time.

On November 6, 2019, the City of Chaska issued \$5,680,000 in General Obligation Bonds, Series 2019B, which includes \$4,440,000 in Improvement Bonds and \$1,240,000 in Equipment Certificates. The true interest cost is 2.00 percent (coupons range from 2.125 percent – 5.00 percent). The final maturity date is February 1, 2039. The Improvement Bonds will be used to finance certain street improvement projects in the City. The Equipment Certificates will be used to finance various capital equipment purchases. These bonds will be repaid from property taxes and special assessments on properties receiving improvements.

On November 6, 2019, the City of Chaska issued \$2,135,000 in General Obligation Utility Revenue Bonds, Series 2019C with a true interest cost of 2.07 percent (coupons range from 2.00 percent to 3.00 percent). The final maturity date is February 1, 2035. The proceeds of the bonds will be used for the utility improvement component of street improvement projects. These bonds will be repaid from utility fund revenues.

On December 4, 2019, the City of Chaska issued \$4,630,000 in Taxable General Obligation Bonds, Series 2019D, which includes \$1,250,000 in Improvement Bonds, \$780,000 in Utility Revenue Bonds, and \$2,600,000 in Tax Increment Bonds. The true interest cost is 2.90 percent (coupons range from 2.55 percent – 3.05 percent). The final maturity date is February 1, 2040. The Improvement Bonds will be used to finance Chaska Creek Way Phase II and Fire Protection Improvements. The Utility Revenue Bonds will be used to finance various utility improvement projects in the City. The Tax Increment bonds will be used to finance various economic development projects. These bonds are payable from special assessments on properties receiving improvements, property taxes, utility revenues and tax increments generated by TIF Districts #18, #20 and #21.

On December 4, 2019, the City of Chaska issued \$1,740,000 in General Obligation Improvement Refunding Bonds, Series 2019E; a current refunding of the City's General Obligation Improvement Bonds, Series 2010A and 2010C. The true interest cost is 2.08 percent (coupons range from 3.00 percent – 5.00 percent). The final maturity date is February 1, 2033. The proceeds from the bonds will be used to refund the 2021 through 2033 outstanding maturities. The current refunding was done to achieve cost savings of \$491,993, with a net present value benefit of \$142,388.

2019 Refunding:

On December 27, 2017 the City of Chaska issued \$460,000 in General Obligation Taxable Refunding Bonds, Series 2017D; a cross-over advance refunding of the City's Taxable General Obligation Tax Increment Bonds, Series 2008E. The cross-over date was February 1, 2019. The true interest cost was 3.54 percent (3.00 percent to 3.50 percent). The maturity date is February 1, 2031. The proceeds from the bonds were used to refund the 2020 through 2031 outstanding maturities. The advance refunding was done to achieve cost savings of \$83,550, a present value savings of \$68,181. These bonds are payable primarily from tax increments generated by TIF District #14 and are backed by the full faith and credit of the City.

On December 27, 2017 the City of Chaska issued \$995,000 in Taxable General Obligation Refunding Bonds, Series 2017E; a cross-over advance refunding of the City's General Obligation Improvement Bonds, Series 2008C. The cross-over date was February 1, 2019. The true interest cost was 2.58 percent (2.01 percent to 2.87 percent). The maturity date is February 1, 2029. The proceeds from the bonds were used to refund the 2020 through 2029 outstanding maturities. The advance refunding was done to achieve cost savings of \$77,846, a present value savings of \$68,664. These bonds are backed by the full faith and credit of the City.

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, 2019.

- 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 \$112,863, including \$27,030 in 2019.
- 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 \$65,240, including \$18,357 in 2019.

- 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 \$25,776, including \$7,690 in 2019.
- 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 \$8,303, including \$4,199 in 2019.
- 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 City has rebated a total of \$24,058, all 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 sufficient to repay the principal amount of the loan plus accrued interest. The City advanced \$280,000 to MSP/Chaska Medical, LLC in 2018. Tax abatement payments began in 2019. The interfund loan balance at the end of 2019 was \$273,504.
- 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 \$656,670. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$656,670 in tax abatement payments. The first tax abatement payment is scheduled for payment in 2020.

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, 2019, the Chaska Economic Development Authority has entered into five agreements considered Tax Increment Pay-As-You-Go Financing Revenue Notes under GASB #77. The agreements are not general obligations of the EDA or the City and are payable solely from available tax increment. Each note will be cancelled at the end of the agreement term, whether it has been fully repaid or not. Accordingly, the amounts have not been included in long-term debt because the nature of the notes is that repayment is required only if sufficient tax increments are received. 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.

The five agreements were to assist the developer with the financing of certain costs of a project constructed within the Development District and are as follows:

- In 2002, the Chaska EDA issued a pay-as-you-go note to Chaska Place Apartments in the principal sum of \$992,221 with an interest rate of 6.5 percent per annum and payments due each February 1 and August 1, commencing August 1, 2005, and paid through February 1, 2024. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$31,750 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$143,397. At December 31, 2019, the amount outstanding on the note was \$1,206,171.
- In 2007, the Chaska EDA issued a pay-as-you-go note to Clover Field Sinclair Limited Partnership in the principal sum of \$3,100,000 with an interest rate of 5.65 percent per annum and payments due each February 1 and August 1, commencing August 1, 2008, and paid through February 1, 2030. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 95% of the tax increment received in the prior six months, less the administrative fees charged by the County. The current year abatement (TIF note payments) totaled \$145,671. At December 31, 2019, the amount outstanding on the note was \$4,099,603.
- In 2004, the Chaska EDA entered into a development agreement with City Square, LLC for private redevelopment. The EDA provided the developer with a \$111,000 subsidy that will be repaid to the EDA as a pay-as-you-go note from available tax increment at a simple non-compounding interest rate of 4 percent with payments due through 2030. The City made a payment to the EDA of \$157,000 in 2019, of which \$70,000 went to principal. The outstanding balance as of December 31, 2019 is \$45,375.

- In 2015, the Chaska EDA issued a pay-as-you-go note to Chaska Heights Senior Living in the principal sum of \$2,874,667 with an interest rate of 3.25 percent per annum and payments due each February 1 and August 1, commencing August 1, 2018, and paid through February 1, 2044. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$34,500 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$202,026. At December 31, 2019, the amount outstanding on the note was \$2,966,038.
- In 2016, the Chaska EDA issued a pay-as-you-go note to Creeks Run Phase II, LLC in the principal sum of \$242,500 with an interest rate of 4.5 percent per annum and payments due each February 1 and August 1, commencing August 1, 2018, and paid through February 1, 2036. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$9,000 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$7,235. At December 31, 2019, the amount outstanding on the note was \$259,765.

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, 2019, there were six series of IRBs outstanding. The aggregate principal amount payable for the three series issued after July 1, 1995, was \$5,701,053. 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, 2019, there were five series of HRBs outstanding. The aggregate principal amounts payable for the three series issued after July 1, 1995 was \$7,545,000. 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.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Note 7 Interfund Receivables, Payables and Transfers

Interfund receivables and payables as of December 31, 2019 are as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
Water	Community Center	\$ 2,268,816
Internal Service Fund	Curling Center	3,500,000
Nonmajor Governmental	Nonmajor Governmental	1,224,058
Nonmajor Governmental	Public Improvement Projects	4,553,266
Nonmajor Enterprise	Curling Center	1,269,628
Nonmajor Enterprise	Nonmajor Enterprise	170,179
Total:		<u>\$12,985,947</u>

Interfund borrowing is utilized for cash flow purposes to eliminate temporary cash balance deficits.

Interfund Receivables/Payables And Advances To/From Other Funds:					
Receivable Fund	Payable Fund	Interfund Receivables/ Payables	Advances To/From	Total	Purpose
Electric	Nonmajor Governmental	\$ -	\$ 2,055,250	\$ 2,055,250	1
Electric	Nonmajor Governmental	-	194,965	194,965	2
Turbine Generator	Electric	54,675	765,596	820,271	3
Nonmajor Governmental	Nonmajor Governmental	110,713	-	110,713	4
Nonmajor Governmental	Water	13,783	117,587	131,370	5
Nonmajor Governmental	Community Center	29,524	613,163	642,687	6
Nonmajor Governmental	Nonmajor Enterprise	159,932	1,188,006	1,347,938	7
Total:		<u>\$ 368,627</u>	<u>\$ 4,934,567</u>	<u>\$ 5,303,194</u>	

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. The outstanding balance of \$2,055,250 will be repaid 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. The outstanding balance of \$194,965 will be repaid from tax increment generated by the district as it becomes available.
- (3) This interfund loan from the Turbine Generator fund to the Electric fund was made in 2001 to finance a substation. Of the \$820,271 due at year end, \$54,675 is due in one year.
- (4) These loans eliminate what would have been negative cash in TIF District funds. The outstanding balance of \$110,713 will be repaid 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 \$131,370 due at year end, \$13,783 is due in one year.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

(6) These interfund loans to the Community Center for locker room improvements are from the following funds:

- RALF Loan Fund - \$125,000 loan balance with \$5,742 due in one year.
- Public Facilities Fund - \$100,000 loan balance with \$4,594 due in one year.
- Improvement Revolving Fund - \$417,687 loan balance with \$19,188 due in one year.

(7) These interfund loans are from the Equipment Acquisition fund to the following funds:

- Sewer fund - \$131,370 loan balance for a shared water/sewer equipment purchase with \$13,783 due in one year.
- Town Course fund - \$924,900 loan balance for golf equipment purchases with \$88,816 due in one year.
- Storm Water - \$291,668 loan balance for equipment purchases with \$57,333 due in one year.

Transfers In/Out for 2019 are as follows:

Transfers Out	Transfers In							Total
	Governmental Funds			Enterprise Funds				
	General Fund	Public Improvement Projects	Nonmajor	Water	Community Center	Curling Center	Nonmajor	
General Fund	\$ -	\$ 170,000	\$ 355,000	\$ -	\$ -	\$ -	\$ -	\$ 525,000
Public Improvements	-	-	68,286	-	-	-	-	68,286
Electric	3,927,340	-	1,312,000	-	432,000	-	-	5,671,340
Water	-	713,981	744,924	-	-	-	-	1,458,905
Internal Service Fund	873,958	-	150,530	-	-	-	1,977	1,026,465
Nonmajor Governmental	-	2,296,340	4,694,624	596,000	-	1,590,287	311,849	9,489,100
Nonmajor Enterprise	-	871,595	1,579,628	-	-	-	-	2,451,223
Total:	\$ 4,801,298	\$ 4,051,916	\$ 8,904,992	\$ 596,000	\$ 432,000	\$ 1,590,287	\$ 313,826	\$ 20,690,319

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.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Note 8 Fund Balance

A summary of the governmental fund balance classifications as of December 31, 2019 are as follows:

	<u>General</u>	<u>Public Improvement Projects</u>	<u>Nonmajor Governmental</u>	<u>Totals</u>
<u>Restricted for:</u>				
Housing Loan Program	\$ -	\$ -	\$ 13,183	\$ 13,183
Job Creation	-	-	1,804	1,804
Police Forfeitures & Evidence	-	-	50,472	50,472
Debt Requirements	-	-	9,779,734	9,779,734
Economic Development	-	-	1,504,942	1,504,942
Unspent Bond Proceeds	-	509,838	1,686,948	2,196,786
Total Restricted Fund Balances	-	509,838	13,037,083	13,546,921
<u>Committed to:</u>				
Compensated Absences	1,133,435	-	-	1,133,435
Mt. Pleasant Cemetery Care	-	-	248,239	248,239
Economic Development	-	-	90,738	90,738
Capital Equipment	-	-	469,532	469,532
Concerts in the Park	-	-	362	362
Community Fund Projects	-	-	355,943	355,943
Southwest Chaska Improvements	-	186,282	-	186,282
Street Improvement Program	-	-	3,136,849	3,136,849
Total Committed Fund Balances	1,133,435	186,282	4,301,663	5,621,380
<u>Assigned to:</u>				
Mt. Pleasant Cemetery Care	-	-	11,975	11,975
Concerts in the Park	-	-	263	263
Road Construction	-	-	2,023,070	2,023,070
Capital Equipment	-	-	1,803,945	1,803,945
Public Facility Improvements	-	-	109,400	109,400
Fire Protection Improvements	-	-	73,717	73,717
Park Improvements	-	-	225,557	225,557
Southwest Chaska Improvements	-	-	502,960	502,960
Community Fund Projects	-	-	77,640	77,640
Housing Improvement	-	-	424,162	424,162
Abatement Programs	-	-	20,604	20,604
Capital Improvements	-	-	3,238,011	3,238,011
Total Assigned Fund Balances	-	-	8,511,304	8,511,304
<u>Unassigned</u>	777,426	(5,996,339)	(3,576,896)	(8,795,809)
Total Fund Balances:	\$ 1,910,861	\$ (5,300,219)	\$ 22,273,154	\$ 18,883,796

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, 2019, the City had commitments for five uncompleted construction contracts with a remaining balance of \$5,063,235.

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, 2019 was \$28,292,977. 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			Chaska Fire Department Relief Association	Total All Plans
	General Employees Retirement Fund	Public Employees Police & Fire Fund	Total		
Net Pension Asset	\$ -	\$ -	\$ -	\$ 242,430	\$ 242,430
Deferred Outflows	775,596	3,105,047	3,880,643	871,812	4,752,455
Net Pension Liability	7,441,732	3,022,404	10,464,136	-	10,464,136
Deferred Inflows	1,333,376	4,212,449	5,545,825	171,042	5,716,867
Pension Revenue	17,324	38,326	55,650	157,177	212,827
Pension Expense	1,041,461	479,175	1,520,636	202,133	1,722,769

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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

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.

Annuities, disability benefits, and survivor benefits are increased every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of June 30 before the effective date of the increase will receive a reduced prorated increase.

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 2019 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees fund for the year ended December 31, 2019 were \$761,477. The City of Chaska's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City's contributions to the police and Fire Fund for the year ended December 31, 2019, were \$531,854. The City'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, 2019, the City reported a liability of \$7,441,732 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 2019. 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 \$231,323. The net pension liability was measured as of June 30, 2019, 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating

City of Chaska, Minnesota**For the Year Ended December 31, 2019**

employers. At June 30, 2019, the City's proportionate share was .1346 percent which was an increase of .0021 percent from its proportionate share measured as of June 30, 2018.

City's proportionate share of the net pension liability	\$ 7,441,732
State's proportionate share of the net pension liability associated with the City	\$ 231,323

For the year ended December 31, 2019, the City recognized pension expense of \$1,024,137 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$17,324 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, 2019, 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	\$ 204,461	\$ -
Changes in actuarial assumptions	-	577,051
Differences between projected and actual investment earnings	-	751,601
Changes in proportion	174,750	4,724
Contributions paid to PERA subsequent to the measurement date	396,385	-
Total:	<u>\$ 775,596</u>	<u>\$ 1,333,376</u>

\$396,385 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, 2020. 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
2020	\$ (293,898)
2021	(554,838)
2022	(117,422)
2023	11,993
Total:	<u>\$ (954,165)</u>

2. Police and Fire Pension Costs

At December 31, 2019, the City reported a liability of \$3,022,404 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, 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 proportionate share 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was .2839 percent which was an

City of Chaska, Minnesota**For the Year Ended December 31, 2019**

increase of .0223 percent from its proportionate share measured as of June 30, 2018. The City also recognized \$38,326 for the year ended December 31, 2019 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 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. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City recognized pension expense of \$479,175 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2019, 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	\$ 121,390	\$ 406,068
Changes in actuarial assumptions	2,199,791	3,157,995
Differences between projected and actual investment earnings	-	596,671
Changes in proportion	499,066	51,715
Contributions paid to PERA subsequent to the measurement date	284,800	-
Total:	<u>\$ 3,105,047</u>	<u>\$ 4,212,449</u>

The \$284,800 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, 2020. 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
2020	\$ (143,974)
2021	(334,848)
2022	(982,871)
2023	32,435
2024	37,056
Total:	<u>\$ (1,392,202)</u>

E) Actuarial Assumptions

The total pension liability in the June 30, 2019, 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, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for the Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2019:

1. General Employees Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2. Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018

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:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5%	5.10%
Private Markets	25.0%	5.90%
Fixed Income	20.0%	0.75%
International Equity	17.5%	5.90%
Cash Equivalents	2.0%	0.00%
Total:	100%	

F) Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50 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%	\$ 12,233,807	6.50%	\$ 6,606,410
Current Discount Rate	7.50%	\$ 7,441,732	7.50%	\$ 3,022,404
1% Higher	8.50%	\$ 3,484,922	8.50%	\$ 58,486

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

One council member of the City is 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.

City of Chaska, Minnesota

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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 2019 were:

Amount		Percentage of Covered Payroll		Required Rates
Employees	Employer	Employees	Employer	
\$490	\$490	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.

The City made a change in accounting principle in the current year to utilize the look-back period as the measurement date. This is an accepted practice and allows the City to complete its Comprehensive Annual Financial Report in a timelier manner. This change did not result in an adjustment to beginning net position, due to the immaterial difference this change in measurement period made to beginning balances.

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

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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, 2019:

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	<u>45</u>
Total members	<u><u>106</u></u>

Contributions - Minnesota Statutes, 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 \$161,529 in fire state aid to the CFDRAPP on behalf of the CFD for the year ended December 31, 2019, 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, 2019 totaling \$326,937. The City's contributions exceed the required contributions as set by State Statutes. 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%

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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.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

C) Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance - January 1, 2019	\$ 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, 2019	\$ 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 CFDR financial report.

D) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the CFDRAPP recognized pension expense of \$202,133. At December 31, 2019, 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	-
City contributions subsequent to the measurement date	326,937	-
State aid to the City subsequent to the measurement date	161,529	161,529
Total:	\$ 871,812	\$ 171,042

City of Chaska, Minnesota**For the Year Ended December 31, 2019**

Deferred outflows of resources totaling \$488,466 related to pensions resulting from city contributions to the plan and state aid received subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Deferred inflows of resources totaling \$161,529 related to state aid received subsequent to the measurement date will be recognized for its impact on the pension liability (asset) in the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2020	\$ 130,342
2021	31,308
2022	55,470
2023	156,560
2024	153
Total:	<u>\$ 373,833</u>

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 \$38,657.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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	<u>134</u>
Total	<u><u>137</u></u>

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	6.25% decreasing to 5.00% over 5 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 \$1,315,172 was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Beginning Balance - January 1, 2019	<u>\$ 1,218,277</u>
Changes for the Year	
Service Cost	76,026
Interest	42,360
Benefit Payments	<u>(21,491)</u>
Net Changes	<u>96,895</u>
Ending Balance - December 31, 2019	<u><u>\$ 1,315,172</u></u>

Assumption changes since the prior measurement date include the following:

- The medical trend rate was changed from 6.5 percent grading to 5.00 percent over 6 years to 6.25 percent grading to 5.00 percent over 5 years.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB Discount Rate	2.30%	3.30%	4.30%
Total OPEB Liability	\$ 1,428,691	\$ 1,315,172	\$ 1,209,007

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:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB Healthcare Trend Rate	5.25% decreasing to 4.00% over 5 years	6.25% decreasing to 5.00% over 5 years	7.25% decreasing to 6.00% over 5 years
Total OPEB Liability	\$ 1,153,072	\$ 1,315,172	\$ 1,507,797

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 \$118,386. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 38,657	\$ -

A total of \$38,657 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, 2020.

Note 18 Subsequent Events**A) Issuance of 2020A Economic Development Authority Bonds**

In March 2020, the Economic Development Authority of the City (the EDA – a blended component unit of the City) issued \$6.285 million taxable full-term installment purchase revenue bonds (Series 2020A) to finance the acquisition of park land and street right-of-way for the proposed Southwest Community Park. The bond coupon rates range from 1.75% for bonds maturing in 2022 to 3.08% for bonds maturing in 2040 (final maturity date). The true interest cost of the issued bonds is 2.82%.

B) Issuance of 2020B Economic Development Authority Bonds Parameters Resolution

In May 2020, the City and Economic Development Authority of the City adopted a resolution approving the issuance of taxable full-term installment purchase revenue bonds (Series 2020B) to finance the acquisition of land for the extension of Savanna Way street. The resolution established parameters for the sale in that the par amount shall not exceed \$1.7 million and true interest cost shall not exceed 4.25% per annum.

C) COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread throughout the world and to the United States, including to areas impacting the City. The pandemic has caused an economic downturn as several businesses have had to temporarily halt operations or scale back. The City has also temporarily closed certain operations, including the Community Center and Curling and Event Center.

The City generally reports its investments at fair value based on standards described earlier in these notes. Subsequent to year-end, the COVID-19 pandemic has caused significant volatility in economic conditions, including substantial reductions in the quoted active-market prices of investments. The City's portfolio consists primarily of shorter-term investments, many with guaranteed maturity values. However, the potential negative impact could be heightened if increased demand on City resources and/or sustained economic downturn hampers the City's ability to hold such investments to maturity as planned. The potential future impact of these conditions on the fair value of the City's investment portfolio is not determinable at this time.

The City is evaluating the financial effects of the pandemic. The situation will likely result in revenue declines, a decrease in demand for certain services, an increase in delinquencies or uncollectible accounts receivable, and increased expenses due to the pandemic. The full extent of the pandemic will depend on future developments, including the duration and spread of the pandemic and related governmental or other regulatory actions.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2019

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 Share of 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 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	0.13%	\$ 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%
12/31/2019	06/30/2019	0.13%	7,441,732	231,323	7,673,055	9,526,900	78.11%	80.20%

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%
12/31/2019	761,477	761,477	-	10,153,003	7.50%

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, 2019

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%
12/31/2019	06/30/2019	0.28%	3,022,404	2,996,128	100.88%	89.30%

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%
12/31/2019	531,854	531,854	-	3,137,782	16.95%

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, 2019

**Chaska Fire Department Relief Association Pension Plan (CFDRAPP),
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**

City Fiscal Year-end Date Measurement Date	December 31,					
	2019 (1) 2018	2018 2018	2017 2017	2016 2016	2015 2015	2014 2014
<u>Total Pension Liability</u>						
Service Cost	\$ 97,600	\$ 97,600	\$ 76,833	\$ 74,777	\$ 76,662	\$ 74,610
Interest	323,454	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)	(354,522)	(595,443)	(451,119)	(517,365)	(318,551)
Net Change in Total Pension Liability	66,532	66,532	110,714	(57,974)	(158,969)	329,466
Total Pension Liability - Beginning	5,254,917	5,254,917	5,144,203	5,202,177	5,361,146	5,031,680
Total Pension Liability - Ending (a)	\$ 5,321,449	\$ 5,321,449	\$ 5,254,917	\$ 5,144,203	\$ 5,202,177	\$ 5,361,146
<u>Plan Fiduciary Net Position</u>						
Contributions - Employer	\$ 465,022	\$ 465,022	\$ 443,793	\$ 427,285	\$ 401,321	\$ 361,296
Net Investment Income	(342,294)	(342,294)	819,964	408,073	(220,343)	232,061
Benefit payments, Including Refunds of Member Contributions	(354,522)	(354,522)	(595,443)	(451,119)	(517,365)	(318,551)
Administrative Expense	(14,407)	(14,407)	(10,295)	(11,561)	(4,226)	(9,463)
Net Change in Plan Fiduciary Net Position	(246,201)	(246,201)	658,019	372,678	(340,613)	265,343
Plan Fiduciary Net Position - Beginning	5,810,080	5,810,080	5,152,061	4,779,383	5,119,996	4,854,653
Plan Fiduciary Net Position - Ending (b)	\$ 5,563,879	\$ 5,563,879	\$ 5,810,080	\$ 5,152,061	\$ 4,779,383	\$ 5,119,996
City's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (242,430)	\$ (242,430)	\$ (555,163)	\$ (7,858)	\$ 422,794	\$ 241,150
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.56%	104.56%	110.56%	100.15%	91.87%	95.50%

(1) The City made a change in accounting principle to utilize the look-back period as of the measurement date. This is an accepted practice and allows the City to complete its CAFR in a more timely manner. This change required the use of the same actuary study and pension report for the 2018 and 2019 fiscal years.

Note: Schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of City Contributions

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution(ADC) ¹	\$ 165,134	\$ 165,134	\$ 265,347	\$ 265,347	\$ 267,302	\$ 267,302	\$ 293,799	\$ 293,799	\$ 246,000	\$ 246,000
Contributions in Relation to the ADC	488,466	465,022	436,793	427,285	401,321	361,296	364,512	298,250	299,930	271,345
Contribution Deficiency (Excess)	<u>\$ (323,332)</u>	<u>\$ (299,888)</u>	<u>\$ (171,446)</u>	<u>\$ (161,938)</u>	<u>\$ (134,019)</u>	<u>\$ (93,994)</u>	<u>\$ (70,713)</u>	<u>\$ (4,451)</u>	<u>\$ (53,930)</u>	<u>\$ (25,345)</u>

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, either two (2) or three (3) 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 ten (10) years per Minnesota Statutes 69.773, Subd 4. (d)(3)(i). Plan Changes - Amortize over 20 years per Minnesota Statutes 69.773, Subd 4. (d)(3)(v).
Remaining Amortization Period	Thirteen (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 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 \$2.15 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 Schedule¹ ADC amounts are equal to statutory requirements under Minnesota Statutes 424A.092 and 69.773.

The CFDRAPP is comprised of voluntary fire fighters. There is no covered payroll to report.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Schedule of Changes in Total OPEB Liability and Related Ratios

	2019	2018
Total OPEB Liability		
Service Cost	\$ 76,026	\$ 73,812
Interest	42,360	39,586
Benefit Payments	(21,491)	(41,413)
Net Change in Total OPEB Liability	96,895	71,985
Total OPEB Liability - Beginning of Year	1,218,277	1,146,292
Total OPEB Liability - End of Year	\$ 1,315,172	\$ 1,218,277
Covered Payroll	\$ 10,694,925	\$ 10,383,422
Total OPEB Liability as a Percentage of Covered Payroll	12.3%	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 displayed as they become available.

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

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.

2018 Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.5 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of living Adjustment, not less than 1.00 percent and not more than 1.5 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees; disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revisited mortality and interest assumptions

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.

2017 Changes in Plan Provisions:

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

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 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.

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; the state's contribution of \$6.0 million, which meets the special funding situation, was due September 2015.

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 Changes in Plan Provisions:

- Post-retirement benefit increases were changed to 1.00 percent for all years, with not trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.00 percent funding, July 1, 2048, if earlier.
- Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019, and 17.7 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the 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 Table 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.

Notes to Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2019

- 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 per annum to 7.50 percent per annum.

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.
- 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 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.

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.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2019 Changes in Actuarial Assumptions:

- The medical trend rate was changed from 6.50 percent grading to 5.00 percent over 6 years to 6.25 percent grading to 5.00 percent over 5 years.

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 Generation 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.

**Combining and Individual Fund Statements and Schedules
Nonmajor Governmental Funds**

City of Chaska, Minnesota

For the Year Ended December 31, 2019

CITY OF CHASKA, MINNESOTA

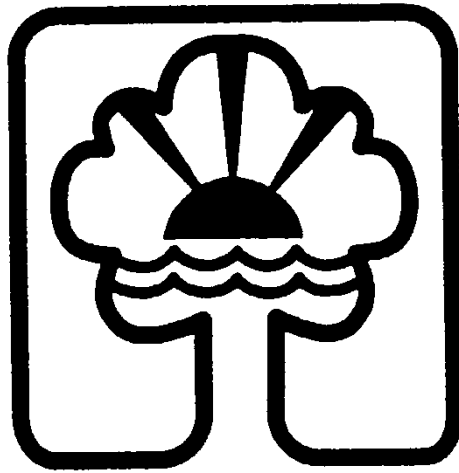
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 413,062	\$ 8,781,343	\$ 8,102,780	\$ 17,297,185
Cash With Escrow Agent	-	988,506	-	988,506
Receivables:				
Taxes	8,178	2,376	37,682	48,236
Special Assessments	59,471	9,763,769	2,146,405	11,969,645
Accounts	2,546	-	15,267	17,813
Interest	-	-	7,264	7,264
Lease	71,523	-	-	71,523
Notes	15,195	-	-	15,195
Due From Other Funds	-	-	5,777,324	5,777,324
Interfund Receivable	-	-	313,952	313,952
Advance To Other Funds	-	-	1,918,756	1,918,756
TOTAL ASSETS	\$ 569,975	\$ 19,535,994	\$ 18,319,430	\$ 38,425,399
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 3,965	\$ 1,000	\$ 472,132	\$ 477,097
Deposits Payable	11,442	-	11,096	22,538
Due To Other Funds	996,675	-	227,383	1,224,058
Interfund Payable	-	-	110,713	110,713
Advance From Other Funds	-	-	2,250,215	2,250,215
Unearned Revenue	19,077	1,443,215	374,205	1,836,497
TOTAL LIABILITIES	1,031,159	1,444,215	3,445,744	5,921,118
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	3,094	1,244	20,100	24,438
Unavailable Revenue - Special Assessments	40,148	8,310,801	1,769,022	10,119,971
Unavailable Revenue - Notes Receivable	15,195	-	-	15,195
Unavailable Revenue - Lease Receivable	71,523	-	-	71,523
TOTAL DEFERRED INFLOWS OF RESOURCES	129,960	8,312,045	1,789,122	10,231,127
FUND BALANCES:				
Restricted	65,459	9,779,734	3,191,890	13,037,083
Committed	339,339	-	3,962,324	4,301,663
Assigned	12,238	-	8,499,066	8,511,304
Unassigned	(1,008,180)	-	(2,568,716)	(3,576,896)
TOTAL FUND BALANCES	(591,144)	9,779,734	13,084,564	22,273,154
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 569,975	\$ 19,535,994	\$ 18,319,430	\$ 38,425,399

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 504,482	\$ 2,505,010	\$ 987,338	\$ 3,996,830
Tax Increment	-	-	1,103,080	1,103,080
Intergovernmental	85	-	1,040,431	1,040,516
Charges For Services	88,400	-	2,070,322	2,158,722
Fines And Forfeitures	8,342	-	-	8,342
Special Assessments	58,298	1,846,676	467,699	2,372,673
Investment Earnings (Charges)	(20,403)	124,039	303,300	406,936
Other Revenue	212,804	16,747	470,562	700,113
TOTAL REVENUES	852,008	4,492,472	6,442,732	11,787,212
<u>EXPENDITURES</u>				
CURRENT:				
General Government	-	31,326	108,143	139,469
Economic Development	370,875	-	1,219,196	1,590,071
Public Safety	7,621	-	31,898	39,519
Public Works	12,627	-	913,606	926,233
Parks, Recreation And Arts	-	-	102,286	102,286
DEBT SERVICE:				
Principal	12,443	3,310,000	-	3,322,443
Interest	4,357	1,615,634	97,506	1,717,497
Issuance Costs And Fiscal Agent Fees	-	63,720	185,262	248,982
CAPITAL OUTLAY	8,640	-	3,147,379	3,156,019
TOTAL EXPENDITURES	416,563	5,020,680	5,805,276	11,242,519
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	435,445	(528,208)	637,456	544,693
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	25,000	2,184,582	6,695,410	8,904,992
Transfers Out	(355,000)	(1,637,249)	(7,496,851)	(9,489,100)
Bonds Issued	-	63,466	7,631,884	7,695,350
Refunding Bonds Issued	-	1,740,000	-	1,740,000
Premium on Bonds Issued	-	230,893	702,451	933,344
Payment to Refunding Bond Escrow Agent	-	(1,360,000)	-	(1,360,000)
TOTAL OTHER FINANCING SOURCES (USES)	(330,000)	1,221,692	7,532,894	8,424,586
NET CHANGE IN FUND BALANCES	105,445	693,484	8,170,350	8,969,279
FUND BALANCES, JANUARY 1	(696,589)	9,086,250	4,914,214	13,303,875
FUND BALANCES, DECEMBER 31	\$ (591,144)	\$ 9,779,734	\$ 13,084,564	\$ 22,273,154



CHASKA

Nonmajor Special Revenue Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Nonmajor Special Revenue funds are used to account for specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The City reports the following funds.

- **Mount Pleasant Maintenance & Care Fund:**
This fund is used to account for property tax levies and lot sales that are legally restricted or committed for the maintenance of the cemetery and principal amounts received and related interest income for the care of Mount Pleasant Cemetery.
- **Chaska EDA Fund:**
This fund is used to report administrative activities associated with the Chaska Economic Development Authority. The authority is authorized to levy ad valorem taxes to provide funds for its operations.
- **Police Forfeitures and Evidence Fund:**
This fund is used to report the activity related to DUI and drug forfeitures. DUI forfeitures are administered in accordance with State Statute 169A.63. This fund is also used to account for evidence in the form of cash deposits, which will either be forfeited or returned to owners.
- **Commercial Revolving Loan Fund:**
This fund is used to accumulate commercial grant and loan payment proceeds.
- **Industrial Revolving Loan Fund:**
This fund is used to accumulate industrial grant and loan payment proceeds.
- **Grace Gibson Fund:**
This fund is used to account for assets received and related revenues and expenditures associated with Grace Gibson activities.

CITY OF CHASKA, MINNESOTA

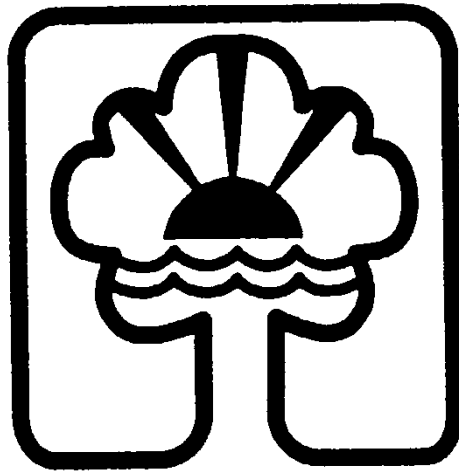
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	202 & 801	251	206	210	211	803	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	COMMERCIAL REVOLVING LOAN	INDUSTRIAL REVOLVING LOAN	GRACE GIBSON	TOTALS
ASSETS							
Cash And Investments	\$ 260,181	\$ -	\$ 59,714	\$ 90,738	\$ 1,804	\$ 625	\$ 413,062
Receivables:							
Taxes:							
Unremitted	33	5,051	-	-	-	-	5,084
Delinquent	46	3,048	-	-	-	-	3,094
Special Assessments:							
Unremitted	-	246	-	-	-	-	246
Delinquent	-	1,125	-	-	-	-	1,125
Deferred:							
Certified To County	-	39,023	-	-	-	-	39,023
City Owned	-	19,077	-	-	-	-	19,077
Accounts	-	2,546	-	-	-	-	2,546
Lease	-	71,523	-	-	-	-	71,523
Notes	-	-	-	15,195	-	-	15,195
TOTAL ASSETS	\$ 260,260	\$ 141,639	\$ 59,714	\$ 105,933	\$ 1,804	\$ 625	\$ 569,975
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES:							
Accounts Payable	\$ -	\$ 3,965	\$ -	\$ -	\$ -	\$ -	\$ 3,965
Deposits Payable	-	2,200	9,242	-	-	-	11,442
Due To Other Funds	-	996,675	-	-	-	-	996,675
Unearned Revenue	-	19,077	-	-	-	-	19,077
TOTAL LIABILITIES	-	1,021,917	9,242	-	-	-	1,031,159
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Taxes	46	3,048	-	-	-	-	3,094
Unavailable Revenue - Special Assessments	-	40,148	-	-	-	-	40,148
Unavailable Revenue - Notes Receivable	-	-	-	15,195	-	-	15,195
Unavailable Revenue - Lease Receivable	-	71,523	-	-	-	-	71,523
TOTAL DEFERRED INFLOWS OF RESOURCES	46	114,719	-	15,195	-	-	129,960
FUND BALANCES:							
Restricted	-	13,183	50,472	-	1,804	-	65,459
Committed	248,239	-	-	90,738	-	362	339,339
Assigned	11,975	-	-	-	-	263	12,238
Unassigned	-	(1,008,180)	-	-	-	-	(1,008,180)
TOTAL FUND BALANCES	260,214	(994,997)	50,472	90,738	1,804	625	(591,144)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 260,260	\$ 141,639	\$ 59,714	\$ 105,933	\$ 1,804	\$ 625	\$ 569,975

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	202 & 801	251	206	210	211	803	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	COMMERCIAL REVOLVING LOAN	INDUSTRIAL REVOLVING LOAN	GRACE GIBSON	TOTALS
REVENUES:							
Taxes	\$ 6,000	\$ 498,482	\$ -	\$ -	\$ -	\$ -	\$ 504,482
Intergovernmental:							
State:							
Market Value Credit	1	84	-	-	-	-	85
Charges For Services	3,400	85,000	-	-	-	-	88,400
Fines And Forfeitures	-	-	8,342	-	-	-	8,342
Special Assessments	-	58,298	-	-	-	-	58,298
Investment Earnings (Charges)	5,737	(28,071)	-	1,878	39	14	(20,403)
Other Revenues	-	200,995	-	11,809	-	-	212,804
TOTAL REVENUES	15,138	814,788	8,342	13,687	39	14	852,008
EXPENDITURES:							
Current:							
Economic Development	-	370,579	-	296	-	-	370,875
Public Safety	-	-	7,621	-	-	-	7,621
Public Works	12,627	-	-	-	-	-	12,627
Debt Service:							
Principal	-	12,443	-	-	-	-	12,443
Interest	-	4,357	-	-	-	-	4,357
Capital Outlay	-	8,640	-	-	-	-	8,640
TOTAL EXPENDITURES	12,627	396,019	7,621	296	-	-	416,563
EXCESS OF REVENUES OVER EXPENDITURES	2,511	418,769	721	13,391	39	14	435,445
OTHER FINANCING SOURCES (USES):							
Transfers In	-	25,000	-	-	-	-	25,000
Transfers Out	-	(355,000)	-	-	-	-	(355,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(330,000)	-	-	-	-	(330,000)
NET CHANGE IN FUND BALANCES	2,511	88,769	721	13,391	39	14	105,445
FUND BALANCES, JANUARY 1	257,703	(1,083,766)	49,751	77,347	1,765	611	(696,589)
FUND BALANCES, DECEMBER 31	\$ 260,214	\$ (994,997)	\$ 50,472	\$ 90,738	\$ 1,804	\$ 625	\$ (591,144)



CHASKA

Nonmajor Debt Service Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Nonmajor debt service funds are used to account for the accumulation of resources and for the payment of principal, interest, and related costs on long-term general obligation debt of governmental funds. The individual nonmajor debt service funds are presented to distinguish between the various bond issues. The City reports the following bond types.

- **Improvement Bond Funds:**
These funds service debt on the general obligation improvement bonds that were issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to be benefited from such improvements.
- **Tax Increment Bond Funds:**
These funds service debt on the tax increment bonds issued to finance economic development and redevelopment projects.
- **Equipment Certificate Funds:**
These funds service debt on the general obligation equipment certificates that were used to fund equipment purchases.
- **Revenue Bond Funds:**
These funds service debt on bonds that are supported by revenue pledged for repayment such as lease agreements.
- **Tax Abatement Bond Funds:**
These funds service debt from the City's housing improvement areas and tax abatement programs.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2019

	307	309	310	311	313	314	315	317	318	320	321	322	323
	\$3,645,000 GO IMP BONDS 2008	\$565,000 GO TAXABLE TI BONDS 2008	\$1,995,000 GO IMP REF BONDS 2009	\$3,220,000 GO IMP BONDS 2010	\$2,180,000 GO IMP BONDS 2010	\$405,000 TAXABLE GO TA BONDS 2010	\$3,455,000 GO BONDS 2011	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$580,000 TAXABLE GO TI REF BONDS 2013B	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A
ASSETS													
Cash And Investments	\$ -	\$ -	\$ -	\$ 1,205,642	\$ 1,419,345	\$ 297,564	\$ 1,069,053	\$ 229,259	\$ 227,727	\$ 229,242	\$ 2,358	\$ 143,491	\$ 682,693
Cash With Escrow Agent	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables:													
Taxes:													
Unremitted	-	-	-	-	1,132	-	-	-	-	-	-	-	-
Delinquent	-	-	-	-	-	1,239	-	-	5	-	-	-	-
Special Assessments:													
Unremitted	-	-	-	606	-	-	7,304	-	-	-	-	-	398
Delinquent	-	-	-	-	-	-	2,407	-	-	-	-	-	-
Deferred:													
Certified To County	-	-	-	744,066	213,342	-	86,032	111,308	446,168	832,298	-	-	137,910
City Owned	-	-	-	-	27,344	-	245,151	198,172	12,543	295,262	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 1,950,314	\$ 1,661,163	\$ 298,803	\$ 1,409,947	\$ 538,739	\$ 686,443	\$ 1,356,802	\$ 2,358	\$ 143,491	\$ 821,001
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES													
LIABILITIES:													
Accounts Payable	\$ -	\$ -	\$ -	\$ 500	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-	220,949	-	245,151	198,172	12,543	295,262	-	-	-
TOTAL LIABILITIES	-	-	-	500	221,449	-	245,151	198,172	12,543	295,262	-	-	-
DEFERRED INFLOWS OF RESOURCES:													
Unavailable Revenue - Taxes	-	-	-	-	-	1,239	-	-	5	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	744,066	19,737	-	88,439	111,308	446,168	832,298	-	-	137,910
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	744,066	19,737	1,239	88,439	111,308	446,173	832,298	-	-	137,910
FUND BALANCES:													
Restricted	-	-	-	1,205,748	1,419,977	297,564	1,076,357	229,259	227,727	229,242	2,358	143,491	683,091
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 1,950,314	\$ 1,661,163	\$ 298,803	\$ 1,409,947	\$ 538,739	\$ 686,443	\$ 1,356,802	\$ 2,358	\$ 143,491	\$ 821,001

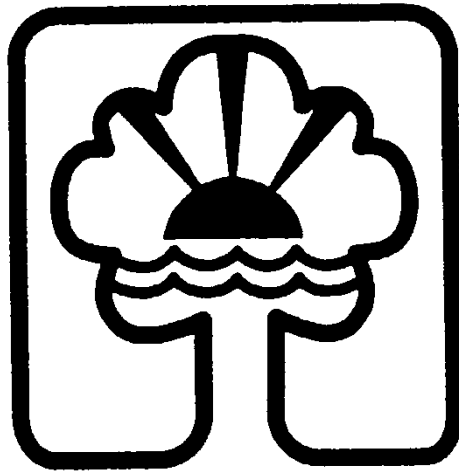
	324	325	326	327	328	329	330	331	332	333 334 335	336		
	\$9,000,000/ \$1,085,000 EDA LEASE REVENUE BONDS 2015B/2015D	\$5,940,000 GO IMP BONDS 2015B	\$9,570,000 GO IMP BONDS 2017B	\$2,035,000 TAXABLE GO BONDS 2017C	\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	TEMPORARY IMPROVEMENT BONDS 2019A	\$5,680,000 GO IMP BONDS 2019B	\$1,250,000 TAXABLE GO IMP BONDS 2019D	\$2,600,000 TAXABLE GO TIF BONDS 2019D	\$1,740,000 GO IMP REF BONDS 2019E	TOTALS	
													ASSETS
\$	471,756 988,506	\$ 773,831 -	\$ 1,225,602 -	\$ 432,383 -	\$ 59,600 -	\$ 159,504 -	\$ - -	\$ 88,380 -	\$ 34,578 -	\$ 29,086 -	\$ 249 -	\$ 8,781,343 988,506	Cash And Investments Cash With Escrow Agent Receivables:
-	-	-	-	-	-	-	-	-	-	-	-	1,132	Taxes: Unremitted
-	-	-	-	-	-	-	-	-	-	-	-	1,244	Delinquent
-	-	899	-	-	-	-	-	546	-	-	-	9,753	Special Assessments: Unremitted
-	6,268	-	6,170	-	3,647	-	-	-	-	-	-	18,492	Delinquent
-	336,422	3,214,944	1,116,669	-	30,634	-	-	1,216,121	-	-	-	8,485,914	Deferred: Certified To County
-	471,138	-	-	-	-	-	-	-	-	-	-	1,249,610	City Owned
\$	1,460,262	\$ 1,587,659	\$ 4,441,445	\$ 1,555,222	\$ 59,600	\$ 193,785	\$ -	\$ 1,305,047	\$ 34,578	\$ 29,086	\$ 249	\$ 19,535,994	TOTAL ASSETS
													LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	LIABILITIES:
-	471,138	-	-	-	-	-	-	-	-	-	-	1,443,215	Accounts Payable
-	471,138	-	-	-	-	-	-	-	-	-	-	1,444,215	Unearned Revenue
													TOTAL LIABILITIES
-	342,690	3,214,944	1,122,839	-	34,281	-	-	1,216,121	-	-	-	1,244	DEFERRED INFLOWS OF RESOURCES:
-	342,690	3,214,944	1,122,839	-	34,281	-	-	1,216,121	-	-	-	8,310,801	Unavailable Revenue - Taxes
-	342,690	3,214,944	1,122,839	-	34,281	-	-	1,216,121	-	-	-	8,312,045	Unavailable Revenue - Special Assessments
													TOTAL DEFERRED INFLOWS OF RESOURCES
1,460,262	773,831	1,226,501	432,383	59,600	159,504	-	-	88,926	34,578	29,086	249	9,779,734	FUND BALANCES: Restricted
\$	1,460,262	\$ 1,587,659	\$ 4,441,445	\$ 1,555,222	\$ 59,600	\$ 193,785	\$ -	\$ 1,305,047	\$ 34,578	\$ 29,086	\$ 249	\$ 19,535,994	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	307	309	310	311	313	314	315	317	318	320	321	322	323
	\$3,645,000 GO IMP BONDS 2008	\$565,000 GO TAXABLE TI BONDS 2008	\$1,995,000 GO IMP REF BONDS 2009	\$3,220,000 GO IMP BONDS 2010	\$2,180,000 GO IMP BONDS 2010	\$405,000 TAXABLE GO TA BONDS 2010	\$3,455,000 GO BONDS 2011	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$580,000 TAXABLE GO TI REF BONDS 2013B	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A
REVENUES:													
Taxes:													
Property	\$ 55,500	\$ -	\$ -	\$ 76,000	\$ 125,698	\$ 29,884	\$ 118,000	\$ 165,000	\$ 73,001	\$ 225,000	\$ -	\$ 123,000	\$ 485,000
Special Assessments	-	-	49,959	212,747	12,438	-	32,718	28,740	85,366	27,456	-	-	24,991
Investment Earnings	213	268	34,675	3,265	2,237	6,150	15,011	2,351	1,202	550	-	1,609	7,938
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	55,713	268	84,634	292,012	140,373	36,034	165,729	196,091	159,569	253,006	-	124,609	517,929
EXPENDITURES:													
Current:													
General Government	400	-	5,100	-	-	-	-	-	940	-	-	-	-
Debt Service:													
Principal	250,000	20,000	215,000	250,000	135,000	10,000	205,000	175,000	210,000	190,000	75,000	105,000	470,000
Interest	29,244	16,262	6,450	46,000	44,514	18,550	40,375	33,280	44,235	90,563	5,587	13,075	120,625
Issuance Costs And Fiscal Agent Fees	-	-	-	18,631	38,289	375	400	525	-	500	-	-	-
TOTAL EXPENDITURES	279,644	36,262	226,550	314,631	217,803	28,925	245,775	208,805	255,175	281,063	80,587	118,075	590,625
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(223,931)	(35,994)	(141,916)	(22,619)	(77,430)	7,109	(80,046)	(12,714)	(95,606)	(28,057)	(80,587)	6,534	(72,696)
OTHER FINANCING SOURCES (USES):													
Transfers In	-	-	-	300,000	67,197	-	321,025	-	92,846	60,000	80,000	-	79,191
Transfers Out	(57,141)	(20,855)	(1,559,253)	-	-	-	-	-	-	-	-	-	-
Bonds Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	559,966	1,179,785	-	-	-	-	-	-	-	-
Premium on Refunding Bonds Issued	-	-	-	77,942	152,951	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	(940,000)	(420,000)	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(997,141)	(440,855)	(1,559,253)	937,908	1,399,933	-	321,025	-	92,846	60,000	80,000	-	79,191
NET CHANGE IN FUND BALANCES	(1,221,072)	(476,849)	(1,701,169)	915,289	1,322,503	7,109	240,979	(12,714)	(2,760)	31,943	(587)	6,534	6,495
FUND BALANCES, JANUARY 1	1,221,072	476,849	1,701,169	290,459	97,474	290,455	835,378	241,973	230,487	197,299	2,945	136,957	676,596
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ 1,205,748	\$ 1,419,977	\$ 297,564	\$ 1,076,357	\$ 229,259	\$ 227,727	\$ 229,242	\$ 2,358	\$ 143,491	\$ 683,091

324	325	326	327	328	329	330	331	332	333	334	335	336	
\$9,000,000/ \$1,085,000 EDA LEASE REVENUE BONDS 2015B/2015D	\$5,940,000 GO IMP BONDS 2015B	\$9,570,000 GO IMP BONDS 2017B	\$2,035,000 TAXABLE GO BONDS 2017C	\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	TEMPORARY IMPROVEMENT BONDS 2019A	\$5,680,000 GO IMP BONDS 2019B	\$1,250,000 TAXABLE GO IMP BONDS 2019D	\$2,600,000 TAXABLE GO TIF BONDS 2019D	\$1,740,000 GO IMP REF BONDS 2019E	TOTALS		
\$ -	\$ 492,500	\$ 480,927	\$ -	\$ -	\$ 55,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,505,010	REVENUES:	
-	53,233	987,782	238,843	-	3,805	-	88,598	-	-	-	1,846,676	Taxes:	
12,045	10,151	6,034	6,700	3,460	9,654	-	328	108	90	-	124,039	Property	
-	-	16,747	-	-	-	-	-	-	-	-	16,747	Special Assessments	
-	-	-	-	-	-	-	-	-	-	-	-	Investment Earnings	
-	-	-	-	-	-	-	-	-	-	-	-	Other Revenue	
12,045	555,884	1,491,490	245,543	3,460	68,959	-	88,926	108	90	-	4,492,472	TOTAL REVENUES	
-	-	24,886	-	-	-	-	-	-	-	-	31,326	EXPENDITURES:	
275,000	315,000	290,000	120,000	-	-	-	-	-	-	-	3,310,000	Current:	
359,100	216,544	371,725	51,580	15,025	24,615	68,285	-	-	-	-	1,615,634	General Government	
3,200	-	450	450	450	450	-	-	-	-	-	63,720	Debt Service:	
637,300	531,544	687,061	172,030	15,475	25,065	68,285	-	-	-	-	5,020,680	Principal	
(625,255)	24,340	804,429	73,513	(12,015)	43,894	(68,285)	88,926	108	90	-	(528,208)	Interest	
634,100	-	358,700	-	66,097	57,141	68,285	-	-	-	-	2,184,582	Issuance Costs And Fiscal Agent Fees	
-	-	-	-	-	-	-	-	-	-	-	(1,637,249)	TOTAL EXPENDITURES	
-	-	-	-	-	-	-	-	34,470	28,996	-	63,466	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	
-	-	-	-	-	-	-	-	-	-	249	1,740,000	OTHER FINANCING SOURCES (USES):	
-	-	-	-	-	-	-	-	-	-	-	230,893	Transfers In	
-	-	-	-	-	-	-	-	-	-	-	(1,360,000)	Transfers Out	
634,100	-	358,700	-	66,097	57,141	68,285	-	34,470	28,996	249	1,221,692	Bonds Issued	
8,845	24,340	1,163,129	73,513	54,082	101,035	-	88,926	34,578	29,086	249	693,484	Refunding Bonds Issued	
1,451,417	749,491	63,372	358,870	5,518	58,469	-	-	-	-	-	9,086,250	Premium on Refunding Bonds Issued	
\$ 1,460,262	\$ 773,831	\$ 1,226,501	\$ 432,383	\$ 59,600	\$ 159,504	\$ -	\$ 88,926	\$ 34,578	\$ 29,086	\$ 249	\$ 9,779,734	Payment to Refunded Bond Escrow Agent	
												TOTAL OTHER FINANCING SOURCES (USES)	
												NET CHANGE IN FUND BALANCES	
												FUND BALANCES, JANUARY 1	
												FUND BALANCES, DECEMBER 31	



CHASKA

Nonmajor Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- **Tax Increment Funds:**
These funds receive revenue from general property taxes in the form of tax increment. Revenues are used by the Chaska Economic Development Authority (EDA) to promote affordable housing and development by providing financing aids to developers.
- **Major Road Construction Fund:**
This fund collects Minnesota State Aid (MSA) revenue designated for road construction.
- **Permanent Improvement Revolving Funds:**
These funds are used to collect development fees charged for the purpose of construction of the City's utility systems. Three separate funds are shown: the Water trunk fund, the Sewer trunk fund and the Storm Water trunk fund.
- **Highway 312 Metropolitan Council Right-of-Way Acquisition Loan Fund:**
This fund is used to account for the land acquisitions for a highway funded by R.A.L.F.
- **Public Facilities Capital Improvement Fund:**
This fund is used to account for sources to be used to finance future capital facility construction and improvements to existing City facilities.
- **Fire Protection Systems Fund:**
This fund is used to account for receipts and expenditures for the fire protection systems.
- **Improvement Revolving Fund:**
This fund is used to fund un-bonded improvement projects.
- **Equipment Acquisition Fund:**
This fund is used to collect property tax levies appropriated by budget for capital equipment acquisition.
- **Park Development Fund:**
This fund is used to collect park dedication fees for construction of City parks.
- **Southwest Chaska Transportation Fund:**
This fund is used to account for fees charged to developers for the expansion of transportation projects in the southwest Chaska area.
- **Community Fund:**
This fund is used to account for resources to support current and future improvement projects.
- **Housing Improvement Area Projects Fund:**
This fund is used to account for the financing of private housing improvements administered through the City's HIA policy. Property owners are assessed 100 percent of the improvements.
- **Abatement Program Fund:**
This fund is used to account for the City and EDA's Tax Abatement program.
- **Annual Street Replacement Fund:**
These funds are used for City street reconstruction.
- **2014 Flood Event Fund:**
This fund is used to account for the receipts and expenditures associated with the June 2014 flooding. This fund closed in 2019.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2019

DECEMBER 31, 2019

	401	402	403	404	405	407	444	445	
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING
ASSETS									
Cash And Investments	\$ 1,580,779	\$ 19,875	\$ 806,278	\$ 406,796	\$ -	\$ 154,650	\$ 9,400	\$ 73,733	\$ 3,843
Receivables:									
Taxes:									
Unremitted	-	-	-	-	-	-	-	-	-
Delinquent	-	-	-	-	-	-	-	-	-
Special Assessments:									
Unremitted	-	-	2,073	720	72	-	-	-	246
Delinquent	-	-	-	-	-	-	-	-	7,616
Deferred:									
Certified To County	-	-	82,822	111,073	55,104	-	-	169,820	917,195
City Owned	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-
Interest	676	3,195	569	472	-	308	-	-	-
Due From Other Funds	-	2,000,000	-	1,224,058	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	5,742	4,594	-	129,901
Advance To Other Funds	-	-	-	-	-	119,258	95,406	-	398,499
TOTAL ASSETS	\$ 1,581,455	\$ 2,023,070	\$ 891,742	\$ 1,743,119	\$ 55,176	\$ 279,958	\$ 109,400	\$ 243,553	\$ 1,457,300
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES:									
Accounts Payable	\$ 7,494	\$ -	\$ 1,330	\$ 14,072	\$ 1,820	\$ -	\$ -	\$ 16	\$ -
Deposits Payable	11,096	-	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	227,383	-	-	-	-
Interfund Payable	110,713	-	-	-	-	-	-	-	-
Advance From Other Funds	2,250,215	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	2,379,518	-	1,330	14,072	229,203	-	-	16	-
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Taxes	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	82,822	111,073	55,104	-	-	169,820	924,811
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	82,822	111,073	55,104	-	-	169,820	924,811
FUND BALANCES:									
Restricted	1,504,942	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	2,023,070	807,590	1,617,974	-	279,958	109,400	73,717	532,489
Unassigned	(2,303,005)	-	-	-	(229,131)	-	-	-	-
TOTAL FUND BALANCES	(798,063)	2,023,070	807,590	1,617,974	(229,131)	279,958	109,400	73,717	532,489
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,581,455	\$ 2,023,070	\$ 891,742	\$ 1,743,119	\$ 55,176	\$ 279,958	\$ 109,400	\$ 243,553	\$ 1,457,300

448	449	450	451	452	453	524	530		
EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	HOUSING IMPROVEMENT AREA PROJECTS	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	2014 FLOOD EVENT	TOTALS	
\$ 1,675,263	\$ 241,068	\$ 502,960	\$ 433,583	\$ 423,678	\$ 29,946	\$ 1,740,928	\$ -	\$ 8,102,780	ASSETS
									Cash And Investments
									Receivables:
									Taxes:
17,582	-	-	-	-	-	-	-	17,582	Unremitted
20,100	-	-	-	-	-	-	-	20,100	Delinquent
-	67	-	-	-	-	-	-	3,178	Special Assessments:
-	-	-	-	-	-	1,559	-	9,175	Unremitted
-	421,372	2,461	-	-	-	-	-	1,759,847	Delinquent
-	-	-	-	-	-	374,205	-	374,205	Deferred:
551	-	-	-	-	14,716	-	-	15,267	Certified To County
-	593	-	-	484	-	967	-	7,264	City Owned
-	-	-	-	-	-	2,553,266	-	5,777,324	Accounts
173,715	-	-	-	-	-	-	-	313,952	Interest
1,305,593	-	-	-	-	-	-	-	1,918,756	Due From Other Funds
									Interfund Receivable
									Advance To Other Funds
<u>\$ 3,192,804</u>	<u>\$ 663,100</u>	<u>\$ 505,421</u>	<u>\$ 433,583</u>	<u>\$ 424,162</u>	<u>\$ 44,662</u>	<u>\$ 4,670,925</u>	<u>\$ -</u>	<u>\$ 18,319,430</u>	TOTAL ASSETS
									LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
									LIABILITIES:
\$ 209,598	\$ 16,171	\$ -	\$ -	\$ -	\$ 24,058	\$ 197,573	\$ -	\$ 472,132	Accounts Payable
-	-	-	-	-	-	-	-	11,096	Deposits Payable
-	-	-	-	-	-	-	-	227,383	Due To Other Funds
-	-	-	-	-	-	-	-	110,713	Interfund Payable
-	-	-	-	-	-	-	-	2,250,215	Advance From Other Funds
-	-	-	-	-	-	374,205	-	374,205	Unearned Revenue
<u>209,598</u>	<u>16,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,058</u>	<u>571,778</u>	<u>-</u>	<u>3,445,744</u>	TOTAL LIABILITIES
									DEFERRED INFLOWS OF RESOURCES:
20,100	-	-	-	-	-	-	-	20,100	Unavailable Revenue - Taxes
-	421,372	2,461	-	-	-	1,559	-	1,769,022	Unavailable Revenue - Special Assessments
<u>20,100</u>	<u>421,372</u>	<u>2,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559</u>	<u>-</u>	<u>1,789,122</u>	TOTAL DEFERRED INFLOWS OF RESOURCES
									FUND BALANCES:
689,629	-	-	-	-	-	997,319	-	3,191,890	Restricted
469,532	-	-	355,943	-	-	3,136,849	-	3,962,324	Committed
1,803,945	225,557	502,960	77,640	424,162	20,604	-	-	8,499,066	Assigned
-	-	-	-	-	-	(36,580)	-	(2,568,716)	Unassigned
<u>2,963,106</u>	<u>225,557</u>	<u>502,960</u>	<u>433,583</u>	<u>424,162</u>	<u>20,604</u>	<u>4,097,588</u>	<u>-</u>	<u>13,084,564</u>	TOTAL FUND BALANCES
<u>\$ 3,192,804</u>	<u>\$ 663,100</u>	<u>\$ 505,421</u>	<u>\$ 433,583</u>	<u>\$ 424,162</u>	<u>\$ 44,662</u>	<u>\$ 4,670,925</u>	<u>\$ -</u>	<u>\$ 18,319,430</u>	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	401	402	403	404	405	407	444	445	
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING
REVENUES:									
Taxes:									
General Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Increment	1,103,080	-	-	-	-	-	-	-	-
Intergovernmental:									
State	-	1,039,862	-	-	-	-	-	-	-
Charges For Services:									
Connection Charges	-	-	572,586	469,721	-	-	-	-	-
Acreage Charges	-	-	147,479	197,973	206,599	-	-	-	-
Other Charges for Services	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	23,343	42,926	31,088	-	-	28,683	1,285
Investment Earnings (Charges)	23,805	62,119	10,627	35,184	(5,156)	5,901	1,738	(466)	17,181
Other Revenues	253,903	-	-	325	-	-	46,959	-	-
TOTAL REVENUES	1,380,788	1,101,981	754,035	746,129	232,531	5,901	48,697	28,217	18,466
EXPENDITURES:									
Current:									
General Government	89,165	-	752	1,009	914	-	-	-	-
Economic Development	1,132,605	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	46,648	36,698	42,230	-	-	-	-
Parks, Recreation And Arts	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest	97,506	-	-	-	-	-	-	-	-
Issuance Costs And Fiscal Agent Fees	74,313	-	-	-	-	-	-	2,218	-
Capital Outlay:									
System Improvements:									
Water	-	-	-	-	-	-	-	-	-
Sanitary Sewer	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-	-
Storm Sewer	-	-	-	-	-	-	-	-	-
Other Improvements	-	-	-	-	-	-	-	-	-
Furniture And Equipment	-	-	-	-	-	-	-	-	-
Buildings And Structures	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,393,589	-	47,400	37,707	43,144	-	-	2,218	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,801)	1,101,981	706,635	708,422	189,387	5,901	48,697	25,999	18,466
OTHER FINANCING SOURCES (USES):									
Transfers In	-	320,080	354,823	170,272	93,053	-	-	-	-
Transfers Out	(125,242)	(1,368,408)	(956,767)	(39,481)	(544,663)	-	-	-	-
Bonds Issued	2,571,004	-	-	-	-	-	-	80,880	-
Premium On Bonds Issued	20,892	-	-	-	-	-	-	2,899	-
TOTAL OTHER FINANCING SOURCES (USES)	2,466,654	(1,048,328)	(601,944)	130,791	(451,610)	-	-	83,779	-
NET CHANGE IN FUND BALANCES	2,453,853	53,653	104,691	839,213	(262,223)	5,901	48,697	109,778	18,466
FUND BALANCES, JANUARY 1	(3,251,916)	1,969,417	702,899	778,761	33,092	274,057	60,703	(36,061)	514,023
FUND BALANCES, DECEMBER 31	\$ (798,063)	\$ 2,023,070	\$ 807,590	\$ 1,617,974	\$ (229,131)	\$ 279,958	\$ 109,400	\$ 73,717	\$ 532,489

448	449	450	451	452	453	524	530		
EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	HOUSING IMPROVEMENT AREA PROJECTS	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	2014 FLOOD EVENT	TOTALS	
\$ 903,239	\$ -	\$ -	\$ -	\$ -	\$ 84,099	\$ -	\$ -	\$ 987,338	REVENUES:
-	-	-	-	-	-	-	-	1,103,080	Taxes:
569	-	-	-	-	-	-	-	1,040,431	General Property
-	-	-	-	-	-	-	-	1,042,307	Tax Increment
-	463,462	8,052	-	-	-	-	-	1,023,565	Intergovernmental:
4,450	-	-	-	-	-	-	-	4,450	State
-	291,924	11,033	-	-	-	37,417	-	467,699	Charges For Services:
55,408	35,835	28,639	3,538	9,748	718	21,971	(3,490)	303,300	Connection Charges
131,546	23,113	-	-	-	14,716	-	-	470,562	Acreage Charges
1,095,212	814,334	47,724	3,538	9,748	99,533	59,388	(3,490)	6,442,732	Other Charges for Services
									Special Assessments
									Investment Earnings (Charges)
									Other Revenues
									TOTAL REVENUES
									EXPENDITURES:
5,410	2,462	-	-	-	-	8,431	-	108,143	Current:
-	-	-	-	-	86,591	-	-	1,219,196	General Government
31,898	-	-	-	-	-	-	-	31,898	Economic Development
17,868	-	-	-	-	-	769,292	870	913,606	Public Safety
-	102,286	-	-	-	-	-	-	102,286	Public Works
-	-	-	-	-	-	-	-	97,506	Parks, Recreation And Arts
27,287	-	-	-	-	-	81,444	-	185,262	Debt Service:
-	-	-	-	-	-	-	-	97,506	Interest
-	-	-	-	-	-	-	-	754,749	Issuance Costs And Fiscal Agent Fees
-	-	-	-	-	-	-	-	194,973	Capital Outlay:
-	-	-	-	-	-	252,070	-	252,070	System Improvements:
-	-	-	-	-	-	424,465	-	424,465	Water
-	-	-	-	-	-	1,284,041	-	1,284,041	Sanitary Sewer
-	-	-	-	-	-	125,768	-	125,768	Streets
35,225	76,088	-	-	-	-	-	-	111,313	Storm Sewer
754,749	-	-	-	-	-	-	-	754,749	Other Improvements
194,973	-	-	-	-	-	-	-	194,973	Furniture And Equipment
1,067,410	180,836	-	-	-	86,591	2,945,511	870	5,805,276	Buildings And Structures
									TOTAL EXPENDITURES
27,802	633,498	47,724	3,538	9,748	12,942	(2,886,123)	(4,360)	637,456	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
181,195	330,000	-	2,298,000	-	-	2,630,887	317,100	6,695,410	OTHER FINANCING SOURCES (USES):
(686,228)	(1,275,012)	(276,663)	(2,224,387)	-	-	-	-	(7,496,851)	Transfers In
1,240,000	-	-	-	-	-	3,740,000	-	7,631,884	Transfers Out
221,034	-	-	-	-	-	457,626	-	702,451	Bonds Issued
956,001	(945,012)	(276,663)	73,613	-	-	6,828,513	317,100	7,532,894	Premium On Bonds Issued
983,803	(311,514)	(228,939)	77,151	9,748	12,942	3,942,390	312,740	8,170,350	TOTAL OTHER FINANCING SOURCES (USES)
1,979,303	537,071	731,899	356,432	414,414	7,662	155,198	(312,740)	4,914,214	NET CHANGE IN FUND BALANCES
\$ 2,963,106	\$ 225,557	\$ 502,960	\$ 433,583	\$ 424,162	\$ 20,604	\$ 4,097,588	\$ -	\$ 13,084,564	FUND BALANCES, JANUARY 1
									FUND BALANCES, DECEMBER 31

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - TAX INCREMENT
DECEMBER 31, 2019

	426	427	428	429	431	432	433	434	435	436	
	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	DIST #17 CHASKA PRESERVE	DIST #18 CHASKA BUILDING CENTER	DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	TOTALS
ASSETS											
Cash And Investments	\$ 760,255	\$ 209,167	\$ 5,693	\$ 2,770	\$ 51,404	\$ 272,687	\$ 260,326	\$ 2,710	\$ 15,767	\$ -	\$ 1,580,779
Receivables:											
Interest	676	-	-	-	-	-	-	-	-	-	676
TOTAL ASSETS	\$ 760,931	\$ 209,167	\$ 5,693	\$ 2,770	\$ 51,404	\$ 272,687	\$ 260,326	\$ 2,710	\$ 15,767	\$ -	\$ 1,581,455
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 939	\$ -	\$ 48	\$ 6,507	\$ -	\$ 7,494
Deposits Payable	-	-	-	-	-	-	-	-	11,096	-	11,096
Interfund Payable	-	-	-	-	-	-	-	26,998	57,066	26,649	110,713
Advance From Other Funds	-	-	2,055,250	-	194,965	-	-	-	-	-	2,250,215
TOTAL LIABILITIES	-	-	2,055,250	-	194,965	939	-	27,046	74,669	26,649	2,379,518
FUND BALANCES:											
Restricted	760,931	209,167	-	2,770	-	271,748	260,326	-	-	-	1,504,942
Unassigned	-	-	(2,049,557)	-	(143,561)	-	-	(24,336)	(58,902)	(26,649)	(2,303,005)
TOTAL FUND BALANCES	760,931	209,167	(2,049,557)	2,770	(143,561)	271,748	260,326	(24,336)	(58,902)	(26,649)	(798,063)
TOTAL LIABILITIES AND FUND BALANCES	\$ 760,931	\$ 209,167	\$ 5,693	\$ 2,770	\$ 51,404	\$ 272,687	\$ 260,326	\$ 2,710	\$ 15,767	\$ -	\$ 1,581,455

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECT FUNDS - TAX INCREMENT
 FOR THE YEAR ENDED DECEMBER 31, 2019

	426	427	428	429	431	432	433	434	435	436	
	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	DIST #17 CHASKA PRESERVE	DIST #18 CHASKA BUILDING CENTER	DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	TOTALS
REVENUES:											
Taxes:											
Tax Increment	\$ 407,274	\$ 213,768	\$ 121,896	\$ 11,690	\$ 65,124	\$ 2,304	\$ 281,024	\$ -	\$ -	\$ -	\$ 1,103,080
Investment Earnings	13,606	2,241	986	3,060	565	313	3,024	3	7	-	23,805
Other Revenues	-	-	-	-	-	215,000	-	-	38,903	-	253,903
TOTAL REVENUES	420,880	216,009	122,882	14,750	65,689	217,617	284,048	3	38,910	-	1,380,788
EXPENDITURES:											
Current:											
General Government	-	-	-	-	-	51,546	-	10,487	26,253	879	89,165
Economic Development	523,400	145,372	4,062	159,006	9,328	18,440	204,040	2,369	40,818	25,770	1,132,605
Debt Service:											
Interest	-	-	88,504	-	9,002	-	-	-	-	-	97,506
Issuance Costs And Fiscal Agent Fees	-	-	-	-	-	47,732	-	7,431	19,150	-	74,313
TOTAL EXPENDITURES	523,400	145,372	92,566	159,006	18,330	117,718	204,040	20,287	86,221	26,649	1,393,589
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(102,520)	70,637	30,316	(144,256)	47,359	99,899	80,008	(20,284)	(47,311)	(26,649)	(12,801)
OTHER FINANCING SOURCES (USES):											
Transfers Out	-	-	(125,242)	-	-	-	-	-	-	-	(125,242)
Bonds Issued	-	-	-	-	-	1,647,233	-	256,318	667,453	-	2,571,004
Premium On Bonds Issued	-	-	-	-	-	17,982	-	1,141	1,769	-	20,892
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(125,242)	-	-	1,665,215	-	257,459	669,222	-	2,466,654
NET CHANGE IN FUND BALANCES	(102,520)	70,637	(94,926)	(144,256)	47,359	1,765,114	80,008	237,175	621,911	(26,649)	2,453,853
FUND BALANCES, JANUARY 1	863,451	138,530	(1,954,631)	147,026	(190,920)	(1,493,366)	180,318	(261,511)	(680,813)	-	(3,251,916)
FUND BALANCES, DECEMBER 31	\$ 760,931	\$ 209,167	\$ (2,049,557)	\$ 2,770	\$ (143,561)	\$ 271,748	\$ 260,326	\$ (24,336)	\$ (58,902)	\$ (26,649)	\$ (798,063)

Nonmajor Budgeted Special Revenue and Capital Project Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2019

The City adopts budgets for the following two nonmajor special revenue funds and one nonmajor capital project fund:

- **Mount Pleasant Maintenance & Care Fund – Special Revenue**
- **Chaska EDA Fund – Special Revenue**
- **Equipment Acquisition Fund – Capital Project**

CITY OF CHASKA, MINNESOTA**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MOUNT PLEASANT MAINTENANCE & CARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 6,000	\$ 6,000	\$ -
Intergovernmental:			
State:			
Market Value Credit	-	1	1
Charges For Services	2,400	3,400	1,000
Investment Earnings	300	5,737	5,437
TOTAL REVENUES	8,700	15,138	6,438
<u>EXPENDITURES:</u>			
Current:			
Public Works:			
Other Services And Charges	8,500	12,627	(4,127)
Capital Outlay	5,000	-	5,000
TOTAL EXPENDITURES	13,500	12,627	873
NET CHANGE IN FUND BALANCES	(4,800)	2,511	7,311
FUND BALANCES, JANUARY 1	257,703	257,703	-
FUND BALANCES, DECEMBER 31	\$ 252,903	\$ 260,214	\$ 7,311

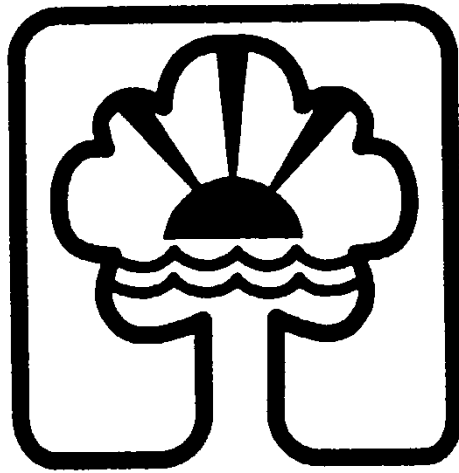
CITY OF CHASKA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHASKA EDA SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 498,843	\$ 498,482	\$ (361)
Intergovernmental:			
State:			
Market Value Credit	-	84	84
Charges For Services	85,000	85,000	-
Special Assessments	40,000	58,298	18,298
Investment Earnings (Charges)	(3,400)	(28,071)	(24,671)
Other:			
Rents	36,400	30,406	(5,994)
Payments	-	159,383	159,383
Refunds and Reimbursements	-	11,206	11,206
TOTAL REVENUES	656,843	814,788	157,945
<u>EXPENDITURES:</u>			
Current:			
Economic Development:			
Other Services And Charges	275,443	370,579	(95,136)
Debt Service:			
Principal	16,800	12,443	4,357
Interest	9,600	4,357	5,243
Capital Outlay	-	8,640	(8,640)
TOTAL EXPENDITURES	301,843	396,019	(94,176)
EXCESS OF REVENUES OVER EXPENDITURES	355,000	418,769	63,769
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers In	-	25,000	25,000
Transfers Out	(355,000)	(355,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(355,000)	(330,000)	25,000
NET CHANGE IN FUND BALANCES	-	88,769	88,769
FUND BALANCES, JANUARY 1	(1,083,766)	(1,083,766)	-
FUND BALANCES, DECEMBER 31	\$ (1,083,766)	\$ (994,997)	\$ 88,769

CITY OF CHASKA, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EQUIPMENT ACQUISITION CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 3,283,427	\$ 903,239	\$ (2,380,188)
Intergovernmental:			
State:			
Market Value Credit	-	569	569
Charges For Services	4,000	4,450	450
Other:			
Investment Earnings	-	55,408	55,408
Miscellaneous	100,000	131,546	31,546
TOTAL REVENUES	3,387,427	1,095,212	(2,292,215)
EXPENDITURES:			
Current:			
General Government	-	5,410	(5,410)
Public Safety	-	31,898	(31,898)
Public Works	-	17,868	(17,868)
Debt Service:			
Issuance Costs And Fiscal Agent Fees	181,000	27,287	153,713
Capital Outlay:			
Furniture And Equipment			
Communications	4,000	-	4,000
Administrative Services	40,000	-	40,000
Data Processing	146,000	28,577	117,423
Public Works	658,500	514,959	143,541
Police	70,000	152,692	(82,692)
Fire	60,000	58,521	1,479
Other Improvements	-	35,225	(35,225)
Buildings and Structures	-	194,973	(194,973)
TOTAL EXPENDITURES	1,159,500	1,067,410	92,090
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,227,927	27,802	(2,200,125)
OTHER FINANCING SOURCES (USES):			
Transfers In	49,000	181,195	132,195
Transfers Out	(2,902,927)	(686,228)	2,216,699
Bonds Issued	626,000	1,240,000	614,000
Premium On Bonds Issued	-	221,034	221,034
TOTAL OTHER FINANCING SOURCES (USES)	(2,227,927)	956,001	3,183,928
NET CHANGE IN FUND BALANCES	-	983,803	983,803
FUND BALANCES, JANUARY 1	1,979,303	1,979,303	-
FUND BALANCES, DECEMBER 31	\$ 1,979,303	\$ 2,963,106	\$ 983,803



CHASKA

Nonmajor Enterprise Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2019

Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise. It is the intent of the City Council that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. This type of fund is also used where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The City has four nonmajor enterprise funds.

- **Sewer Fund:**
This fund is used to account for the operation of the City's Sewer Utility.
- **Par 30 Golf Fund:**
This fund is used to account for the operation of the City's 9-hole public golf course.
- **Chaska Town Course Fund:**
This fund is used to account for the operation of the City's 18-hole public golf course.
- **Storm Water Fund:**
This fund is used to account for the operation of the City's Storm Water Utility.

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2019

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	STORM WATER	TOTALS
ASSETS					
Current Assets:					
Cash And Investments	\$ 823,620	\$ -	\$ 85,032	\$ 858,490	\$ 1,767,142
Receivables:					
Special Assessments	-	-	-	32,156	32,156
Accounts					
Current	304,741	1,000	-	144,388	450,129
Unbilled	231,128	-	-	-	231,128
Allowance For Uncollectible Accounts	(9,059)	-	-	(4,253)	(13,312)
Interest	983	-	-	994	1,977
Due From Other Funds	500,000	-	170,179	769,628	1,439,807
Inventories	8,028	307	67,236	-	75,571
Total Current Assets	1,859,441	1,307	322,447	1,801,403	3,984,598
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	139,982	139,982
Buildings	255,000	111,537	8,013,896	-	8,380,433
Other Improvements	-	27,970	359,201	-	387,171
Furniture And Equipment	1,010,728	33,779	2,236,588	436,503	3,717,598
Infrastructure	1,453,375	-	-	2,572,563	4,025,938
Construction In Progress	503,475	-	36,570	139,520	679,565
Less: Accumulated Depreciation	(1,517,687)	(154,719)	(8,680,149)	(674,462)	(11,027,017)
Total Net Capital Assets	1,704,891	18,567	1,966,106	2,614,106	6,303,670
TOTAL ASSETS	3,564,332	19,874	2,288,553	4,415,509	10,288,268
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan Deferments	39,323	5,662	50,802	15,434	111,221
OPEB Plan Deferments	919	514	1,882	156	3,471
TOTAL DEFERRED OUTFLOWS OF RESOURCES	40,242	6,176	52,684	15,590	114,692
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,604,574	\$ 26,050	\$ 2,341,237	\$ 4,431,099	\$ 10,402,960
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 3,678	\$ 10,819	\$ -	\$ 54,444	\$ 68,941
Salaries Payable	26,068	2,273	29,244	5,106	62,691
Deposits Payable	-	-	147,764	-	147,764
Compensated Absences	42,323	2,712	52,213	2,817	100,065
Accrued Interest Payable	37,288	-	-	24,441	61,729
Due To Other Funds	-	170,179	-	-	170,179
Due To Other Governments	27,569	1	4,785	6,350	38,705
Interfund Payable	13,783	-	88,816	57,333	159,932
Revenue Bonds Payable	125,000	-	-	80,000	205,000
Unearned Revenue	-	-	-	190,904	190,904
Total Current Liabilities	275,709	185,984	322,822	421,395	1,205,910
Noncurrent Liabilities:					
Compensated Absences	10,044	2,236	40,889	3,440	56,609
Advance From Other Funds	117,587	-	836,084	234,335	1,188,006
Revenue Bonds Payable	3,853,727	-	-	2,380,183	6,233,910
Other Post Employment Benefits	31,254	17,497	64,034	5,322	118,107
Net Pension Liability	377,296	54,325	487,433	148,090	1,067,144
Total Noncurrent Liabilities	4,389,908	74,058	1,428,440	2,771,370	8,663,776
TOTAL LIABILITIES	4,665,617	260,042	1,751,262	3,192,765	9,869,686
DEFERRED INFLOWS OF RESOURCES					
Pension Plan Deferments	67,602	9,734	87,336	26,534	191,206
NET POSITION					
Net Investment In Capital Assets	1,704,891	18,567	1,966,106	1,537,190	5,226,754
Unrestricted	(2,833,536)	(262,293)	(1,463,467)	(325,390)	(4,884,686)
TOTAL NET POSITION	(1,128,645)	(243,726)	502,639	1,211,800	342,068
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 3,604,574	\$ 26,050	\$ 2,341,237	\$ 4,431,099	\$ 10,402,960

CITY OF CHASKA, MINNESOTA

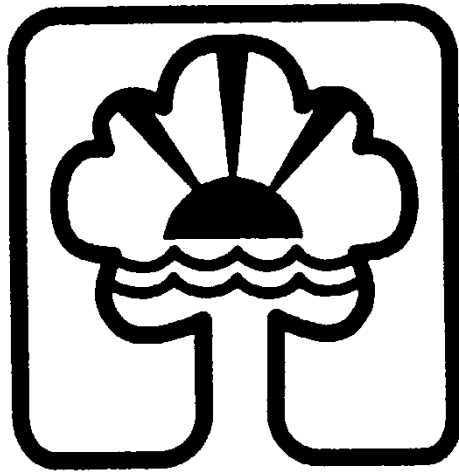
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>SEWER</u>	<u>PAR 30 GOLF</u>	<u>CHASKA TOWN COURSE</u>	<u>STORM WATER</u>	<u>TOTALS</u>
OPERATING REVENUES:					
Sales	\$ 4,136,124	\$ 136,903	\$ 2,105,154	\$ 1,688,118	\$ 8,066,299
OPERATING EXPENSES:					
Production	2,453,778	-	-	-	2,453,778
Distribution / Collections	596,081	-	-	485,641	1,081,722
Administration	788,950	182,297	2,028,328	425,515	3,425,090
Depreciation	124,554	3,939	449,265	175,709	753,467
TOTAL OPERATING EXPENSES	3,963,363	186,236	2,477,593	1,086,865	7,714,057
OPERATING INCOME (LOSS)	172,761	(49,333)	(372,439)	601,253	352,242
NON-OPERATING REVENUES:					
Investment Earnings (Charges)	22,198	(3,299)	(2,708)	26,133	42,324
Intergovernmental	134,740	126	1,135	345	136,346
TOTAL NON-OPERATING REVENUES	156,938	(3,173)	(1,573)	26,478	178,670
NON-OPERATING EXPENSES:					
Interest	85,633	-	21,757	61,915	169,305
Issuance Costs And Fiscal Agent Fees	36,454	-	-	17,996	54,450
TOTAL NON-OPERATING EXPENSES	122,087	-	21,757	79,911	223,755
INCOME (LOSS) BEFORE TRANSFERS	207,612	(52,506)	(395,769)	547,820	307,157
CAPITAL CONTRIBUTIONS	-	-	-	110,400	110,400
TRANSFERS IN (OUT)					
Transfers In	104,081	-	1,977	207,768	313,826
Transfers Out	(1,511,157)	-	(6,666)	(933,400)	(2,451,223)
TOTAL TRANSFERS IN (OUT)	(1,407,076)	-	(4,689)	(725,632)	(2,137,397)
CHANGE IN NET POSITION	(1,199,464)	(52,506)	(400,458)	(67,412)	(1,719,840)
NET POSITION, JANUARY 1	70,819	(191,220)	903,097	1,279,212	2,061,908
NET POSITION, DECEMBER 31	\$ (1,128,645)	\$ (243,726)	\$ 502,639	\$ 1,211,800	\$ 342,068

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	STORM WATER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts From Customers and Users	\$ 4,137,424	\$ 135,903	\$ 2,146,771	\$ 1,733,901	\$ 8,153,999
Payments to Suppliers	(3,117,584)	(86,450)	(918,905)	(623,480)	(4,746,419)
Payments to Employees	(664,787)	(122,471)	(1,116,980)	(256,891)	(2,161,129)
Net Cash Provided (Used) By Operating Activities	355,053	(73,018)	110,886	853,530	1,246,451
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers From Other Funds	104,081	-	1,977	207,768	313,826
Transfers To Other Funds	(1,511,157)	-	(6,666)	(933,400)	(2,451,223)
Due From Other Funds	350,000	-	(170,179)	(259,280)	(79,459)
Due To Other Funds	-	70,179	-	-	70,179
Intergovernmental	134,740	126	1,135	345	136,346
Net Cash Provided (Used) By Non-Capital Financing Activities	(922,336)	70,305	(173,733)	(984,567)	(2,010,331)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds From Revenue Bonds	1,366,231	-	-	668,746	2,034,977
Capital Contributions	-	-	-	110,400	110,400
Principal Paid On Bonds	(121,000)	-	-	(80,000)	(201,000)
Interest And Fiscal Charges	(113,098)	-	-	(71,335)	(184,433)
Construction And Acquisition of Capital Assets	(503,475)	-	(158,795)	(41,099)	(703,369)
Interfund Loan Payments To Other Funds	(11,630)	-	275,552	(52,333)	211,589
Interest Payments On Interfund Loans	(6,859)	-	(21,757)	(8,850)	(37,466)
Net Cash Provided (Used) By Capital And Related Financing Activities	610,169	-	95,000	525,529	1,230,698
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest (Charges) On Investments	22,398	(3,299)	(2,708)	25,139	41,530
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	65,284	(6,012)	29,445	419,631	508,348
CASH AND CASH EQUIVALENTS, January 1	758,336	6,012	55,587	438,859	1,258,794
CASH AND CASH EQUIVALENTS, December 31	\$ 823,620	\$ -	\$ 85,032	\$ 858,490	\$ 1,767,142
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 172,761	\$ (49,333)	\$ (372,439)	\$ 601,253	\$ 352,242
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:					
Depreciation Expense	124,554	3,939	449,265	175,709	753,467
Allowance For Uncollectible Accounts	4,051	-	-	1,908	5,959
(Increase) Decrease In Assets And Deferred Outflows:					
Special Assessments	-	-	-	9,532	9,532
Accounts Receivable	(4,088)	(1,000)	256	11,942	7,110
Due From Other Governments	1,337	-	-	26,539	27,876
Inventory	5	(171)	(14,219)	-	(14,385)
Deferred Outflows	32,029	8,462	48,825	13,201	102,517
Increase (Decrease) In Liabilities And Deferred Inflows:					
Accounts Payable	(4,003)	10,703	-	29,131	35,831
Salaries Payable	3,852	91	6,718	(5,168)	5,493
Deposits Payable	-	-	41,361	-	41,361
Compensated Absences Payable	9,977	(13,981)	8,947	(30)	4,913
Net Pension Liability	9,768	(19,181)	(27,106)	1,079	(35,440)
Due To Other Governments	27,569	1	4,188	2,100	33,858
Unearned Revenue	-	-	-	(4,138)	(4,138)
Other Post Employment Benefits	753	(4,059)	5,314	384	2,392
Deferred Inflows	(23,512)	(8,489)	(40,224)	(9,912)	(82,137)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 355,053	\$ (73,018)	\$ 110,886	\$ 853,530	\$ 1,246,451
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Amortization Of Bond Premiums	\$ 2,686	\$ -	\$ -	\$ 2,127	\$ 4,813



CHASKA

This part of the City of Chaska's comprehensive annual financial report (CAFR) represents detailed information as a context for understanding this year's financial statements, note disclosures and supplementary information. This information has not been audited by the independent auditor.

Content

• **Financial Trends:**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over-time.

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- Table 2 – Changes in Net Position
- Table 3 – Governmental Activities Tax Revenues by Source
- Table 4 – Fund Balances of Governmental Funds
- Table 5 – Changes in Fund Balances of Governmental Funds

• **Revenue Capacity:**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

- Table 6 – General Governmental Tax Revenues by Source
- Table 7 – Tax Capacity Value and Estimated Actual Value of Real and Personal Property
- Table 8 – Property Tax Rates
- Table 9 – Principal Property Taxpayers
- Table 10 – Property Tax Levies and Collections

• **Debt Capacity:**

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue debt in the future.

- Table 11 – Ratios of Outstanding Debt by Type
- Table 12 – Ratios of General Bonded Debt Outstanding to Estimated Actual Taxable Value
- Table 13 – Direct and Overlapping Governmental Activities Debt
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• **Demographic and Economic Information:**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activity takes place.

- Table 16 – Demographic and Economic Statistics
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- **Operating Information:**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities that it performs.

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Table 19 – Operating Indicators by Function/Program

Table 20 – Capital Asset Statistics by Function/Program

- **Sources:**

Unless otherwise noted, the information in these schedules derives from the CAFR for the relevant year(s).

CITY OF CHASKA, MINNESOTA**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2010	2011	2012 (Restated) (1)	2013
Governmental Activities				
Net Investment In Capital Assets	\$ 123,268,713	\$ 121,056,422	\$ 120,219,510	\$ 118,818,535
Restricted	14,860,130	20,932,146	24,295,547	25,069,356
Unrestricted	(5,999,214)	(6,614,940)	(6,014,472)	(2,173,764)
Total Governmental Activities Net Position:	\$ 132,129,629	\$ 135,373,628	\$ 138,500,585	\$ 141,714,127
Business-Type Activities				
Net Investment In Capital Assets	\$ 25,788,072	\$ 24,905,043	\$ 25,075,383	\$ 25,818,904
Restricted	3,013,936	3,271,085	3,396,858	4,451,868
Unrestricted	11,459,338	12,961,398	13,265,298	13,378,058
Total Business-Type Activities Net Position:	\$ 40,261,346	\$ 41,137,526	\$ 41,737,539	\$ 43,648,830
Primary Government				
Net Investment In Capital Assets	\$ 149,056,785	\$ 145,961,465	\$ 145,294,893	\$ 144,637,439
Restricted	17,874,066	24,203,231	27,692,405	29,521,224
Unrestricted	5,460,124	6,346,458	7,250,826	11,204,294
Total Primary Government Net Position:	\$ 172,390,975	\$ 176,511,154	\$ 180,238,124	\$ 185,362,957

(1) The City implemented GASB Statement No. 65 in 2013. Net position for 2012 was restated for the effects of implementing this standard. Net position for previous years have not been restated.

(2) The City implemented GASB Statement No. 68 in 2015. Net position for previous years have not been restated.

(3) The City implemented GASB Statement No. 75 in 2018. Net position for previous years have not been restated.

Table 1

FISCAL YEAR					
2014	2015 (2)	2016	2017	2018 (3)	2019
\$ 125,511,881	\$ 127,278,758	\$ 132,552,673	\$ 137,122,192	\$ 146,659,763	\$ 143,383,394
24,001,479	14,955,015	14,175,353	19,807,677	20,434,329	19,254,366
(3,712,091)	(20,840)	(640,332)	(2,060,473)	(11,503,698)	(12,136,611)
<u>\$ 145,801,269</u>	<u>\$ 142,212,933</u>	<u>\$ 146,087,694</u>	<u>\$ 154,869,396</u>	<u>\$ 155,590,394</u>	<u>\$ 150,501,149</u>
\$ 27,939,635	\$ 33,274,260	\$ 31,821,470	\$ 30,523,279	\$ 33,206,537	\$ 32,618,078
4,030,287	5,190,437	5,609,821	17,986,742	16,111,606	16,407,157
13,818,352	(919,545)	1,918,324	(7,433,427)	(7,147,929)	(8,973,291)
<u>\$ 45,788,274</u>	<u>\$ 37,545,152</u>	<u>\$ 39,349,615</u>	<u>\$ 41,076,594</u>	<u>\$ 42,170,214</u>	<u>\$ 40,051,944</u>
\$ 153,451,516	\$ 160,553,018	\$ 164,374,143	\$ 167,645,471	\$ 179,866,300	\$ 176,001,472
28,031,766	20,145,452	19,785,174	37,794,419	36,545,935	35,661,523
10,106,261	(940,385)	1,277,992	(9,493,900)	(18,651,627)	(21,109,902)
<u>\$ 191,589,543</u>	<u>\$ 179,758,085</u>	<u>\$ 185,437,309</u>	<u>\$ 195,945,990</u>	<u>\$ 197,760,608</u>	<u>\$ 190,553,093</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	FISCAL YEAR									
	2010	2011	2012 (Restated) (1)	2013	2014	2015 (2)(3)	2016	2017	2018 (4)	2019
EXPENSES										
Governmental Activities										
General Government	\$ 3,488,429	\$ 3,982,078	\$ 3,965,035	\$ 4,590,619	\$ 4,960,161	\$ 5,627,642	\$ 5,975,566	\$ 6,603,240	\$ 6,025,119	\$ 6,466,463
Economic Development	1,064,929	933,265	1,157,730	1,445,963	1,853,189	8,778,959	1,078,389	2,005,808	4,352,049	1,682,326
Public Safety	3,727,256	4,216,569	4,370,823	4,705,235	4,977,668	4,764,269	6,878,111	6,063,781	6,189,888	6,805,386
Public Works	9,054,937	7,029,170	7,789,049	9,758,311	8,850,036	8,488,231	8,566,638	9,042,167	10,088,913	26,781,348
Parks, Recreation And Arts	787,377	709,781	727,482	779,705	765,955	1,210,234	1,067,514	1,286,155	1,526,003	1,636,562
Interest On Long-Term Debt	1,696,164	1,551,955	1,419,848	1,361,830	1,037,857	1,330,444	1,424,886	1,264,604	1,550,437	1,522,276
Total Governmental Activities Expenses:	19,819,092	18,422,818	19,429,967	22,641,663	22,444,866	30,199,779	24,991,104	26,265,755	29,732,409	44,894,361
Business-type Activities										
Electric	24,656,027	26,897,015	29,362,666	31,058,570	32,528,332	33,417,358	35,236,356	35,744,098	38,896,423	35,599,483
Water	2,332,201	2,624,256	2,545,714	2,794,378	2,817,249	2,785,714	2,859,401	2,883,350	3,015,694	3,391,370
Sewer	2,433,882	2,716,380	2,725,405	2,843,831	3,104,992	3,150,447	3,254,994	3,494,259	3,801,595	4,091,831
Chaska Community Center	3,855,291	4,003,228	3,860,960	3,854,763	3,816,200	4,077,426	4,419,881	4,536,723	4,752,021	4,716,992
Par 30 Golf Course	186,362	171,720	186,681	151,575	163,112	183,136	240,047	193,856	189,814	187,568
Chaska Town Course	2,067,297	2,043,373	2,034,790	2,148,077	2,193,635	2,310,651	2,433,909	2,512,410	2,452,056	2,505,095
Turbine Generator	2,948,406	1,612,415	1,534,229	1,505,608	1,623,074	1,730,079	1,057,383	1,019,671	1,016,539	1,023,865
Internet Service Provider (5)	778,440	639,021	665,909	604,813	488,728	293,951	168,783	184,840	159,357	-
Storm Water	190,380	435,892	586,774	541,700	536,364	760,340	993,816	980,334	1,072,424	1,173,012
Chaska Curling Center (3)	-	-	-	-	3,391	835,012	1,516,260	2,330,918	2,635,334	2,419,331
Total Business-type Activities Expenses:	39,448,286	41,143,300	43,503,128	45,503,315	47,275,077	49,544,114	52,180,830	53,880,459	57,991,257	55,108,547
Total Primary Government Expenses:	\$ 59,267,378	\$ 59,566,118	\$ 62,933,095	\$ 68,144,978	\$ 69,719,943	\$ 79,743,893	\$ 77,171,934	\$ 80,146,214	\$ 87,723,666	\$ 100,002,908
PROGRAM REVENUES										
Governmental Activities										
Charges For Services										
General Government	\$ 1,612,310	\$ 2,297,111	\$ 2,122,998	\$ 2,465,448	\$ 2,548,055	\$ 3,440,547	\$ 3,381,482	\$ 3,716,746	\$ 4,235,869	\$ 4,522,047
Economic Development	154,000	154,000	160,222	163,426	167,000	70,340	77,421	76,000	80,000	85,000
Public Safety	232,360	205,390	257,365	267,962	271,613	219,590	180,603	263,033	331,251	240,462
Public Works	443,436	562,000	863,058	1,290,754	1,328,059	1,876,750	2,516,820	1,882,531	2,178,832	1,794,876
Parks, Recreation And Arts	44,601	40,004	37,606	462,884	281,805	132,621	317,749	182,462	429,577	652,394
Operating Grants And Contributions	487,171	463,082	514,856	1,234,843	854,330	667,025	628,278	1,477,224	777,833	10,909,953
Capital Grants And Contributions	8,723,965	3,448,026	4,039,456	5,285,987	4,968,378	6,737,538	8,226,427	14,086,637	7,951,347	2,644,120
Total Governmental Activities Program Revenues:	11,697,843	7,169,613	7,995,561	11,171,304	10,419,240	13,144,411	15,328,780	21,684,633	15,984,709	20,848,852
Business-type Activities										
Charges for Services										
Electric	25,773,647	28,885,102	31,641,160	33,831,735	34,673,309	35,565,149	37,500,384	37,542,385	41,193,202	41,203,336
Water	1,890,992	2,387,700	2,758,682	2,528,547	2,409,274	2,534,074	2,714,932	2,768,225	2,861,416	2,921,859
Sewer	2,653,297	2,807,185	2,796,625	2,948,150	3,177,511	3,267,600	3,423,610	3,601,281	3,789,275	4,136,124
Chaska Community Center	2,801,498	2,821,081	2,952,501	2,840,092	3,081,500	3,246,108	2,735,432	3,163,971	3,085,972	3,264,746
Par 30 Golf Course	166,251	144,726	158,381	155,706	151,454	192,164	170,732	167,726	154,621	136,903
Chaska Town Course	1,643,670	1,557,948	1,790,342	1,724,149	1,807,559	2,089,861	2,137,035	2,133,510	1,966,812	2,105,154
Turbine Generator	2,269,732	2,156,067	2,112,887	2,065,865	2,014,655	1,842,662	1,781,846	1,719,136	1,650,846	1,576,477
Internet Service Provider (5)	747,703	689,673	603,826	489,466	397,692	173,816	103,569	117,718	100,033	-
Storm Water	504,988	504,604	756,516	782,202	840,052	912,936	969,248	1,097,344	1,581,812	1,688,118
Chaska Curling Center (3)	-	-	-	-	-	65,022	1,173,795	1,221,472	1,299,997	1,240,291
Operating Grants And Contributions	-	-	-	-	-	-	100,379	1,626	99,052	142,669
Capital Grants And Contributions	150,453	54,092	139,416	351,542	693,238	181,839	647,918	704,759	198,433	678,369
Total Business-type Activities Program Revenues:	38,602,231	42,008,178	45,710,336	47,717,454	49,246,244	50,071,231	53,458,880	54,239,153	57,981,471	59,094,046
Total Primary Government Program Revenues:	\$ 50,300,074	\$ 49,177,791	\$ 53,705,897	\$ 58,888,758	\$ 59,665,484	\$ 63,215,642	\$ 68,787,660	\$ 75,923,786	\$ 73,966,180	\$ 79,942,898

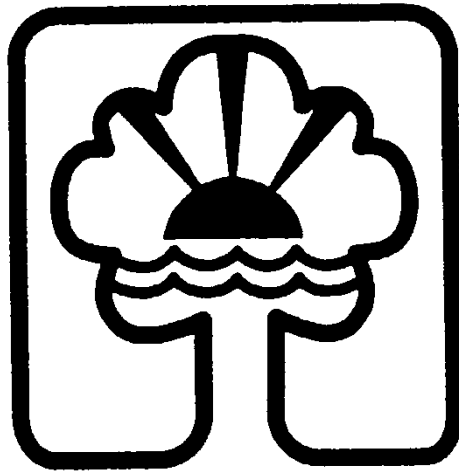
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	FISCAL YEAR									
	2010	2011	2012 (Restated) (1)	2013	2014	2015 (2)(3)	2016	2017	2018 (4)	2019
NET EXPENSE / REVENUE										
Governmental Activities	\$ (8,121,249)	\$ (11,253,205)	\$ (11,434,406)	\$ (11,470,359)	\$ (12,025,626)	\$ (17,055,368)	\$ (9,662,324)	\$ (4,581,122)	\$ (13,747,700)	\$ (24,045,509)
Business-type Activities	(846,055)	864,878	2,207,208	2,214,139	1,971,167	527,117	1,278,050	358,694	(9,786)	3,985,499
Total Primary Government Net Expense:	\$ (8,967,304)	\$ (10,388,327)	\$ (9,227,198)	\$ (9,256,220)	\$ (10,054,459)	\$ (16,528,251)	\$ (8,384,274)	\$ (4,222,428)	\$ (13,757,486)	\$ (20,060,010)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	\$ 10,610,785	\$ 10,457,922	\$ 10,507,231	\$ 10,104,762	\$ 10,703,248	\$ 9,063,743	\$ 8,189,403	\$ 9,089,057	\$ 10,129,998	\$ 10,805,084
Franchise Taxes	2,723,653	2,934,401	3,225,821	3,355,672	3,656,724	4,079,404	4,224,548	4,300,526	4,576,985	752,914
Unrestricted Grants and Contributions	235,662	247,716	62,608	58,761	491,545	530,868	585,679	310,188	26,334	42,379
Investment Earnings	54,613	82,462	139,907	41,179	429,177	264,180	247,978	253,578	400,814	428,710
Other	356,659	265,898	491,536	267,711	365,919	545,596	510,860	416,642	366,702	277,822
Transfers	794,132	508,805	758,219	855,816	466,155	5,086,416	(221,383)	(1,007,167)	(769,471)	6,649,355
Total Governmental Activities:	14,775,504	14,497,204	15,185,322	14,683,901	16,112,768	19,570,207	13,537,085	13,362,824	14,731,362	18,956,264
Business-type Activities										
Unrestricted Grants and Contributions	-	-	-	-	-	-	-	41,184	211	283
Investment Earnings	1,203,275	393,721	438,195	419,145	550,131	455,526	241,753	260,708	362,111	407,297
Other	-	126,386	72,567	133,823	84,301	63,440	63,277	59,226	82,857	138,006
Transfers	(794,132)	(508,805)	(758,219)	(855,816)	(466,155)	(5,086,416)	221,383	1,007,167	769,471	(6,649,355)
Total Business-type Activities:	409,143	11,302	(247,457)	(302,848)	168,277	(4,567,450)	526,413	1,368,285	1,214,650	(6,103,769)
Total Primary Government:	\$ 15,184,647	\$ 14,508,506	\$ 14,937,865	\$ 14,381,053	\$ 16,281,045	\$ 15,002,757	\$ 14,063,498	\$ 14,731,109	\$ 15,946,012	\$ 12,852,495
CHANGE IN NET POSITION										
Governmental Activities	\$ 6,654,255	\$ 3,243,999	\$ 3,750,916	\$ 3,213,542	\$ 4,087,142	\$ 2,514,839	\$ 3,874,761	\$ 8,781,702	\$ 983,662	\$ (5,089,245)
Business-type Activities	(436,912)	876,180	1,959,751	1,911,291	2,139,444	(4,040,333)	1,804,463	1,726,979	1,204,864	(2,118,270)
Total Primary Government:	\$ 6,217,343	\$ 4,120,179	\$ 5,710,667	\$ 5,124,833	\$ 6,226,586	\$ (1,525,494)	\$ 5,679,224	\$ 10,508,681	\$ 2,188,526	\$ (7,207,515)

Change In Net Position is explained in the Management's Discussion & Analysis.

- (1) The City implemented GASB Statement No. 65 in 2013. Change in Net Position for 2012 was restated for the effects of implementing this standard. Change in Net Position for previous years have not been restated.
- (2) The City implemented GASB Statement No. 68 in 2015. Change in Net Position for previous years have not been restated.
- (3) Chaska Curling Center fund was established in 2015.
- (4) The City implemented GASB Statement No. 75 in 2018. Change in Net Position for previous years have not been restated.
- (5) The Internet Service Provider fund closed in 2018.



CHASKA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES			TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC (2)	CABLE	GAS (1)	
2010	\$ 4,781,992	\$ 5,828,793	\$ 2,501,470	\$ 222,183	\$ -	\$ 13,334,438
2011	4,755,677	5,702,245	2,702,870	231,531	-	13,392,323
2012	4,936,400	5,570,831	2,988,410	237,411	-	13,733,052
2013	5,001,413	5,103,349	3,101,430	254,242	-	13,460,434
2014 (1)	5,250,479	5,452,769	3,210,070	265,415	181,239	14,359,972
2015	8,501,586	562,157	3,339,440	284,886	455,078	13,143,147
2016	7,559,289	630,114	3,458,900	304,017	461,631	12,413,951
2017	8,367,604	721,453	3,521,540	321,423	457,563	13,389,583
2018	9,091,373	1,038,625	3,820,670	306,860	449,455	14,706,983
2019	9,702,004	1,103,080	-	302,522	450,392	11,557,998

(1) Chaska implemented a Gas Franchise Tax in 2014.

(2) Beginning in 2019, the City did not assess a franchise fee on the City-owned electric.

CITY OF CHASKA, MINNESOTA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2010	2011 (1)	2012	2013
General Fund				
Nonspendable	\$ -	\$ -	\$ 241	\$ -
Committed	-	597,734	620,774	739,540
Unassigned	-	2,134,923	2,418,419	1,965,790
Unreserved (2010)	2,566,483	-	-	-
Total General Fund:	\$ 2,566,483	\$ 2,732,657	\$ 3,039,434	\$ 2,705,330
General Fund % Change	2.82%	6.47%	11.23%	-10.99%
All Other Governmental Funds				
Restricted	\$ -	\$ 9,738,589	\$ 18,546,504	\$ 15,968,896
Committed	-	279,176	913,595	1,068,969
Assigned	-	3,383,331	3,144,950	4,732,649
Unassigned, Reported In:				
Special Revenue Funds	-	(194,924)	-	(259,844)
Capital Project Funds	-	(7,462,984)	(8,003,881)	(7,456,476)
Reserved (2010)	10,613,705	-	-	-
Unreserved, Reported In (2010):				
Special Revenue Funds	803,856	-	-	-
Capital Project Funds	(7,237,917)	-	-	-
Total All Other Governmental Funds:	\$ 4,179,644	\$ 5,743,188	\$ 14,601,168	\$ 14,054,194
All Other Governmental Funds % Change	85.51%	37.41%	154.23%	-3.75%
Total Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 241	\$ -
Restricted	-	9,738,589	18,546,504	15,968,896
Committed	-	876,910	1,534,369	1,808,509
Assigned	-	3,383,331	3,144,950	4,732,649
Unassigned	-	(5,522,985)	(5,585,462)	(5,750,530)
Reserved (2010)	10,613,705	-	-	-
Unreserved (2010)	(3,867,578)	-	-	-
Total Governmental Funds:	\$ 6,746,127	\$ 8,475,845	\$ 17,640,602	\$ 16,759,524
Total Governmental Funds % Change	42.05%	25.64%	108.13%	-4.99%

(1) The City implemented GASB 54 in 2011, resulting in a significant reclassification of the components of fund balance. Fund balance for 2010 has not been restated.

Table 4

FISCAL YEAR					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
891,416	852,664	924,378	908,494	1,010,606	1,133,435
1,644,738	2,232,766	1,615,179	1,103,421	1,078,348	777,426
-	-	-	-	-	-
<u>\$ 2,536,154</u>	<u>\$ 3,085,430</u>	<u>\$ 2,539,557</u>	<u>\$ 2,011,915</u>	<u>\$ 2,088,954</u>	<u>\$ 1,910,861</u>
-6.25%	21.66%	-17.69%	-20.78%	-17.74%	-8.53%
\$ 19,114,183	\$ 11,557,173	\$ 8,022,515	\$ 11,726,442	\$ 10,712,645	\$ 13,546,921
1,912,764	3,368,508	2,456,381	2,889,920	3,746,951	4,487,945
5,529,159	6,845,131	6,646,255	8,571,632	8,011,826	8,511,304
(1,242,278)	(1,451,333)	(701,789)	(793,665)	(1,096,949)	(1,008,180)
(11,708,398)	(6,914,737)	(5,224,315)	(5,637,984)	(15,082,217)	(8,565,055)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 13,605,430</u>	<u>\$ 13,404,742</u>	<u>\$ 11,199,047</u>	<u>\$ 16,756,345</u>	<u>\$ 6,292,256</u>	<u>\$ 16,972,935</u>
-3.19%	-1.48%	-16.45%	49.62%	-43.81%	169.74%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,114,183	11,557,173	8,022,515	11,726,442	10,712,645	13,546,921
2,804,180	4,221,172	3,380,759	3,798,414	4,757,557	5,621,380
5,529,159	6,845,131	6,646,255	8,571,632	8,011,826	8,511,304
(11,305,938)	(6,133,304)	(4,310,925)	(5,328,228)	(15,100,818)	(8,795,809)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,141,584</u>	<u>\$ 16,490,172</u>	<u>\$ 13,738,604</u>	<u>\$ 18,768,260</u>	<u>\$ 8,381,210</u>	<u>\$ 18,883,796</u>
-3.69%	2.16%	-16.69%	36.61%	-55.34%	125.31%

CITY OF CHASKA, MINNESOTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

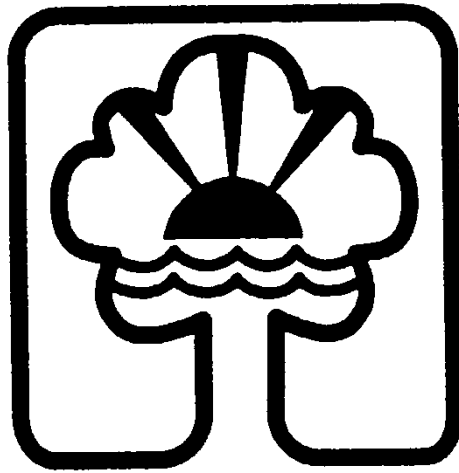
(UNAUDITED)

	FISCAL YEAR			
	2010	2011	2012	2013
<u>REVENUES</u>				
Taxes	\$ 13,386,635	\$ 13,387,904	\$ 13,888,797	\$ 13,502,612
Licenses and Permits	677,005	1,171,745	880,815	1,135,211
Intergovernmental	2,302,128	1,666,505	2,955,101	2,919,055
Charges for Services	1,648,242	1,950,742	2,409,242	3,388,069
Fines and Forfeitures	145,979	139,988	123,411	123,687
Special Assessments	1,576,743	1,531,259	1,911,524	3,918,217
Other Revenue	553,365	585,553	911,462	1,237,814
Total Revenue	20,290,097	20,433,696	23,080,352	26,224,665
<u>EXPENDITURES</u>				
General Government	3,086,599	3,392,089	3,512,005	4,077,218
Economic Development	926,307	757,932	809,892	1,460,259
Public Safety	3,697,083	3,971,147	4,068,057	4,411,566
Public Works	3,985,799	3,529,127	4,756,685	6,249,199
Parks, Recreation and Arts	589,998	532,953	488,078	517,843
Debt Service:				
Principal	5,200,488	5,396,218	4,422,243	5,427,723
Interest	1,687,636	1,578,987	1,421,230	1,396,806
Issuance Costs & Fiscal Agent Fees	168,964	91,276	121,126	112,905
Capital Outlay	5,650,639	2,591,145	3,149,178	4,075,585
Total Expenditures	24,993,513	21,840,874	22,748,494	27,729,104
Excess of Revenues Over (Under) Expenditures	(4,703,416)	(1,407,178)	331,858	(1,504,439)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	7,240,297	7,211,564	10,943,484	7,641,975
Transfers Out	(6,422,978)	(6,702,759)	(9,551,265)	(6,786,159)
Bonds Issued	5,805,000	2,375,000	2,430,000	4,245,000
Refunding Bonds Issued	880,000	2,290,000	4,675,000	580,000
Premium on Bonds Issued	39,071	168,217	195,481	123,513
Capital Lease Issued	-	-	-	-
Payments to Refunded Bond Escrow Agent	(849,512)	(2,320,000)	-	(5,210,000)
Sale of Capital Assets	8,466	114,874	140,199	29,032
Total Other Financing Sources (Uses)	6,700,344	3,136,896	8,832,899	623,361
NET CHANGE IN FUND BALANCES	\$ 1,996,928	\$ 1,729,718	\$ 9,164,757	\$ (881,078)
Expenditures for Capitalized Assets (1)	\$ 8,517,344	\$ 3,349,841	\$ 3,972,487	\$ 5,063,042
Debt Service as a Percentage of				
Noncapital Expenditures	41.81%	37.72%	31.12%	30.11%

(1) Expenditures for capitalized assets per the Reconciliation of The Statement of Revenues, Expenditures And Changes In Fund Balances of Governmental Funds to The Statement of Activities.

Table 5

FISCAL YEAR					
2014	2015	2016	2017	2018	2019
\$ 14,386,746	\$ 13,150,434	\$ 12,470,764	\$ 13,420,767	\$ 14,709,783	\$ 11,550,747
995,263	1,259,621	1,033,383	1,302,593	928,825	910,342
2,568,108	2,678,760	2,772,705	2,653,945	1,726,502	11,747,098
3,470,471	4,387,691	5,316,461	5,717,156	6,220,296	6,299,265
128,966	95,736	104,226	113,158	109,319	72,456
2,867,959	2,076,637	2,121,412	2,835,792	2,350,349	2,535,593
794,135	1,103,179	600,089	659,861	1,151,947	1,165,778
25,211,648	24,752,058	24,419,040	26,703,272	27,197,021	34,281,279
4,361,531	4,889,132	5,228,459	5,630,604	5,696,448	5,986,973
1,899,514	8,766,389	1,070,364	1,919,188	3,183,480	1,590,071
4,513,886	4,837,862	5,270,617	5,738,341	6,193,049	6,498,679
7,269,352	6,686,444	4,537,040	5,213,582	7,699,681	6,922,693
837,886	1,086,472	828,065	1,140,929	1,062,569	1,052,775
4,948,206	5,398,720	3,013,768	3,061,302	2,901,859	3,323,855
1,109,996	1,115,857	1,429,478	1,380,700	1,618,919	1,718,079
95,788	353,521	4,725	250,271	11,850	319,028
7,367,993	13,778,776	5,633,034	9,808,124	8,295,131	20,187,457
32,404,152	46,913,173	27,015,550	34,143,041	36,662,986	47,599,610
(7,192,504)	(22,161,115)	(2,596,510)	(7,439,769)	(9,465,965)	(13,318,331)
6,622,433	14,212,528	6,242,220	4,624,645	4,297,144	17,758,206
(6,156,278)	(8,968,112)	(6,423,134)	(5,617,190)	(5,252,205)	(10,082,386)
5,785,000	16,025,000	-	10,870,000	-	14,735,000
-	-	-	1,455,000	-	1,740,000
317,245	1,156,342	-	1,125,229	-	1,015,807
-	-	-	-	-	14,290
-	-	-	-	-	(1,360,000)
6,164	83,945	25,856	11,741	33,976	-
6,574,564	22,509,703	(155,058)	12,469,425	(921,085)	23,820,917
\$ (617,940)	\$ 348,588	\$ (2,751,568)	\$ 5,029,656	\$ (10,387,050)	\$ 10,502,586
\$ 12,451,676	\$ 19,782,837	\$ 12,340,550	\$ 16,094,547	\$ 16,582,006	\$ 6,758,755
30.36%	24.01%	30.28%	24.61%	22.51%	12.35%



CHASKA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES			TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC (4)	CABLE	GAS (1)	
2010	\$ 4,797,579	\$ 5,865,403	\$ 2,501,470	\$ 222,183	\$ -	\$ 13,386,635
2011	4,789,918	5,663,585	2,702,870	231,531	-	13,387,904
2012	4,150,837	6,512,139	2,988,410	237,411	-	13,888,797
2013	5,001,614	5,145,326	3,101,430	254,242	-	13,502,612
2014 (1)	5,276,218	5,453,804	3,210,070	265,415	181,239	14,386,746
2015	8,479,872 (2)	591,158 (3)	3,339,440	284,886	455,078	13,150,434
2016	7,573,635	672,581	3,458,900	304,017	461,631	12,470,764
2017	8,395,597	724,644	3,521,540	321,423	457,563	13,420,767
2018	9,091,839	1,040,959	3,820,670	306,860	449,455	14,709,783
2019	9,694,753	1,103,080	-	302,522	450,392	11,550,747

(1) Chaska implemented a Gas Franchise Tax in 2014.

(2) Includes \$1,532,865 in tax increment that was returned to the General fund after a TIF district decertification and after the City's payment to the County.

(3) Three (3) TIF districts were decertified in 2014.

(4) Beginning in 2019, the City did not assess a franchise fee on the City-owned electric.

CITY OF CHASKA, MINNESOTA

**TAX CAPACITY VALUE AND ESTIMATED ACTUAL VALUE OF REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	REAL PROPERTY - TAX CAPACITY VALUE			PERSONAL PROPERTY TAX CAPACITY VALUE	FISCAL DISPARITIES	
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	OTHER REAL PROPERTY		CONTRIBUTION	DISTRIBUTION
2010	\$ 19,437,291	\$ 7,881,239	\$ 464,672	\$ 149,536	\$ (2,973,464)	\$ 3,718,693
2011	18,160,775	7,441,155	460,948	170,406	(3,080,261)	3,500,494
2012	16,254,417	7,295,461	389,870	166,076	(2,983,712)	3,201,648
2013	14,776,641	7,336,053	358,867	197,498	(2,765,398)	3,001,764
2014	16,020,027	7,116,774	351,263	222,966	(2,756,785)	2,881,368
2015	18,484,795	7,492,534	345,751	242,162	(2,660,168)	2,956,196
2016	20,127,637	7,990,194	340,891	278,734	(3,014,532)	3,061,538
2017	20,776,485	8,161,059	356,694	375,132	(3,226,831)	3,313,011
2018	22,608,652	8,613,755	367,741	401,546	(3,096,739)	3,595,500
2019	24,058,344	9,060,705	395,846	428,354	(3,523,591)	3,946,302

Source: Carver County Auditor

Table 7

TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE		ADJUSTED TAX CAPACITY VALUE	CITY TOTAL DIRECT TAX RATE	EDA TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL MARKET VALUE REAL & PERSONAL	ADJ TAX CAPACITY VALUE AS A PERCENTAGE OF ACTUAL VALUE
\$	(5,793,917)	\$ 22,884,050	21.886	0.327	\$ 2,445,124,600	0.94%
	(5,388,088)	21,265,429	23.484	0.357	2,271,392,000	0.94%
	(4,906,333)	19,417,427	25.785	0.391	2,162,908,900	0.90%
	(4,543,317)	18,362,108	28.075	0.411	2,020,207,000	0.91%
	(4,464,026)	19,371,587	26.586	0.391	2,121,003,200	0.91%
	(535,631)	26,325,639	24.928	1.574	2,380,806,300	1.11%
	(572,333)	28,212,129	26.118	1.519	2,573,342,000	1.10%
	(658,411)	29,097,139	27.564	1.557	2,652,305,300	1.10%
	(973,689)	31,516,766	27.234	1.503	2,847,274,600	1.11%
	(1,052,097)	33,313,863	27.678	1.497	3,007,913,300	1.11%

CITY OF CHASKA, MINNESOTA

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

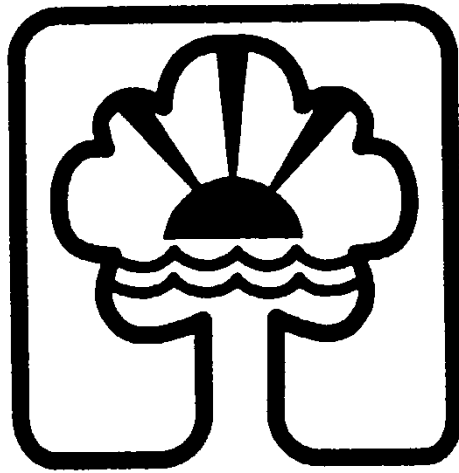
TAXES PAYABLE YEAR	DIRECT RATES				CITY HOUSING DEVELOPMENT AUTHORITY
	CITY URBAN			RURAL (1)	
	OPERATING	DEBT	TOTAL		
2010	21.778	0.108	21.886	10.997	0.327
2011	23.484	0.000	23.484	11.742	0.357
2012	25.785	0.000	25.785	12.892	0.391
2013	28.075	0.000	28.075	14.038	0.411
2014	26.586	0.000	26.586	13.293	0.391
2015	24.928	0.000	24.928	14.957	1.574
2016	26.118	0.000	26.118	18.283	1.519
2017	27.564	0.000	27.564	22.051	1.557
2018	27.234	0.000	27.234	24.511	1.503
2019	27.678	0.000	27.678	27.678	1.497

Source: Carver County Auditor

- (1) Total direct and overlapping rate excludes the City Rural rate. In 2005, as part of the annexation of Chaska Township, a rural rate of 50 percent of the City "urban" rate was established for ten years for the annexed properties. Starting in 2015, the rural rate increased 10 percent each year. In 2019 the annexed area was taxed at the City "urban" rate.
- (2) Overlapping rates are those of other governments that apply to property owners within the City. Not all overlapping rates apply to all property owners (e.g., the rates for special districts apply only property owners whose property is located within the geographic boundaries of the special district.).
- (3) Special Districts include:
Metropolitan Council, Regional Transit District, Lower Minnesota Watershed #1, Carver County Water Management Organization, Mosquito Control and Carver County Rail Authority.
- (4) Since 2014, rates no longer include the Carver County Water Management Organization.

Table 8

OVERLAPPING RATES (2)				TOTAL DIRECT AND OVERLAPPING RATES (1)
COUNTY	COUNTY COMMUNITY DEVELOPMENT AUTHORITY	INDEPENDENT SCHOOL DISTRICT #112	SPECIAL DISTRICTS (3)	
39.509	1.682	35.840	4.753	103.997
41.752	1.777	40.236	4.883	112.489
43.562	1.887	44.382	4.728	120.735
46.115	1.799	45.319	5.069	126.790
45.211	1.759	44.917	4.072	(4) 122.936
40.488	1.589	39.120	3.422	111.122
38.880	1.701	39.245	3.614	111.077
38.851	1.731	37.005	3.615	110.323
37.436	1.640	33.837	3.347	104.997
36.488	1.626	33.631	3.300	104.220



CHASKA

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	ASSESSED 2018 - PAYABLE 2019				ASSESSED 2009 - PAYABLE 2010			
	ESTIMATED ACTUAL VALUE ⁽¹⁾	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY VALUE
United Healthcare Services Inc	\$ 24,341,200	\$ 485,324	1	1.45%	*	*	*	*
Aurora Investments LLC	20,345,900	387,670	2	1.16%	19,287,500	354,471	2	1.28%
Hazeltine Natl Golf Club	18,766,900	323,806	3	0.97%	*	*	*	*
Ameriprise Financial Inc	16,896,200	302,059	4	0.90%	23,405,400	429,586	1	1.55%
CenterPoint Energy Minnegasco	14,352,100	286,292	5	0.85%	*	*	*	*
Chaska Heights Senior Living LLC	22,356,100	279,451	6	0.83%	*	*	*	*
Target Corp	12,808,800	255,426	7	0.76%	15,930,800	317,866	3	1.14%
Aurora-Chaska Medical LLC	27,664,200	242,694	8	0.72%	*	*	*	*
Via West Inc	12,164,500	242,540	9	0.72%	*	*	*	*
SB Chaska Partners LLC	16,605,400	207,568	10	0.62%	*	*	*	*
Entegris	*	*		*	13,568,400	268,903	4	0.97%
Chaska Investment LP	*	*		*	17,505,800	248,639	5	0.89%
Kohl's Illinois, Inc	*	*		*	11,032,900	219,908	6	0.79%
Lifecore Biomedical Inc.	*	*		*	10,154,500	202,340	7	0.73%
Home Depot USA, Inc	*	*		*	9,912,100	197,492	8	0.71%
Northern Star Co.	*	*		*	8,703,900	173,328	9	0.62%
Lake Region Mfg Co., Inc	*	*		*	8,715,700	172,064	10	0.62%
	<u>\$ 186,301,300</u>	<u>\$ 3,012,830</u>		<u>8.99%</u>	<u>\$ 138,217,000</u>	<u>\$ 2,584,597</u>		<u>9.30%</u>

Source: Carver County Auditor

(1) Assessed 2019 values are determined as of January 2, 2018

Ranked in order of Estimated Net Tax Capacity.

* Denotes taxpayer was not a principal taxpayer for the year reported.

CITY OF CHASKA, MINNESOTA

**PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	LEVY FOR CALCULATION OF TAX RATE			LEVY ADJUSTMENT AFTER RATE CALCULATION	COUNTY ADJUSTED NET TAX LEVY
	CERTIFIED LEVY	CREDITS AND ADJUSTMENTS	COUNTY ADJUSTED TAX LEVY		
2010	\$ 4,955,218	\$ (175,356)	\$ 4,779,862	\$ 16,689	\$ 4,796,551
2011	4,955,217	(186,714)	4,768,503	(7,186)	4,761,317
2012	4,955,196	(805)	4,954,391	(19,989)	4,934,402
2013	5,107,919	(767)	5,107,152	(33,561)	5,073,591
2014	5,222,224	(802)	5,221,422	(5,276)	5,216,146
2015	6,951,262	(1,390)	6,949,872	(1,590)	6,948,282
2016	7,728,287	(1,462)	7,726,825	(35,220)	7,691,605
2017	8,396,405	(1,611)	8,394,794	(20,108)	8,374,686
2018	9,057,344	(1,614)	9,055,730	21,726	9,077,456
2019	9,700,652	(1,655)	9,698,997	(28,286)	9,670,711

Source: Carver County Auditor

(1) Collections do not include tax increment or mobile home.

Table 10

COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS AND ABATEMENTS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
\$ 4,690,752	97.79%	\$ 105,533	\$ 4,796,285	99.99%
4,704,646	98.81%	56,548	4,761,194	100.00%
4,890,418	99.11%	43,981	4,934,399	100.00%
5,011,429	98.77%	61,939	5,073,368	100.00%
5,179,682	99.30%	35,959	5,215,641	99.99%
6,889,114	99.15%	53,622	6,942,736	99.92%
7,649,215	99.45%	41,897	7,691,112	99.99%
8,348,563	99.69%	23,353	8,371,916	99.97%
9,053,269	99.73%	19,443	9,072,712	99.95%
9,642,349	99.71%	-	9,642,349	99.71%

CITY OF CHASKA, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

GOVERNMENTAL ACTIVITIES									
FISCAL YEAR	GENERAL OBLIGATION EQUIPMENT CERTIFICATES	OTHER GENERAL OBLIGATION BONDS	GENERAL OBLIGATION TAX INCREMENT BONDS	GENERAL OBLIGATION ABATEMENT BONDS	GENERAL OBLIGATION IMPROVEMENT BONDS	GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	NOTES PAYABLE	CAPITAL LEASES
2010	\$ 1,300,000	\$ -	\$ 16,180,000	\$ 405,000	\$ 19,230,000	\$ -	\$ -	\$ -	\$ -
2011	1,000,000	3,455,000	13,050,000	405,000	16,155,000	-	-	159,960	-
2012	690,000	3,455,000	10,500,000	405,000	21,705,000	-	-	152,717	-
2013	1,320,000	3,120,000	7,235,000	405,000	18,870,000	-	-	144,994	-
2014	1,190,000	2,755,000	3,835,000	405,000	23,610,000	-	-	136,788	-
2015	975,000	2,315,000	945,000	405,000	27,705,000	-	10,085,000	128,068	-
2016	740,000	1,835,000	850,000	405,000	25,510,000	-	10,085,000	119,300	-
2017	2,605,000	1,635,000	1,220,000	2,430,000	30,995,000	-	9,815,000	107,998	-
2018	2,505,000	1,880,000	1,125,000	630,000	29,405,000	720,000	9,545,000	96,139	-
2019 (2)	3,480,000	6,795,000	3,210,000	620,000	33,595,000	645,000	9,270,000	83,696	12,878

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) See the Schedule of Demographics and Economic Statistics for personal income and population data.

(2) Governmental Activities Other General Obligation Bonds include Temporary GO Bonds issued in 2019 with an outstanding balance of \$5,205,000.

GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES							
DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL GOVERNMENTAL ACTIVITIES DEBT	GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	CAPITAL LEASES	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL BUSINESS-TYPE ACTIVITIES DEBT	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ⁽¹⁾	PER CAPITA ⁽¹⁾	
\$ 320,871	\$ 37,435,871	\$ 12,700,000	\$ 33,125,000	\$ -	\$ 806,195	\$ 46,631,195	\$ 84,067,066	6.53%	3,537	
442,980	34,667,940	12,335,000	35,720,000	-	982,767	49,037,767	83,705,707	6.03%	3,487	
569,374	37,477,091	12,020,000	34,575,000	-	929,875	47,524,875	85,001,966	5.81%	3,511	
610,991	31,705,985	11,700,000	37,125,000	-	894,630	49,719,630	81,425,615	5.29%	3,282	
842,462	32,774,250	11,370,000	35,625,000	-	840,869	47,835,869	80,610,119	5.32%	3,190	
1,908,544	44,466,612	16,170,000	46,970,000	-	3,524,126	66,664,126	111,130,738	6.86%	4,340	
1,783,175	41,327,475	15,745,000	45,435,000	-	3,289,591	64,469,591	105,797,066	6.21%	4,002	
2,785,053	51,593,051	15,820,000	52,015,000	-	3,572,665	71,407,665	123,000,716	6.75%	4,566	
2,587,041	48,493,180	15,100,000	47,050,000	145,571	3,305,892	65,601,463	114,094,643	6.10%	4,131	
3,400,438	61,112,012	17,220,000	44,125,000	101,541	3,169,083	64,615,624	125,727,636	6.38%	4,552	

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TO ESTIMATED ACTUAL TAXABLE VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		LESS AMOUNT RESTRICTED TO DEBT SERVICE (2)	NET GENERAL OBLIGATION DEBT	PERCENTAGE OF ESTIMATED ACTUAL MARKET VALUE OF PROPERTY (3)	PER CAPITA (4)
	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)				
2010	\$ 37,115,000	\$ 320,871	\$ 12,700,000	\$ 61,680	\$ 1,317,075	\$ 48,880,476	2.00%	2,056
2011	34,065,000	442,980	12,335,000	252,752	982,867	46,112,865	2.03%	1,921
2012	36,755,000	569,374	12,020,000	238,260	10,446,019	39,136,615	1.81%	1,616
2013	30,950,000	610,991	11,700,000	223,777	7,675,532	35,809,236	1.77%	1,443
2014	31,795,000	842,462	11,370,000	209,294	8,117,087	36,099,669	1.70%	1,429
2015	32,345,000	1,291,364	16,170,000	283,655	5,994,522	44,095,497	1.85%	1,722
2016	29,340,000	1,199,669	15,745,000	264,948	5,897,191	40,652,426	1.58%	1,538
2017	38,885,000	2,235,225	15,820,000	302,416	7,042,822	50,199,819	1.89%	1,863
2018	36,265,000	2,070,891	15,100,000	281,020	7,634,833	46,082,078	1.62%	1,668
2019	48,345,000	2,917,966	17,220,000	387,246	8,319,472	60,550,740	2.01%	2,192

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) Includes all general obligation bonds, including general obligation equipment certificates, general obligation tax increment bonds, general obligation taxable abatement bonds, general obligation improvement bonds and general obligation revenue bonds.

(2) Amount restricted for repayment of general obligation bonds.

(3) See the Schedule of Tax Capacity Value and Estimated Actual Market Value of Real and Personal Property for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2019
(UNAUDITED)

	DEBT OUTSTANDING	PERCENT OF DEBT APPLICABLE TO CITY	AMOUNT OF DEBT APPLICABLE TO CITY
DIRECT DEBT			
City of Chaska and Chaska EDA	\$ 61,112,012 (1)	100.00%	\$ 61,112,012
OVERLAPPING DEBT			
Carver County	25,579,006	21.65%	5,538,424
Carver County CDA	26,815,000 (2)	-	-
Independent School District 112	147,130,000	37.58%	55,287,576
Metropolitan Council	5,375,000 (3)	0.85%	45,688
Mosquito Control District	646,883	21.65%	140,065
Total Overlapping Debt	205,545,889		61,011,751
Total Direct and Overlapping Debt	\$ 266,657,901		\$ 122,123,763

Source: Carver County Auditor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Chaska. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

- (1) Excludes general obligation and revenue bonds reported in the enterprise funds. Includes premium related to governmental activities general obligation bonds and notes payable.
- (2) No percentage of the Carver County CDA bonds is applicable because the bonds will be repaid primarily from housing revenues.
- (3) Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation, governmental activities general obligation bonds, and notes payable.

CITY OF CHASKA, MINNESOTA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2010	2011	2012	2013
Market Value	\$ 2,445,124,600	\$ 2,271,392,000	\$ 2,162,908,900	\$ 2,020,207,000
Debt Limit - 3% of Market Value (A)	73,353,738	68,141,760	64,887,267	60,606,210
Amount of Debt Applicable to Debt Limit:				
GO Equipment Certificates	1,470,000	1,180,000	875,000	1,480,000
Capital Improvement Plan Refunding	2,450,000	2,050,000	1,635,000	1,195,000
Lease Obligations issued by the EDA	2,900,000	2,900,000	2,900,000	6,610,000
Total Debt Applicable to Debt Limit	6,820,000	6,130,000	5,410,000	9,285,000
Legal Debt Margin	\$ 66,533,738	\$ 62,011,760	\$ 59,477,267	\$ 51,321,210
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (B)	9.30%	9.00%	8.34%	15.32%

Source: Carver County Auditor (Market Value)

- (A) Sec. 475.53 MN Statutes - Generally. Except as otherwise provided in sections 475.51 to 475.74, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the taxable property in the municipality.
- (B) Sec. 475.51 MN Statutes - Definitions: Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt 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 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 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 section 475.52, subdivision 6, or any charter authority.
 - (11) Obligations issued to pay judgments against the municipality under 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.

Table 14

2014	2015	2016	2017	2018	2019
\$ 2,121,003,200	\$ 2,380,806,300	\$ 2,573,342,000	\$ 2,652,305,300	\$ 2,847,274,600	\$ 3,007,913,300
63,630,096	71,424,189	77,200,260	79,569,159	85,418,238	90,237,399
3,895,000	3,680,000	3,180,000	4,765,000	4,385,000	5,070,000
750,000	295,000	-	-	-	-
6,315,000	32,360,000	32,045,000	32,390,000	28,690,000	27,105,000
10,960,000	36,335,000	35,225,000	37,155,000	33,075,000	32,175,000
\$ 52,670,096	\$ 35,089,189	\$ 41,975,260	\$ 42,414,159	\$ 52,343,238	\$ 58,062,399
17.22%	50.87%	45.63%	46.70%	38.72%	35.66%

CITY OF CHASKA, MINNESOTA

PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FISCAL YEAR	GROSS REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE
			FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	
DEBT SERVICE FUNDS - REVENUE BONDS: LAST TEN FISCAL YEARS							
2010	\$ 28,150	\$ -	\$ 28,150	\$ 995,000	\$ 42,927	\$ 1,037,927	0.03
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	112	-	112	-	99,640	99,640	0.00
2016	932	1,600	(668)	-	358,474	358,474	(0.00)
2017	1,799	3,200	(1,401)	270,000	369,950	639,950	(0.00)
2018	2,563	3,200	(637)	270,000	364,550	634,550	(0.00)
2019	2,546	3,200	(654)	275,000	359,100	634,100	(0.00)
ELECTRIC ENTERPRISE FUND: NINE FISCAL YEARS							
2011 (1)	\$ 29,085,312	\$ 26,155,497	\$ 2,929,815	\$ -	\$ 2,397	\$ 2,397	1,222.28
2012	31,888,910	28,538,119	3,350,791	170,000	93,881	263,881	12.70
2013	34,068,387	30,140,170	3,928,217	145,000	90,607	235,607	16.67
2014	35,013,104	31,617,219	3,395,885	145,000	87,707	232,707	14.59
2015	35,859,710	32,487,115	3,372,595	140,000	84,832	224,832	15.00
2016	37,703,918	34,201,984	3,501,934	150,000	83,870	233,870	14.97
2017	37,751,011	34,381,108	3,369,903	145,000	80,870	225,870	14.92
2018	41,513,669	37,413,217	4,100,452	395,000	336,161	731,161	5.61
2019	41,565,560	34,058,548	7,507,012	420,000	309,145	729,145	10.30
WATER ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2010	\$ 1,891,656	\$ 1,126,171	\$ 765,485	\$ 725,000	\$ 517,741	\$ 1,242,741	0.62
2011	2,396,654	1,344,267	1,052,387	1,345,000 (6)	562,992	1,907,992	0.55
2012	2,758,682	1,414,581	1,344,101	315,000	381,821	696,821	1.93
2013	2,536,026	1,601,751	934,275	320,000	375,351	695,351	1.34
2014	2,419,202	1,707,247	711,955	330,000	367,008	697,008	1.02
2015	2,551,958	1,703,500	848,458	370,000	359,789	729,789	1.16
2016	2,735,781	1,760,515	975,266	425,000	376,418	801,418	1.22
2017	2,787,654	1,768,636	1,019,018	482,000	359,051	841,051	1.21
2018	2,908,068	1,860,948	1,047,120	529,000	361,505	890,505	1.18
2019	2,999,645	2,181,688	817,957	594,000	362,430	956,430	0.86
SEWER ENTERPRISE FUND: FIVE FISCAL YEARS							
2015 (1)	\$ 3,275,998	\$ 3,062,822	\$ 213,176	\$ -	\$ -	\$ -	-
2016	3,433,187	3,110,423	322,764	-	45,259	45,259	7.13
2017	3,612,296	3,340,582	271,714	104,000	73,473	177,473	1.53
2018	3,809,359	3,610,519	198,840	116,000	73,973	189,973	1.05
2019	4,158,322	3,838,809	319,513	121,000	76,644	197,644	1.62
COMMUNITY CENTER ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2010	\$ 2,803,255	\$ 2,737,532	\$ 65,723	\$ -	\$ 121,740	\$ 121,740	0.54
2011	2,822,770	2,876,559	(53,789)	-	121,740	121,740	(0.44)
2012	2,953,450	2,810,017	143,433	-	121,740	121,740	1.18
2013	2,840,473	2,882,382	(41,909)	140,000	175,333	315,333	(0.13)
2014	3,098,390	2,949,046	149,344	295,000	233,923	528,923	0.28
2015	3,250,759	3,101,196	149,563	305,000	225,594	530,594	0.28
2016	2,737,031	3,470,538	(733,507)	315,000	217,870	532,870	(1.38)
2017	3,165,224	3,570,939	(405,715)	325,000	204,528	529,528	(0.77)
2018	3,069,710	3,834,757	(765,047)	2,465,000	185,834	2,650,834	(0.29)
2019	3,215,817	3,786,406	(570,589)	330,000	160,795	490,795	(1.16)

FISCAL YEAR	GROSS REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE		DEBT SERVICE REQUIREMENTS (4)			COVERAGE
			FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL		
TURBINE GENERATOR ENTERPRISE FUND: LAST TEN FISCAL YEARS								
2010	\$ 3,210,196	\$ 110,353	\$ 3,099,843	\$ 890,000 (5)	\$ 2,793,150	\$ 3,683,150	0.84	
2011	2,327,696	112,778	2,214,918	940,000	1,454,734	2,394,734	0.92	
2012	2,287,299	114,695	2,172,604	975,000	1,416,784	2,391,784	0.91	
2013	2,236,674	125,474	2,111,200	1,015,000	1,377,384	2,392,384	0.88	
2014	2,185,282	284,255	1,901,027	1,060,000	1,336,069	2,396,069	0.79	
2015	1,969,875	220,558	1,749,317	1,100,000 (7)	1,223,907	2,323,907	0.75	
2016	1,786,037	304,332	1,481,705	1,070,000	1,007,850	2,077,850	0.71	
2017	1,734,137	309,043	1,425,094	1,110,000	706,128	1,816,128	0.78	
2018	1,712,581	342,286	1,370,295	1,140,000	931,750	2,071,750	0.66	
2019	1,657,288	389,787	1,267,501	1,195,000	886,150	2,081,150	0.61	
STORM WATER ENTERPRISE FUND: FIVE FISCAL YEARS								
2015 (1)	\$ 913,884	\$ 698,036	\$ 215,848	\$ -	\$ 7,502	\$ 7,502	28.77	
2016	969,639	802,266	167,373	-	29,770	29,770	5.62	
2017	1,099,143	752,510	346,633	74,000	59,766	133,766	2.59	
2018	1,587,676	841,372	746,304	75,000	48,572	123,572	6.04	
2019	1,714,251	911,156	803,095	80,000	47,076	127,076	6.32	
CURLING CENTER ENTERPRISE FUND: FIVE FISCAL YEARS								
2015 (1)	\$ 65,663	\$ 208,181	\$ (142,518)	\$ -	\$ 290,781	\$ 290,781	(0.49)	
2016	1,175,144	925,311	249,833	-	484,225	484,225	0.52	
2017	1,224,086	1,177,073	47,013	940,000	523,917	1,463,917	0.03	
2018	1,223,657	1,497,227	(273,570)	965,000	514,389	1,479,389	(0.18)	
2019	1,133,372	1,295,609	(162,237)	980,000	495,446	1,475,446	(0.11)	

Note: Bonds in the Electric, Water and Storm Water Enterprise funds are supported by charges for services; the Turbine Generator, Community Center and Curling Center Enterprise funds are supported by lease revenue; and the Debt Service funds are supported by lease revenue.

(1) First year shown is first year of issuance.

(2) Includes interest revenue.

(3) Does not include depreciation or transfers to other funds.

(4) Includes principal and interest payment of revenue bonds only.

(5) 2010 principal payment does not include \$28,890,000 paid from refunding bond escrow for partial advance refunding of the 2000 series bonds.

(6) 2011 principal payment does not include \$10,455,000 paid from refunding bond investment to refund the 2003 GO Water Revenue Bonds.

(7) 2015 principal payment does not include \$100,000 or \$25,035,000 paid from refunding bond investments to refund the 2000 Electric Revenue bonds or the 2005 Electric Revenue Refunding Bonds respectively.

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	POPULATION (1)	NUMBER OF HOUSEHOLDS (1)	ESTIMATED PERSONAL INCOME (2)	PER CAPITA INCOME (2)	MEDIAN AGE (3)	K-12 SCHOOL ENROLLMENT (4)	UNEMPLOYMENT RATE (5)
2010	23,770 (6)	8,816 (6)	\$ 1,286,622,560	\$ 54,128	33.8 (6)	6,140	6.75%
2011	24,002	8,874	1,388,035,660	57,830	34.2	6,072	5.54%
2012	24,211	8,941	1,463,990,748	60,468	34.2	6,185	4.83%
2013	24,811	9,143	1,539,795,471	62,061	34.2	6,086	4.31%
2014	25,270	9,278	1,515,795,680	59,984	35.6	5,797	3.62%
2015	25,607	9,492	1,620,692,637	63,291	35.7	5,854	3.20%
2016	26,439	9,823	1,704,601,647	64,473	36.2	5,700	3.33%
2017	26,941	10,012	1,823,366,880	67,680	36.1	5,662	3.06%
2018	27,622	10,136	1,970,829,700	71,350	36.1 (8)	5,561	2.50%
2019	27,622 (7)	10,136 (7)	1,970,829,700 (7)	71,350 (7)	36.1 (8)	5,725	2.80%

(1) Source: Metropolitan Council annual estimate as of April 1st of the previous year.

(2) Source: Minnesota State Demographer, using U.S. Department of Commerce, Bureau of Economic Analysis (BEA), Carver County personal income and per capita income (City personal income as a ratio of Carver County personal income).

(3) Source: US Census Bureau American Fact Finder - Community Facts American Community Survey five (5) year estimate, as of 2013-2017

(4) Source: Minnesota Department of Education for Independent School District #112, includes private school data for St. John's Lutheran, Guardian Angels Catholic, Southwest Christian High School, Jonathan Mont. and Step/Step Enrollment excludes K-12 District #112 buildings not located within the City.

(5) Source: Minnesota Department of Employment and Economic Development Average Annual Unemployment Rate for the City of Chaska (not seasonally adjusted). (Number of people estimated by place of residence).

(6) Source: Minnesota Planning and U.S. Census Bureau, Census 2010 data.

(7) 2019 data is not available at this time. Data is from 2018, and will be updated as it becomes available.

(8) 2018 and 2019 data are not available. Amounts are based on 2017 data.

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2019			2010		
	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (1)	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Entegris Inc	1,000	1	7.18%	350	7	3.07%
Beckman-Coulter, Inc	925	2	6.64%	750	4	6.59%
ISD #112/Eastern Carver County	880	3	6.31%	1,100	1	9.66%
TEL-FSI, Inc (2)	850	4	6.10%	850	2	7.47%
Carver County	700	5	5.02%	815	3	7.16%
The Bernard Group	646	6	4.64%	*	*	*
Lake Region Manufacturing Co., Inc	600	7	4.31%	745	5	6.54%
Old National Bank (3)	560	8	4.02%	*	*	*
City of Chaska (4)	509	9	3.65%	*	*	*
Apex International, MFG	400	10	2.87%	*	*	*
Sanofi Diagnostics Pasteur, Inc	*	*	*	415	6	3.64%
Century Link	*	*	*	210	8	1.84%
Maximum Graphics	*	*	*	190	9	1.67%
Lifecore Biomedical	*	*	*	185	10	1.62%
Total:	7,070		50.73%	5,610		49.27%

Sources: Minnesota Department of Employment and Economic Development, Baker Tilly survey,

(1) Total City Employment based on the most recent Metropolitan Council estimate as of 2018.

(2) Formerly known as FSI International

(3) Formerly known as Klein Financial, Inc

(4) Includes seasonal and part-time employees

* Denotes employer was not a principal employer for the year reported.

CITY OF CHASKA, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31							
	2010		2011		2012		2013	
FUNCTION/PROGRAM								
General Government	24.7	(2)	23.9		25.8	(2)	28.8	
Public Safety								
Police Department	31.5		32.0		32.4		32.8	
Fire Department (1)	3.9		4.1		5.2		6.4	
Public Works	22.8		20.0		19.8		21.2	
Parks, Recreation and Arts	5.6		5.4		5.0		5.7	
Electric	16.8		16.8		16.7		15.9	
Water	6.3		6.7		6.8		7.0	
Sewer	6.4		6.8		6.8		6.7	
Chaska Community Center	39.3		39.3		38.9		37.7	
Par 30 Golf Course	3.1		2.7		3.1		2.4	
Chaska Town Course	18.9		17.9		18.4		17.9	
Internet Service Provider	2.0		2.3		2.3		2.3	
Storm Water (3)	N/A		2.5		2.8		2.3	
Curling/Event Center	N/A		N/A		N/A		N/A	
Total	181.3		180.4		183.9		186.9	

Source: City of Chaska Payroll.

- (1) The Chaska Fire Department is comprised of 44 authorized positions/volunteers.
- (2) Includes election judges which increases General Government totals by a range of 1 - 1.2 equivalent employees each election year.
- (3) First year of reportable data is 2011.
- (4) Residential internet service ended in 2015 and Chaska.Net employee moved to General Government.
- (5) Curling/Event Center opened 2015.
- (6) KPMG Golf Tournament 2019 required extra Police & Fire Hours

Table 18

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31									
2014		2015		2016		2017		2018	
29.4	(2)	30.2		31.2	(2)	29.7		32.2	(2)
32.2									
30.0		30.0		31.9		31.5		32.7	(6)
8.8		11.5		11.1		12.3		14.1	(6)
20.3		19.5		20.9		22.1		24.6	
5.6		4.6		7.2		7.0		7.7	
17.0		17.6		17.6		17.4		16.0	
7.4		7.6		7.1		7.1		6.8	
7.2		7.0		6.9		7.1		6.9	
37.1		37.7		38.8		39.0		38.1	
2.3		2.6		2.7		2.6		2.4	
17.9		18.6		19.3		18.5		18.4	
1.0		0.0	(4)	0.0		0.0		0.0	
2.6		2.7		3.1		3.2		2.9	
N/A		1.0	(5)	6.0		8.6		9.2	
186.4		190.6		203.5		206.0		211.9	

CITY OF CHASKA, MINNESOTA

OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR			
	2010	2011	2012	2013
Electric				
Number of Connections (Billed)	9,481	9,526	9,586	9,887
Purchased KWH Power Wholesale				
From MMPA	307,054,699	322,849,265	348,581,737	355,358,125
Total kWh Sales	294,637,535	311,031,667	336,913,874	342,701,568
Total kWh Received (8)	-	-	-	-
Peak kW Demand	66,697	71,330	72,549	76,147
Water				
Number of Connections (Billed)	6,253	6,296	6,322	6,448
Total Water Pumped (Gallons)	1,060,500,000	1,106,505,000	1,212,283,000	1,089,134,000
Total Water Sold (Gallons)	1,036,960,000	1,044,693,000	1,158,300,000	1,031,696,000
Average Daily Usage (Gallons Per Day)	2,841,000	3,032,000	3,173,000	2,827,000
System Peak Day (Gallons Per Day)	5,500,000	6,000,000	7,800,000	6,847,000
Sewer				
Number of Connections (Billed)	6,139	6,154	6,257	6,380
Total Gallons Treated (Gallons)	888,893,000	923,511,000	916,374,000	920,399,000
Sewer Service through Metropolitan Council Environmental Services				
Storm Water				
Number of Utility Customers (Billed)	7,870	7,866	7,882	7,954
Internet Service Provider (5)				
Number of Connections (Billed)	1,935	1,667	1,439	1,080
Golf Courses				
Town Course Rounds / Golfers	32,760	30,400	33,042	28,519
Par 30 Rounds / Golfers	15,804	13,210	15,652	14,982
Par 30 Rounds / Foot Golf (4)	-	-	-	-
General Government / Building Department				
Building Permits And Market Value				
Commercial, Industrial And Public (1)				
Permits	53	46	44	44
Market Value (7)	\$ 23,016,775	\$ 54,355,421	\$ 14,310,190	\$ 37,794,640
Single Family Homes And Townhomes (2)				
Permits	43	54	115	130
Market Value	\$ 11,016,526	\$ 13,638,503	\$ 30,700,695	\$ 34,957,157
Condos, Apartments And Multi-Family Homes (2)				
Permits	-	-	5	8
Market Value	\$ -	\$ -	\$ 7,500,728	\$ 3,317,416
Misc. Residential And Other Bldgs (3)				
Permits	716	744	784	620
Market Value (6)	\$ 7,306,368	\$ 9,897,138	\$ 7,891,683	\$ 6,337,948
Total Building Permits:	812	844	948	802
Total Market Value:	\$ 41,339,669	\$ 77,891,062	\$ 60,403,296	\$ 82,407,161

Source: City Utility, Golf Courses and Building Departments.

(1) Includes new construction and additions/alterations.

(2) Includes new construction only.

(3) Includes additions, alterations, garages, accessory structures, pools and commercial re-roofing.

(4) Par 30 Golf Course introduced Foot Golf in 2015.

(5) Residential internet service ended in 2015. 2018 was last year of billed service to outside customers.

(6) 2016 Miscellaneous residential and other buildings includes 1,138 residential single family alterations/additions valued at \$12,102,429.

(7) The increase in the market value of commercial, industrial and public permits is due to several large projects including a new Data Center valued at \$32.3 million.

(8) In 2017 started tracking annual kWh Sales Received on a Gross basis rather than a Net basis

Table 19

FISCAL YEAR					
2014	2015	2016	2017	2018	2019
10,054	9,912	10,002	10,240	10,296	10,488
360,570,327	360,908,813	367,267,226	364,637,712	383,993,272	388,005,113
347,410,769	350,780,886	355,853,340	354,994,175	371,631,841	374,349,964
-	-	-	1,267	29,118	38,945
72,641	70,061	77,637	73,472	78,428	77,413
6,613	6,797	6,912	7,063	7,151	7,260
1,036,324,000	1,030,518,000	1,040,547,000	1,071,455,000	1,037,845,000	1,030,142,000
972,503,000	991,284,000	1,016,915,000	1,029,698,000	981,943,000	986,551,000
2,664,392	2,715,847	2,786,000	2,821,000	2,843,411	2,822,000
6,429,000	6,007,000	7,047,000	6,554,000	6,579,000	5,939,000
6,545	6,710	6,827	6,916	6,999	7,093
930,431,000	931,203,000	924,965,000	912,076,000	845,848,000	870,838,000
8,051	8,153	8,292	8,364	8,438	8,517
730	2	2	2	2	-
31,199	34,253	33,403	32,642	30,157	29,374
14,907	15,560	14,810	14,130	13,206	13,020
-	1,925	1,108	681	647	380
51	43	38	45	49	34
\$ 11,117,620	\$ 26,204,786	\$ 14,769,385	\$ 69,759,098	\$ 14,207,139	\$ 6,587,100
138	135	134	103	78	114
\$ 35,216,150	\$ 35,690,048	\$ 34,199,578	\$ 24,339,375	\$ 18,788,936	\$ 31,901,390
6	1	10	-	1	-
\$ 5,005,291	\$ 17,000,000	\$ 6,303,563	\$ -	\$ 17,500,000	\$ -
591	658	1,234	678	570	636
\$ 6,642,933	\$ 8,275,817	\$ 15,058,650	\$ 11,310,594	\$ 7,125,660	\$ 7,365,467
786	837	1,416	826	698	784
\$ 57,981,994	\$ 87,170,651	\$ 70,331,176	\$ 105,409,067	\$ 57,621,735	\$ 45,853,957

CITY OF CHASKA, MINNESOTA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

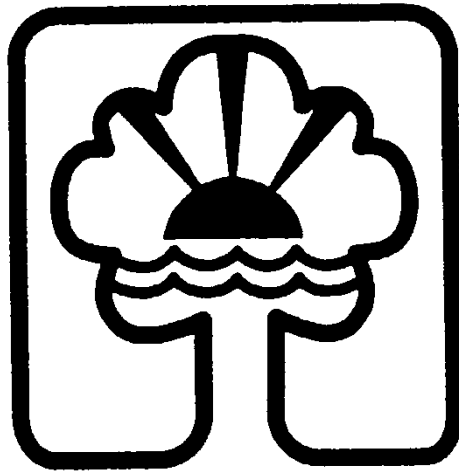
FUNCTION/PROGRAM	FISCAL YEAR			
	2010	2011	2012	2013
Public Safety				
Police:				
Stations	1	1	1	1
Fire:				
Stations	1	1	1	1
Number of Fire Hydrants (Private)	1,826	1,836	1,850	1,865
Number of Fire Hydrants (Public)				
Public Works				
Miles of Streets:				
City / Local	75.93	76.11	76.84	78.19
City MSA	16.10	20.47	20.47	20.47
Parks, Recreation and Arts				
Number of Parks	23	23	26	26
Acres of Parks	964	964	970	970
Miles of Trails	46.2 (1)	46.5 (1)	66	66
Golf Courses	2	2	2	2
Electric				
Number of Substations	3	3	4	4
Water				
Water Mains (Miles)	148	148	149	151
Number of Wells	6	6	6	6
Total Pumping Capacity (Gallons Per Day)	13,400,000	13,400,000	13,400,000	13,400,000
Filtration Capacity (Gallons Per Day)	12,600,000	12,600,000	12,600,000	12,600,000
Total Storage Capacity (Gallons)	4,400,000	4,400,000	4,400,000	4,800,000

Source: City Departments

- (1) 2010 and 2011 miles of trails were estimates.
 (2) Decrease in City / Local Streets due to Common Boundary Mileage per State Aid Division.
 (3) Count of hydrants was recalculated per City GIS system resulting in an adjustment downward of 80 hydrants. Prior years have not been restated.
 (4) Closed the Chaska Downtown Substation to convert it into a switching station.
 (5) 2019 .7 Miles of Additional Trails Added.
 Also Additional Park 12.11 Acres, to be named Savanna Park

Table 20

FISCAL YEAR					
2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
1	1	1	1	1	1
414 (3)	416	422	494	517	518
1,371 (3)	1,390	1,393	1,393	1,431	1,450
76.81 (2)	77.78	78.36	79.17	79.36	80.71
20.95	20.95	20.94	20.94	20.79	20.79
26	26	26	26	26	28
970	970	973	973	973	985
66	67	67	68	68	69
2	2	2	2	2	2
4	3 (4)	3	3	4	4
153	154	155	155	160	163
6	6	6	6	6	6
13,400,000	13,400,000	13,400,000	13,400,000	13,400,000	13,400,000
12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000



CHASKA

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

Special Purpose Audit Reports

Year Ended
December 31, 2019

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CITY OF CHASKA
CARVER COUNTY, MINNESOTA

Special Purpose Audit Reports
Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council and Management
 City of Chaska, Minnesota

We have audited, 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, the 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 8, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(continued)

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 8, 2020

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the City Council and Management
City of Chaska, Minnesota

We have audited, 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, the 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 8, 2020.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 8, 2020

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Management Report
for
City of Chaska, Minnesota
December 31, 2019

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

To the City Council and Management
City of Chaska, Minnesota

We have prepared this management report in conjunction with our audit of the City of Chaska, Minnesota's (the City) financial statements for the year ended December 31, 2019. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- Legislative Updates
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the City, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to city finances in Minnesota. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 8, 2020

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AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the City Council, administration, or those charged with governance of the City.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the City's financial statements for the year ended December 31, 2019:

- We have issued an unmodified opinion on the City's basic financial statements. Our report included a paragraph emphasizing the City's implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended December 31, 2019. Our opinion was not modified with respect to this matter.
- We reported no deficiencies in the City's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We reported no findings based on our testing of the City's compliance with Minnesota laws and regulations.

OTHER OBSERVATIONS AND RECOMMENDATIONS

Impact of Novel Coronavirus (COVID-19)

Shortly after the end of the 2019 fiscal year, the onset of the novel coronavirus (COVID-19) pandemic caused substantial volatility in economic conditions and tremendous disruption in the way governments, businesses, and individuals function. Minnesota cities may experience the impact of this pandemic in a myriad of financial areas, such as: declines in investment rates of return, cash flow issues, increased utility billing and property tax delinquencies, significant increases in the number and frequency of employees working remotely, challenges in processing general and payroll disbursements, disruption of prescribed internal control procedures, delays in internal and external financial reporting, and new compliance requirements attached to potential federal relief subsidies. As your city adapts to the new normal of municipal operations in a post-COVID-19 world, the assessment of and responses to new risks that may accompany operational changes will be critical to the safeguarding of city resources and sound financial stewardship. We encourage management and governance to include a robust financial risk assessment process when planning responses to these challenges, and to reassess and adapt internal controls over financial transactions and reporting to align with significant changes made to daily operations, even those intended to be temporary.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2019; however, the City implemented the following governmental accounting standards during the fiscal year:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, which addressed accounting and financial reporting for certain asset retirement obligations, which are legally enforceable liabilities associated with the retirement of a tangible capital asset.
- GASB Statement No. 84, *Fiduciary Activities*, which established new criteria for identifying and reporting fiduciary activities.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which improved and clarified the information to be disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.
- GASB Statement No. 90, *Majority Equity Interest—an amendment of GASB Statements No. 14 and No. 61*, which improved the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were as follows:

- **Depreciation** – Management's estimates of depreciation expense are based on the estimated useful lives of the assets.
- **Other Post-Employment Benefit (OPEB) and Pension Liabilities** – The City has recorded liabilities and activity for OPEB and pension benefits. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.
- **Compensated Absences** – Management's estimate is based on current rates of pay, vacation and sick leave balances, and the likelihood that unused sick leave will be paid out at termination.

We evaluated the key factors and assumptions used by management to develop these accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated June 8, 2020.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management’s discussion and analysis (MD&A) and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules accompanying the financial statements, which are not RSI. With respect to this information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the combining and individual fund statements and schedules to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements, but are not RSI. Such information has 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 it.

GOVERNMENTAL FUNDS OVERVIEW

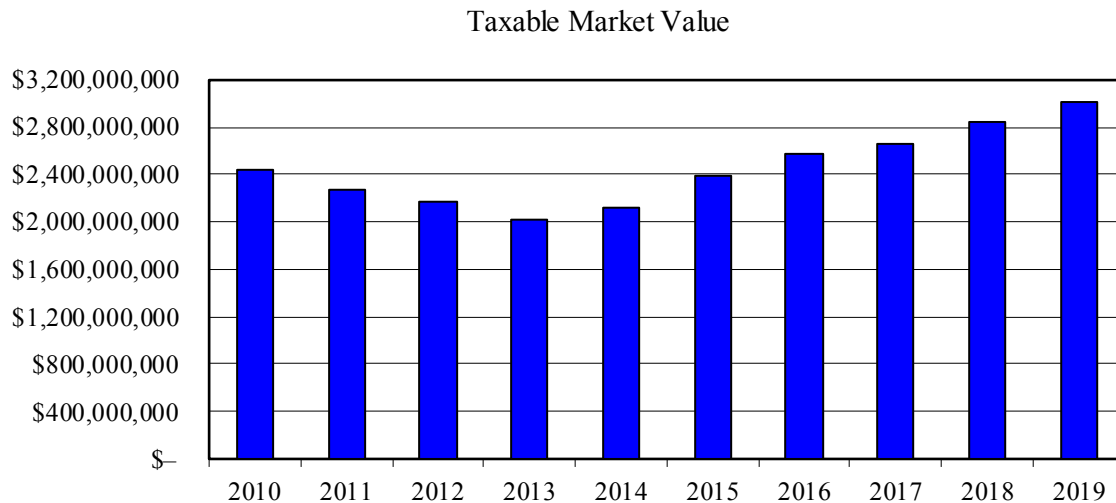
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its citizens, which are financed primarily with property taxes. The governmental fund information in the City's financial statements focuses on budgetary compliance and the sufficiency of each governmental fund's current assets to finance its current liabilities.

PROPERTY TAXES

Minnesota cities rely heavily on local property tax levies to support their governmental fund activities. For the 2018 fiscal year, local ad valorem property tax levies provided 41.5 percent of the total governmental fund revenues for cities over 2,500 in population, and 36.7 percent for cities under 2,500 in population. Total property taxes levied by all Minnesota cities for taxes payable in 2019 increased 5.6 percent from the prior year.

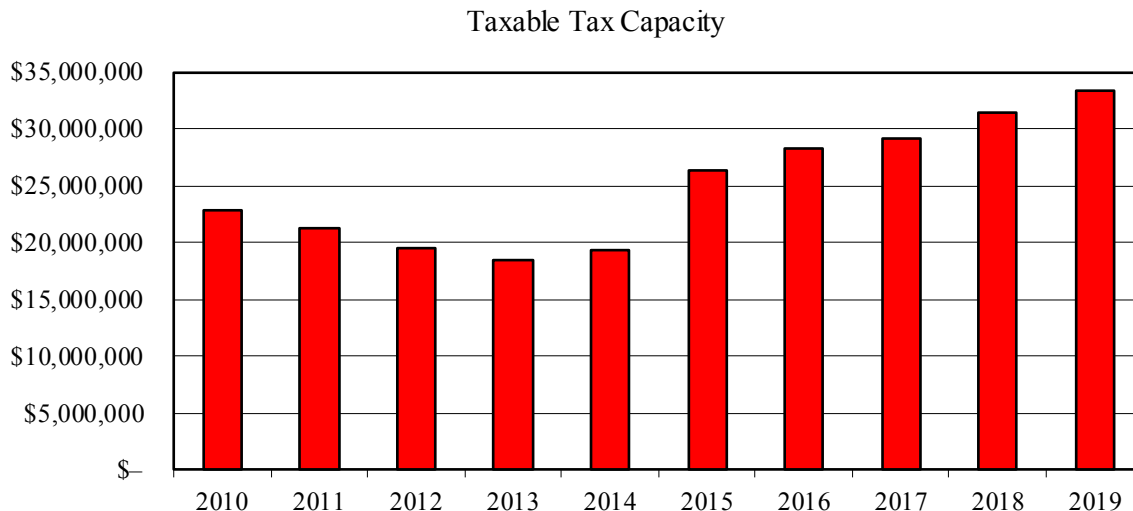
The total tax capacity value of property in Minnesota cities increased about 7.1 percent for the 2019 levy year. The tax capacity values used for levying property taxes are based on the assessed market values for the previous fiscal year (e.g., tax capacity values for taxes levied in 2019 were based on assessed market values as of January 1, 2018), so the trend of change in these tax capacity values lags somewhat behind the housing market and economy in general.

The City's taxable market value increased 7.4 percent for taxes payable in 2018 and 5.6 percent for taxes payable in 2019. The following graph shows the City's changes in taxable market value over the past 10 years:



Tax capacity is considered the actual base available for taxation. It is calculated by applying the state's property classification system to each property's market value. Each property classification, such as commercial or residential, has a different calculation and uses different rates. Consequently, a city's total tax capacity will change at a different rate than its total market value, as tax capacity is affected by the proportion of its tax base that is in each property classification from year-to-year, as well as legislative changes to tax rates. The City's tax capacity increased 8.3 percent and 5.7 percent for taxes payable in 2018 and 2019, respectively. The City had a large tax increment financing district that was decertified at the end of 2014, contributing to the significant increase in the 2015 adjusted tax capacity presented in the graph below.

The following graph shows the City's change in tax capacities over the past 10 years:



The following table presents the average tax rates applied to city residents for each of the last three levy years:

Rates Expressed as a Percentage of Net Tax Capacity			
	City of Chaska		
	2017	2018	2019
Average tax rate			
City	27.6	27.2	27.7
County	38.9	37.4	36.5
School	37.0	33.8	33.6
Special taxing	7.8	7.5	6.7
Total	111.3	105.9	104.5

The total average tax rate decreased from the prior year, due to the decrease in the county, school, and special taxing authority portions.

GOVERNMENTAL FUND BALANCES

The following table summarizes the changes in the fund balances of the City's governmental funds during the years ended December 31, 2019 and 2018, presented both by fund balance classification and by fund:

Governmental Funds Change in Fund Balance			
	Fund Balance as of December 31,		
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Fund balances of governmental funds			
Total by classification			
Restricted	\$ 13,546,921	\$ 10,712,645	\$ 2,834,276
Committed	5,621,380	4,757,557	863,823
Assigned	8,511,304	8,011,826	499,478
Unassigned	<u>(8,795,809)</u>	<u>(15,100,818)</u>	<u>6,305,009</u>
Total governmental funds	<u>\$ 18,883,796</u>	<u>\$ 8,381,210</u>	<u>\$ 10,502,586</u>
Total by fund			
General	\$ 1,910,861	\$ 2,039,203	\$ (128,342)
Public Improvement Projects	(5,300,219)	(6,961,868)	1,661,649
Nonmajor funds			
Special Revenue	(591,144)	(696,589)	105,445
Debt Service	9,779,734	9,086,250	693,484
Capital Project	<u>13,084,564</u>	<u>4,914,214</u>	<u>8,170,350</u>
Total governmental funds	<u>\$ 18,883,796</u>	<u>\$ 8,381,210</u>	<u>\$ 10,502,586</u>

In total, the fund balances of the City's governmental funds increased by \$10,502,586 during the year ended December 31, 2019.

Unassigned fund balances increased \$6,305,009 from the previous year. The majority of this increase was due to improvements in the unassigned fund balance deficits in the nonmajor capital project funds, due to bonds issued in the current year for capital outlay and other project costs from previous years.

Restricted fund balances increased by \$2,834,276 during the year, mainly due to unspent bond proceeds at year-end.

GOVERNMENTAL FUNDS REVENUE AND EXPENDITURES

The following table presents the per capita revenue of the City's governmental funds for the past three years, along with state-wide averages.

We have included the most recent comparative state-wide averages available from the Office of the State Auditor to provide a benchmark for interpreting the City's data. The amounts received from the typical major sources of governmental fund revenue will naturally vary between cities based on factors such as a city's stage of development, location, size and density of its population, property values, services it provides, and other attributes. It will also differ from year-to-year due to the effect of inflation and changes in its operation. Also, certain data in these tables may be classified differently than how they appear in the City's financial statements in order to be more comparable to the state-wide information, particularly in separating capital expenditures from current expenditures.

We have designed this section of our management report using per capita data in order to better identify unique or unusual trends and activities of the City. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the MD&A. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

Governmental Funds Revenue per Capita With State-Wide Averages by Population Class						
Year Population	State-Wide		City of Chaska			
	December 31, 2018		2017	2018	2019	
	10,000–20,000	20,000–100,000	26,941	27,622	27,622	
Property taxes	\$ 472	\$ 493	\$ 312	\$ 329	\$ 351	
Tax increments	27	43	27	38	40	
Franchise and other taxes	48	50	160	166	27	
Special assessments	40	57	105	85	92	
Licenses and permits	35	47	48	34	33	
Intergovernmental revenues	271	157	99	63	425	
Charges for services	102	112	212	225	228	
Other	78	49	29	46	45	
Total revenue	<u>\$ 1,073</u>	<u>\$ 1,008</u>	<u>\$ 992</u>	<u>\$ 986</u>	<u>\$ 1,241</u>	

The 2019 population is not available at this time. The population used in the table above and on the next page is from 2018.

The City received \$34,281,279 of total revenue in its governmental funds in 2019, which was an increase of \$7,084,258 (26.0 percent) from the prior year. The City has historically generated a significantly smaller portion of its governmental funds revenue from property taxes than the average Minnesota city, mainly due to the annual transfer from the City's Electric Fund.

On a per capita basis, the \$1,241 of 2019 revenue represents an increase of \$255 from the previous year. Intergovernmental revenues increased \$362 per capita, due to significant reimbursements from Carver County for a share of the cost of the highway 212/44 interchange project. This increase was partially offset by the decrease in franchise and other taxes of \$139, due to the elimination of the electric franchise fee paid to the General Fund. In lieu of the franchise fee, the Electric Fund made a transfer to the General Fund.

The expenditures of governmental funds will also vary from state-wide averages and from year-to-year, based on the City's circumstances. Expenditures are classified into three types as follows:

- **Current** – These are typically the general operating type expenditures occurring on an annual basis, and are primarily funded by general sources, such as taxes and intergovernmental revenues.
- **Capital Outlay and Construction** – These expenditures do not occur on a consistent basis, more typically fluctuating significantly from year-to-year. Many of these expenditures are project-oriented, and are often funded by specific sources that have benefited from the expenditure, such as special assessment improvement projects.
- **Debt Service** – Although the expenditures for debt service may be relatively consistent over the term of the respective debt, the funding source is the important factor. Some debt may be repaid through specific sources, such as special assessments or redevelopment funding, while other debt may be repaid with general property taxes.

The City's expenditures per capita of its governmental funds for the past three years, together with comparative state-wide averages, are presented in the following table:

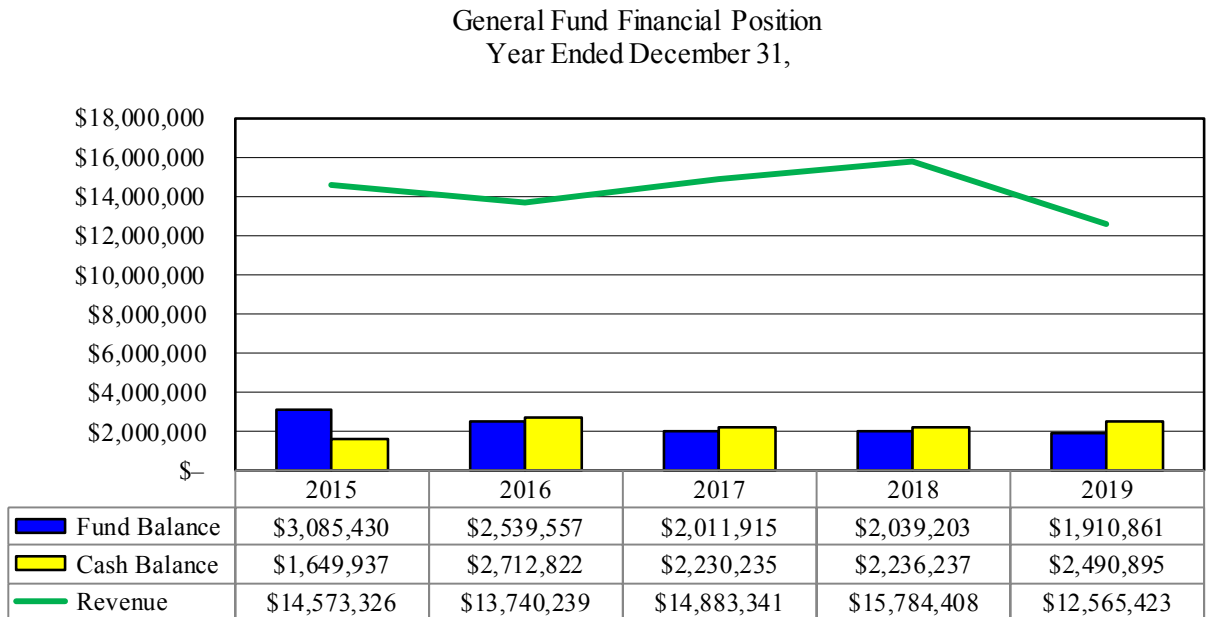
Governmental Funds Expenditures per Capita With State-Wide Averages by Population Class					
Year	State-Wide		City of Chaska		
	December 31, 2018		2017	2018	2019
Population	10,000–20,000	20,000–100,000	26,941	27,622	27,622
Current					
General government	\$ 121	\$ 104	\$ 209	\$ 206	\$ 217
Public safety	272	294	213	224	235
Public works	125	106	194	279	251
Parks and recreation	115	104	42	38	38
All other	74	78	71	115	58
Total current	707	686	729	862	799
Capital outlay and construction	351	307	364	300	731
Debt service					
Principal	153	109	114	105	120
Interest and fiscal	39	29	61	59	74
Total debt service	192	138	175	164	194
Total expenditures	\$ 1,250	\$ 1,131	\$ 1,268	\$ 1,326	\$ 1,724

Total expenditures in the City's governmental funds for 2019 were \$47,599,610, an increase of \$10,936,624 (29.8 percent) from the prior year.

Current operating costs were \$63 per capita lower than last year. This decrease was in all other (down \$57 per capita) and public works (down \$28 per capita). Capital outlay expenditures were \$431 per capita higher than last year, due to increased street reconstruction activity and the highway 212/44 interchange project in the current year. Finally, scheduled debt service expenditures increased \$30 per capita.

GENERAL FUND

The City's General Fund accounts for the financial activity of the basic services provided to the community. The primary services included within this fund are the administration of the municipal operation, police and fire protection, building inspection, streets and highway maintenance, and parks and recreation. The graph below illustrates the change in the General Fund financial position over the last five years. We have also included a line representing annual revenues to reflect the change in the size of the General Fund operation over the same period.



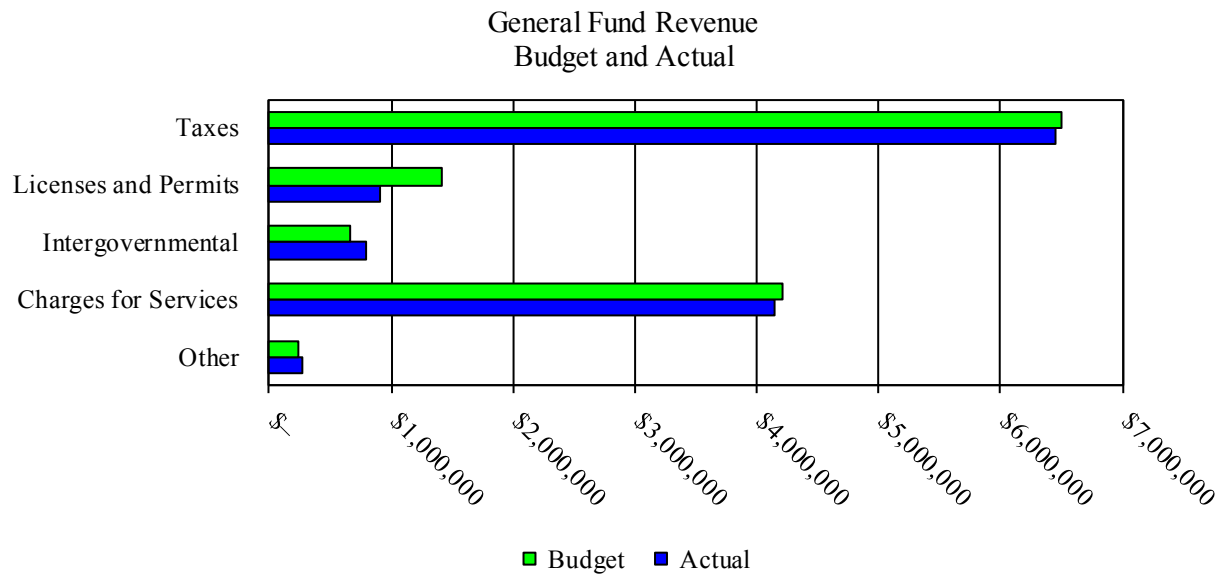
Revenue in the graph above declined starting in 2019, due to the elimination of the electric franchise fee paid to the General Fund. In lieu of the franchise fee, the Electric Fund made a transfer to the General Fund in the amount of \$3,927,340.

The City's General Fund cash and investments balance at December 31, 2019 was \$2,490,895, an increase of \$254,658 from the previous year. Total fund balance at December 31, 2019 was \$1,910,861, which represents a decrease of \$128,342 from the prior year, as compared to a balanced budget. Of this balance, \$1,133,435 has been committed for compensated absences, leaving \$777,426 of unassigned fund balance.

As the graph illustrates, the City has generally been able to maintain healthy cash and fund balance levels as the volume of financial activity has grown. This is an important factor because a government, like any organization, requires a certain amount of equity to operate. A healthy financial position allows the City to avoid volatility in tax rates; helps minimize the impact of state funding changes; allows for the adequate and consistent funding of services, repairs, and unexpected costs; and is a factor in determining the City's bond rating and resulting interest costs. Maintaining an adequate fund balance has become increasingly important given the fluctuations in state funding for cities in recent years.

Total fund balance at December 31, 2019 represents approximately 11.3 percent of the City's annual General Fund expenditures based on 2019 expenditure levels, compared to 12.9 percent at the previous year-end.

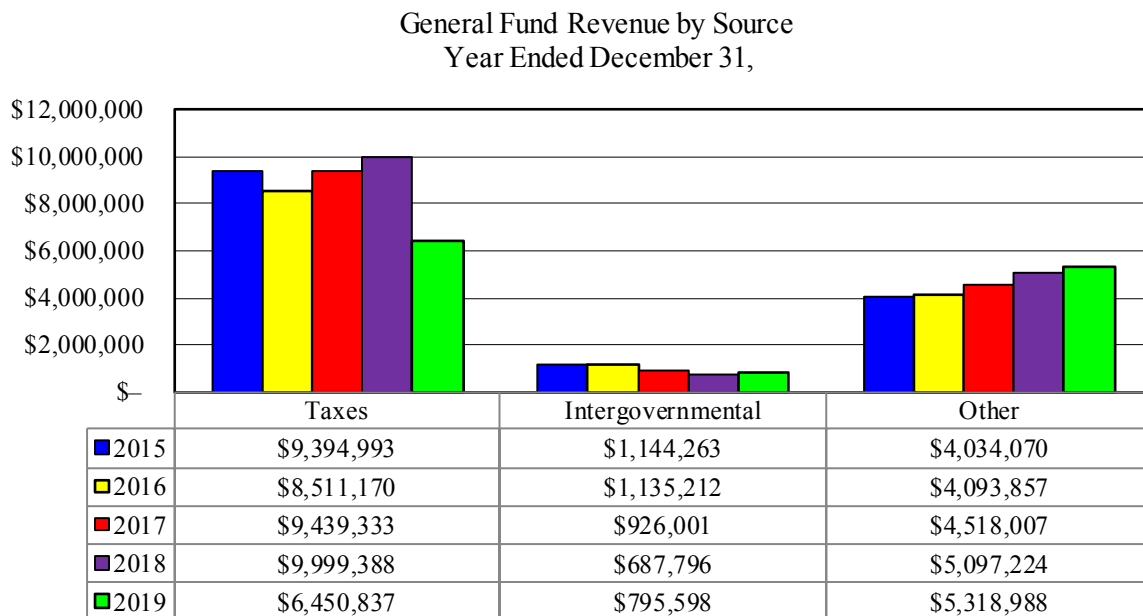
The following graph reflects the City's General Fund reliance on its revenue sources for 2019:



Total General Fund revenues for 2019 were \$12,565,423, which was \$455,194 (3.5 percent) under the final budget.

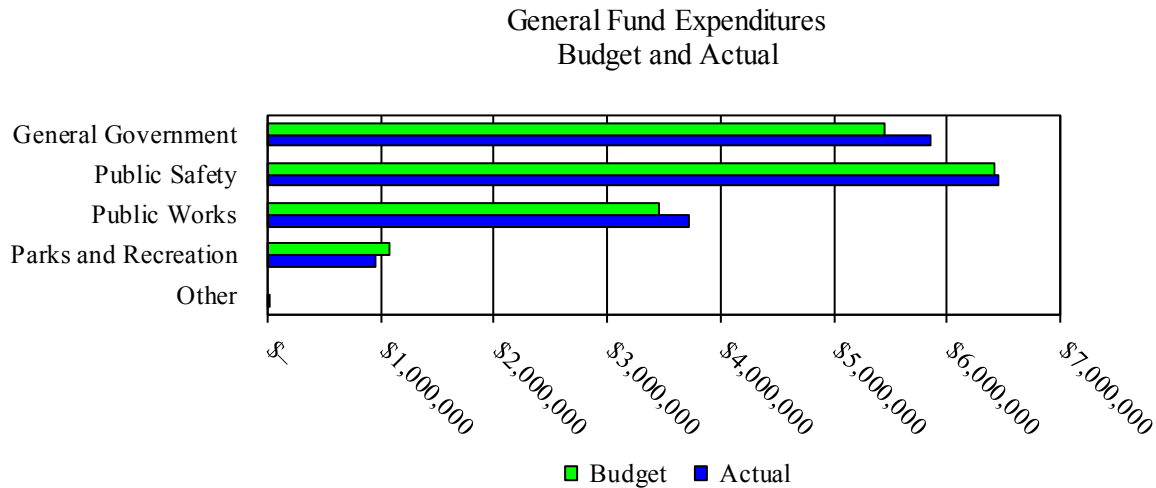
Licenses and permits revenue was under budget by \$499,420, mainly due to lower than anticipated building activity. This budget variance was partially offset by intergovernmental revenues being \$139,935 over budget, mainly due to police and fire aids being more than anticipated.

The following graph presents the City's General Fund revenue sources for the last five years. The graph shows the trend common to most cities, with an increased reliance on property taxes and other local revenues to finance the operations of local governments.



General Fund revenue for 2019 was \$3,218,985 (20.4 percent) lower than the previous year. Tax revenues decreased \$3,548,551, mainly due to the elimination of the electric franchise fee paid to the General Fund. In lieu of the franchise fee, the Electric Fund made a transfer to the General Fund.

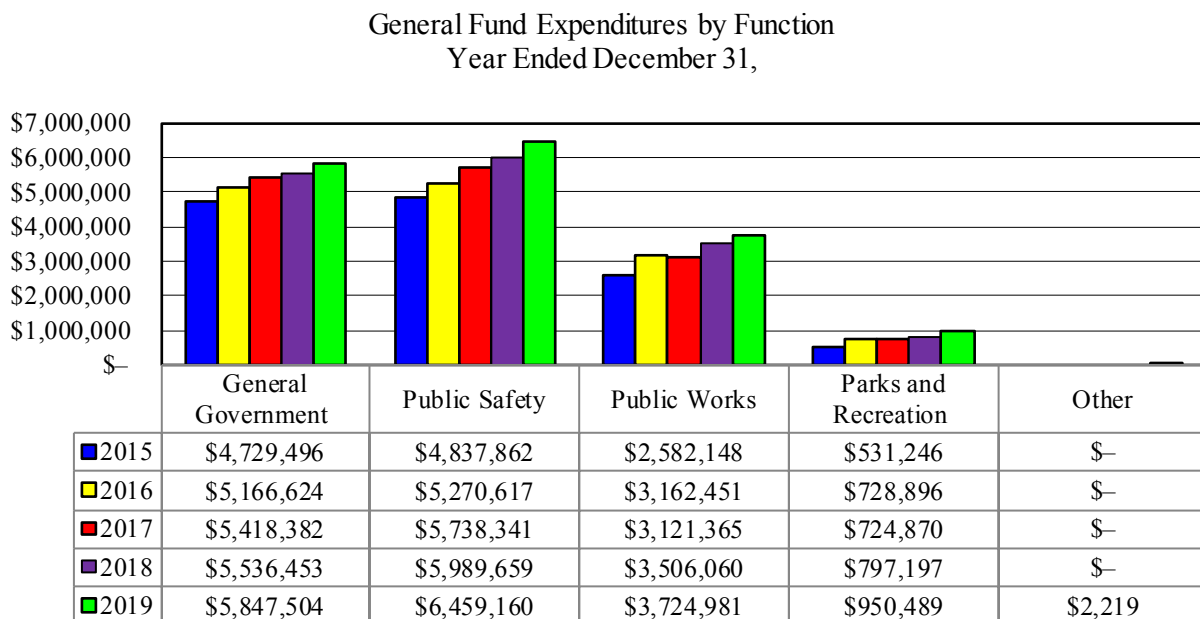
The following graph provides the components of the City's General Fund spending for 2019:



Total General Fund expenditures for 2019 were \$16,984,353, which was \$569,736 (3.5 percent) higher than the final budget.

General government expenditures were 394,487 over budget, mainly in the administration and administrative services departments, due to implementation of the results of a wage study, software support, and training. Public works expenditures were \$264,427 over budget, mainly in the parks maintenance and snow removal departments. These variances were offset by parks and recreation expenditures being \$124,277 under budget, mainly in the beach/Firemen's Park department.

The following graph illustrates trends in General Fund expenditures by function over the past five years:



General Fund expenditures for 2019 were \$1,154,984 (7.3 percent) higher than the prior year. The largest increases were in public safety (up \$469,501), general government (up \$311,051), and public works (up \$218,921). The increase in public safety was mainly in the police services and fire protection departments. The increase in general government was mainly in the information services and administrative services departments. The increase in public works was mainly in the street and alleys department. These increases were mainly due to the implementation of the wage study, increased overtime, and an increase in comp time paid out.

ENTERPRISE FUNDS OVERVIEW

The City maintains several enterprise funds to account for services the City provides that are financed primarily through fees charged to those utilizing the service. This section of the report provides you with an overview of the financial trends and activities of the City's enterprise funds.

The enterprise funds comprise a considerable portion of the City's activities. These funds help to defray overhead and administrative costs and provide additional support to general government operations by way of annual transfers. Over the years we have emphasized to our city clients the importance of these utility operations being self-sustaining, preventing additional burdens on general governmental funds. This would include the accumulation of resources for future capital improvements and to provide a cushion in the event of a negative trend in operations.

ENTERPRISE FUNDS FINANCIAL POSITION

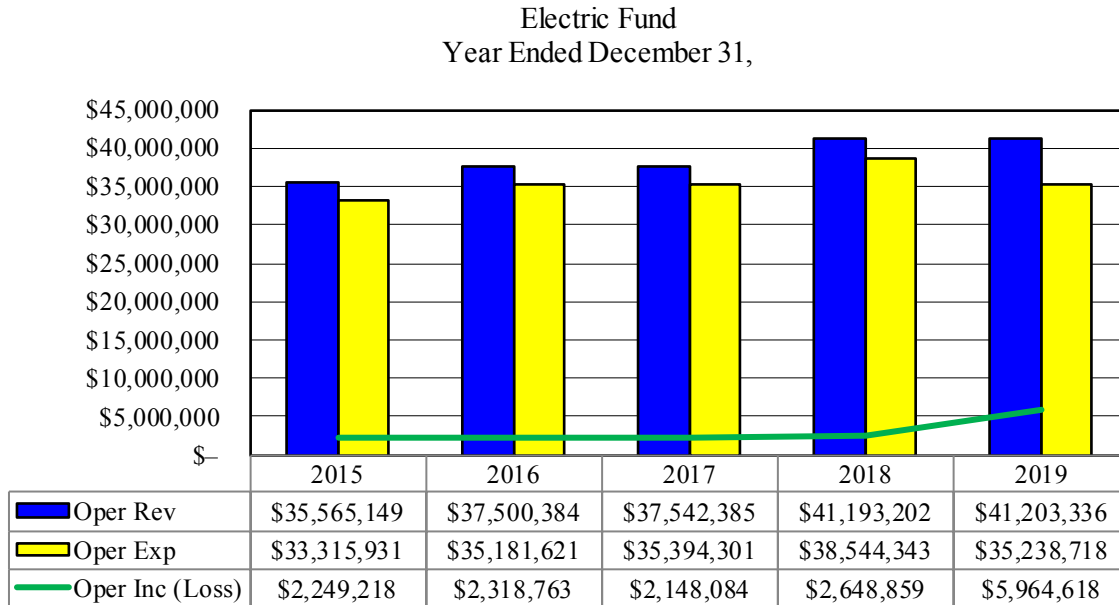
The following table summarizes the changes in the financial position of the City's enterprise funds during the years ended December 31, 2019 and 2018, presented both by classification and by fund:

Enterprise Funds Change in Financial Position			
	Net Position as of December 31,		
	2019	2018	Change
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 32,618,078	\$ 33,206,537	\$ (588,459)
Restricted	16,407,157	16,111,606	295,551
Unrestricted	(9,150,292)	(7,397,312)	(1,752,980)
Total enterprise funds	<u>\$ 39,874,943</u>	<u>\$ 41,920,831</u>	<u>\$ (2,045,888)</u>
Total by fund			
Electric	\$ 32,497,917	\$ 31,640,456	\$ 857,461
Water	2,976,648	4,107,549	(1,130,901)
Community Center	1,775,100	2,824,018	(1,048,918)
Turbine Generator	2,900,249	2,214,167	686,082
Chaska Curling Center	(617,039)	(927,267)	310,228
Nonmajor Enterprise	342,068	2,061,908	(1,719,840)
Total enterprise funds	<u>\$ 39,874,943</u>	<u>\$ 41,920,831</u>	<u>\$ (2,045,888)</u>

In total, the net position of the City's enterprise funds decreased by \$2,045,888 during the year ended December 31, 2019. The decrease in net position was primarily due to the operations of the Water, Community Center, and Nonmajor Enterprise funds.

ELECTRIC FUND

The following graph presents selected data for the City's Electric Fund for the last five years:



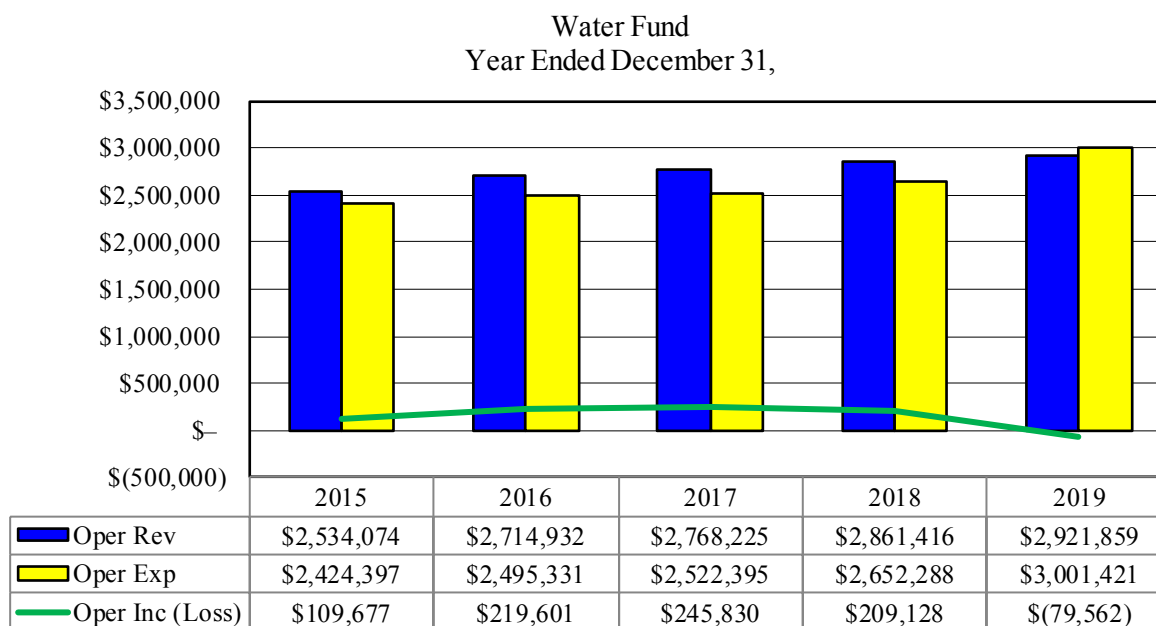
The Electric Fund ended 2019 with a total net position of \$32,497,917, an increase of \$857,461 from the prior year. The Electric Fund's net investment in capital assets was \$15,490,522 at year-end. An additional \$11,882,695 of net position was restricted for debt service at year-end, leaving \$5,124,700 of unrestricted net position.

Operating revenue in the Electric Fund increased slightly from the prior year, up \$10,134.

Operating expenses were \$3,305,625 (8.6 percent) lower than last year, due to the elimination of the franchise fee paid to the General Fund. In lieu of the franchise fee, the Electric Fund made a \$3,927,340 transfer to the General Fund.

WATER FUND

The following graph presents selected data for the City's Water Fund for the last five years:



The Water Fund ended 2019 with a total net position of \$2,976,648, a decrease of \$1,130,901 from the prior year. The Water Fund's net investment in capital assets was \$2,086,391 at year-end, leaving \$890,257 of unrestricted net position.

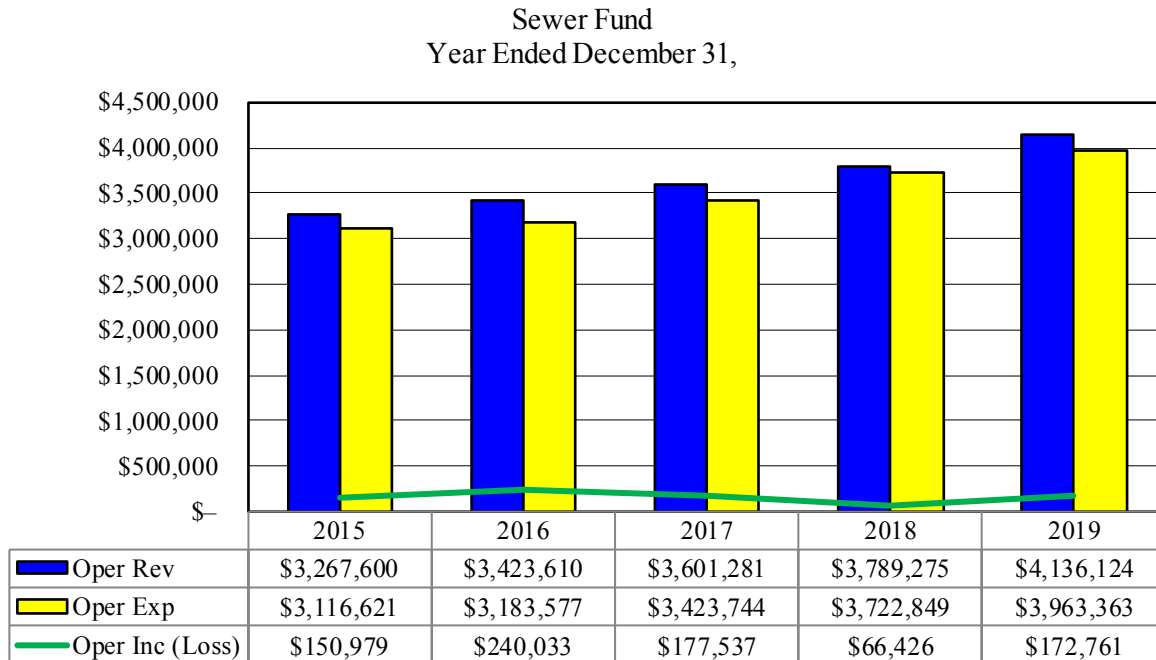
Operating revenue in the Water Fund increased \$60,443 (2.1 percent) from the prior year. Revenue increased, due to an increase in the water rates in 2019, and an increase in consumption.

Water Fund operating expenses for 2019 were \$349,133 (13.2 percent) higher than the previous year, mainly due to increased distribution and collection costs, and increased administration costs.

During the current year, this utility operation also made transfers to other funds totaling \$1,458,905 for capital and debt service.

SEWER FUND

The following graph presents selected data for the City's Sewer Fund for the last five years:



The Sewer Fund ended 2019 with a total net position deficit of \$1,128,645, a decrease of \$1,199,464 from the prior year. The Sewer Fund's net investment in capital assets was \$1,704,891 at year-end, leaving a deficit of \$2,833,536 in unrestricted net position.

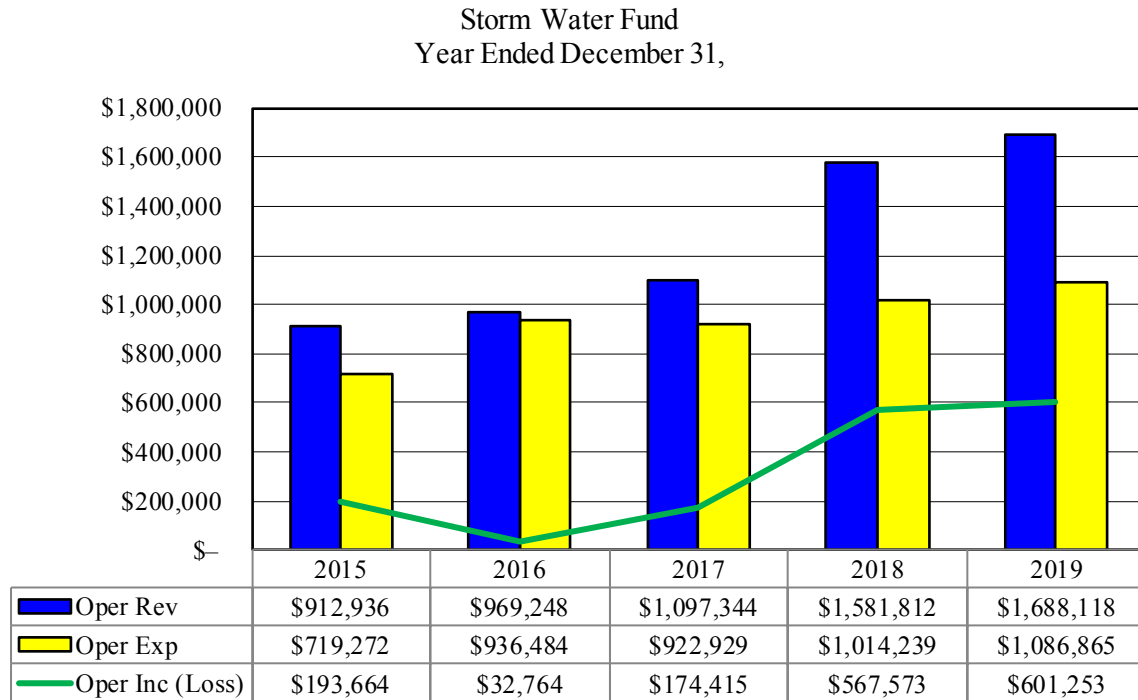
Operating revenue in the Sewer Fund increased \$346,849 (9.2 percent) from the prior year, mainly due to an increase in usage.

Sewer Fund operating expenses for 2019 increased \$240,514 (6.5 percent) from the prior year, mainly due to increased administration costs of \$162,068.

During the current year, this utility operation also made transfers to other funds totaling \$1,511,157 for capital and debt service.

STORM WATER FUND

The following graph presents selected data for the City's Storm Water Fund for the last five years:



The Storm Water Fund ended 2019 with a total net position of \$1,211,800, a decrease of \$67,412 from the prior year. The Storm Water Fund's net investment in capital assets was \$1,537,190 at year-end, leaving a deficit of \$325,390 in unrestricted net position.

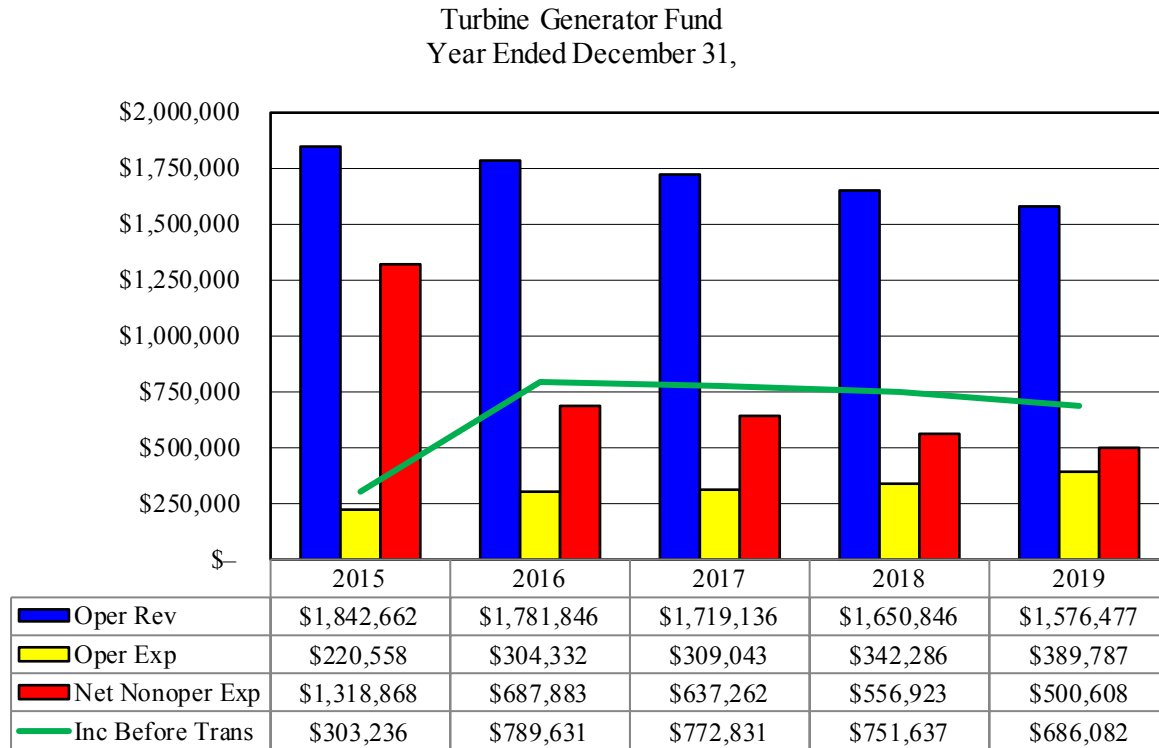
Operating revenue in the Storm Water Fund increased \$106,306 (6.7 percent) from the prior year, which is representative of a rate increase in the current year.

Storm Water Fund operating expenses for 2019 increased \$72,626 (7.2 percent) from the prior year, mainly due to increased administration costs.

During the current year, this utility operation also made transfers to other funds totaling \$933,400 for capital and debt service.

TURBINE GENERATOR FUND

The following graph presents selected data for the Turbine Generator Fund for the last five years:



The Turbine Generator Fund ended 2019 with a total net position of \$2,900,249, an increase of \$686,082 from the prior year. The Turbine Generator Fund had a net position restricted for debt service of \$2,824,346 at year-end, leaving \$75,903 in unrestricted net position.

The City's Turbine Generator Fund is used to account for the City's agreement with the Minnesota Municipal Power Agency (MMPA) for the exclusive rights to the power generated by the turbine generator built by the City. The Turbine Generator Fund receives payments from the MMPA agreement sufficient to pay off the debt service on the turbine generator.

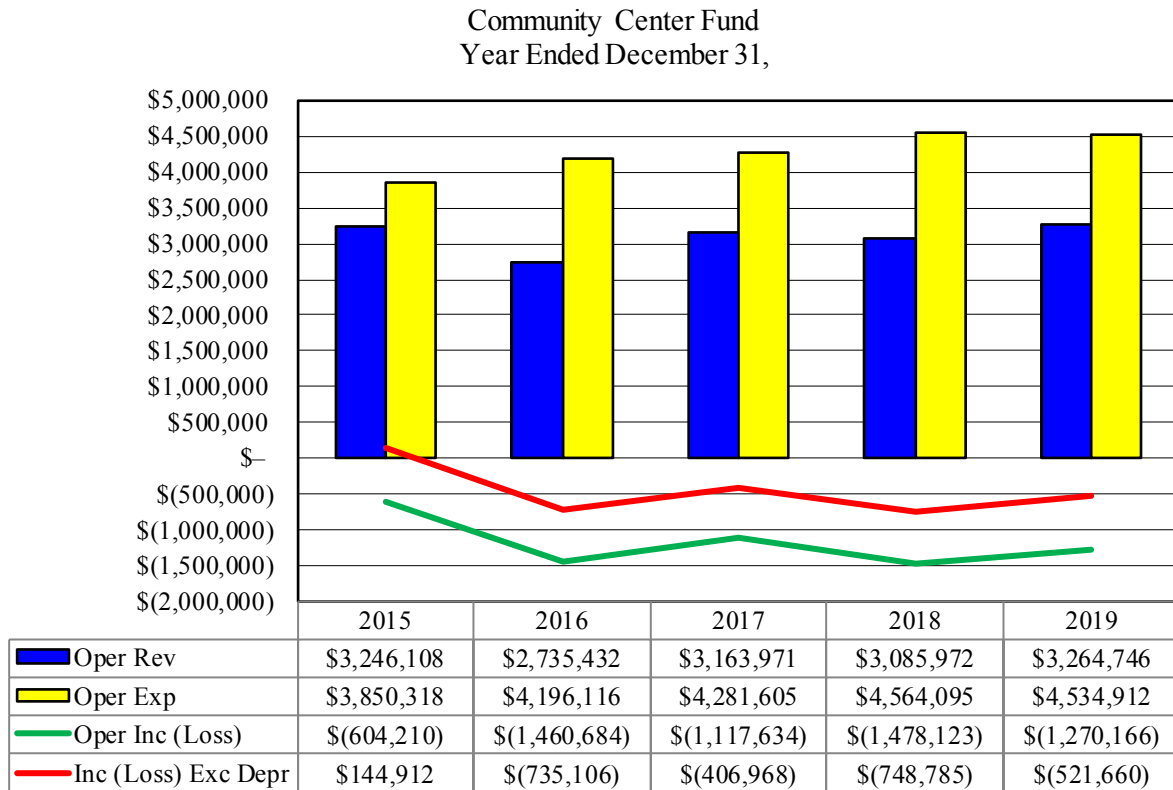
Operating revenues have been slowly decreasing over the five-year period shown above, dropping \$74,369 (4.5 percent) in 2019.

Operating expenses in the Turbine Generator Fund increased \$47,501 (13.9 percent) from the prior year.

The decrease in net nonoperating expenses beginning in 2016, which consists mainly of debt interest payments less interest earned on the cash held in escrow, is due to the refunding of bonds in 2015.

COMMUNITY CENTER FUND

The following graph presents selected data for the City's Community Center Fund for the last five years:



The Community Center Fund ended 2019 with a total net position of \$1,775,100, a decrease of \$1,048,918 from the prior year. The Community Center Fund's net investment in capital assets was \$6,298,232 at year-end. An additional \$272,266 of net position was restricted for debt service at year-end, leaving a deficit of \$4,795,398 in unrestricted net position.

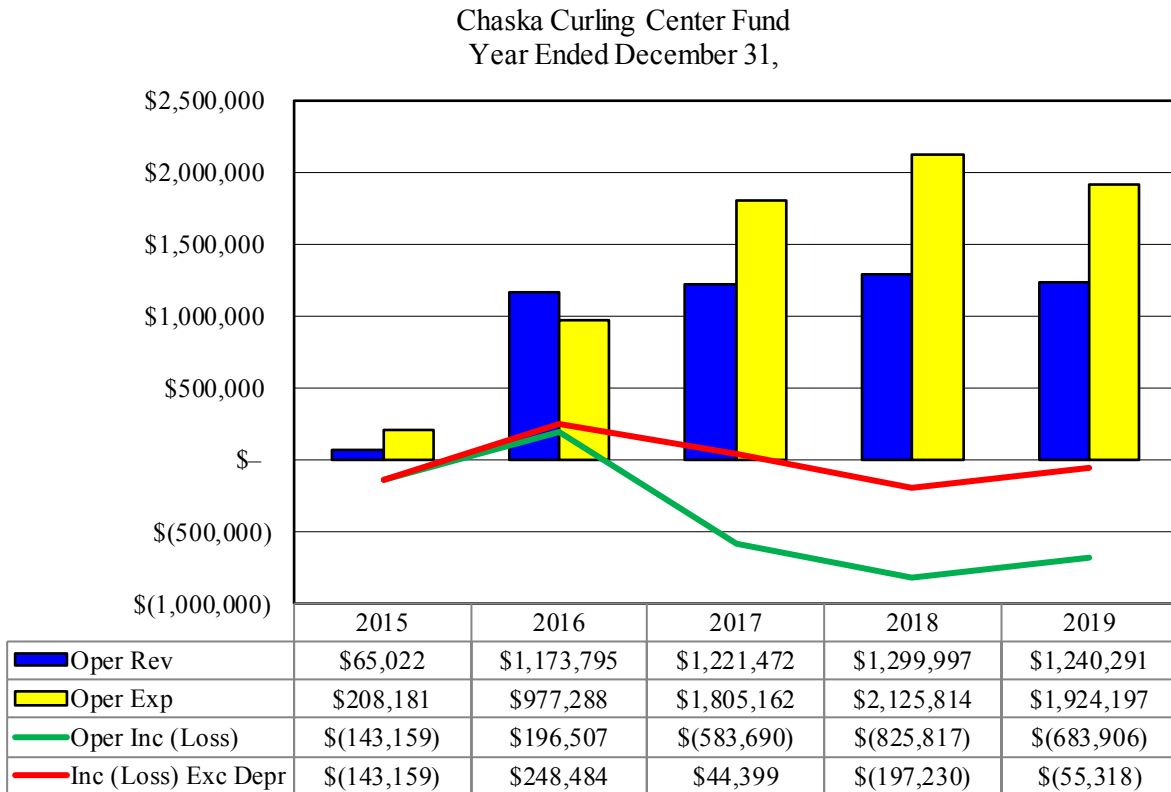
Operating revenue in the Community Center Fund increased \$178,774 (5.8 percent) from the prior year, mainly due to increased memberships and ice rental.

Community Center Fund operating expenses decreased \$29,183 (0.6 percent) from the prior year.

The annual operating income (loss), excluding depreciation, is provided above, as rental rates set for this fund through the City's budgetary process are not intended to recover the full cost of depreciation. As seen in the graph above, this fund has generated operating losses, excluding depreciation, each of the last four years.

CHASKA CURLING CENTER FUND.

The following graph presents selected data for the City's Curling Center Fund for the last five years:



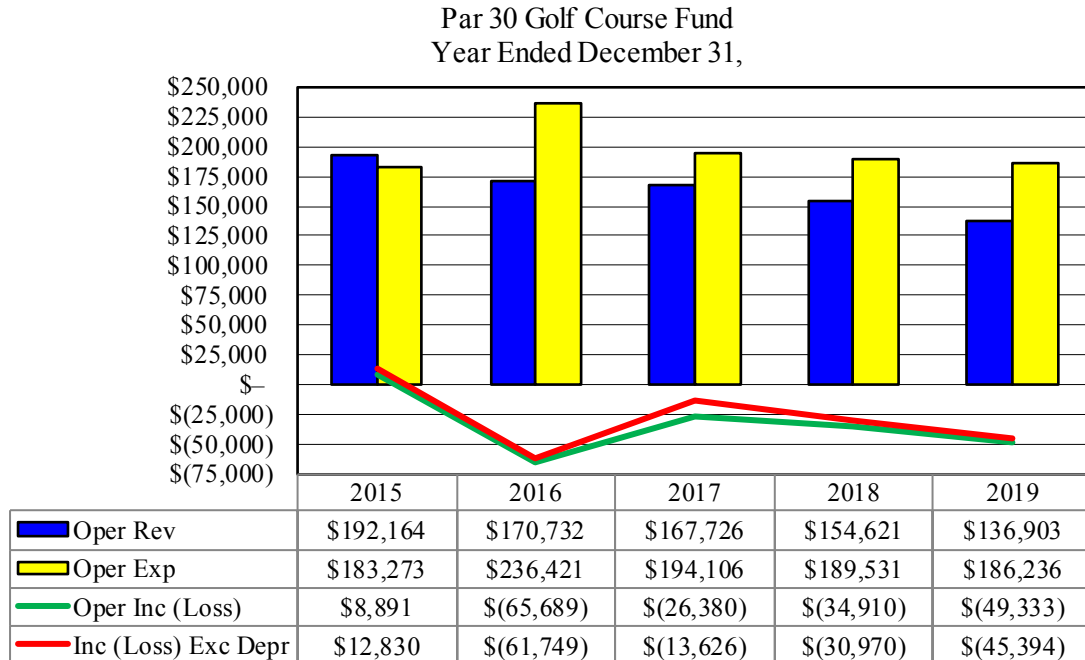
The City started a Chaska Curling Center Fund in 2014, and completed construction of the curling facility in 2015. The current year was the fourth full year of operation of the facility. The fund ended 2019 with a total net position deficit of \$617,039, an improvement of \$310,228 from the prior year. The Chaska Curling Center Fund's net investment in capital assets was \$3,516,179 at year-end. An additional \$1,427,850 of net position was restricted for debt service at year-end, leaving a deficit of \$5,561,068 in unrestricted net position.

Operating revenue in the Chaska Curling Center Fund decreased \$59,706 (4.6 percent) from the prior year.

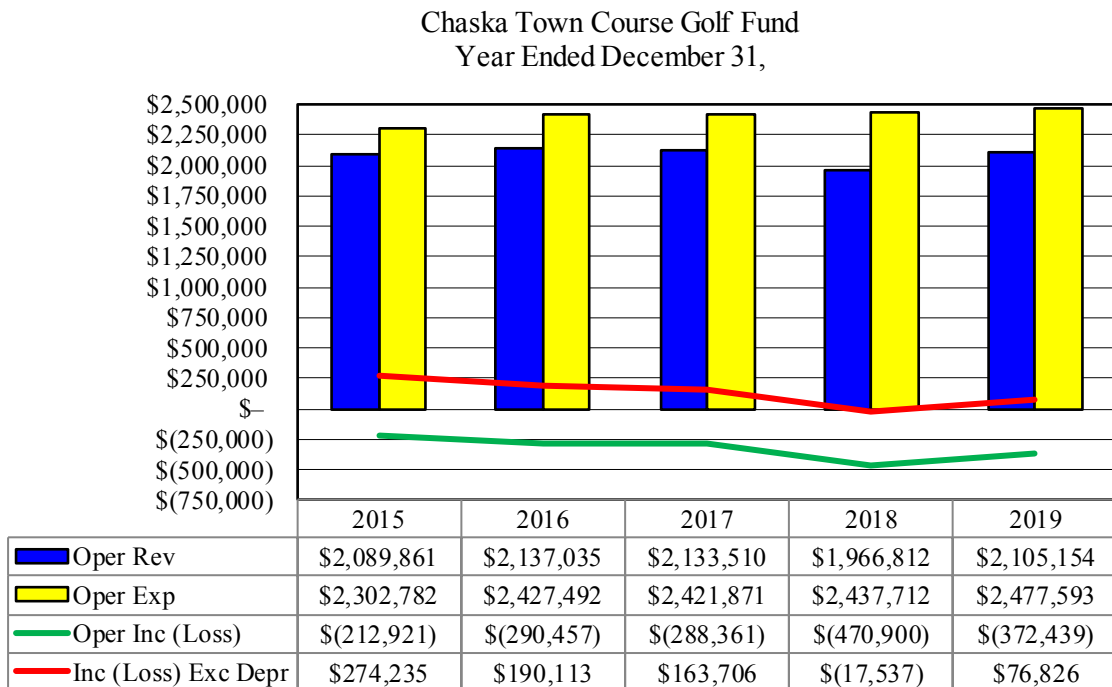
Chaska Curling Center Fund operating expenses decreased \$201,617 (9.5 percent) from the prior year, mainly due to decreased administration costs.

GOLF COURSE FUNDS

The following graphs present selected data for the City's two golf course funds for the last five years:



The Par 30 Golf Course Fund ended 2019 with a total net position deficit of \$243,726, a decrease of \$52,506 from the prior year. The unrestricted portion of net position was a deficit of \$262,293 at year-end. The Par 30 Golf Course Fund's operating revenues decreased \$17,718 (11.5 percent) in 2019. Operating expenses decreased \$3,295 (1.7 percent) from the prior year.



The Chaska Town Course Golf Fund ended 2019 with a total net position of \$502,639, a decrease of \$400,458 from the prior year. The unrestricted portion of net position was a deficit of \$1,463,467 at year-end. The Chaska Town Course Golf Fund's operating revenues increased \$138,342 (7.0 percent) for 2019. Operating expenses increased \$39,881 (1.6 percent) from the prior year.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

In addition to fund-based information, the current reporting model for governmental entities also requires the inclusion of two government-wide financial statements designed to present a clear picture of the City as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering services, including capital assets and long-term liabilities.

STATEMENT OF NET POSITION

The Statement of Net Position essentially tells you what the City owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the City has leftover to use for providing services after its debts are settled. However, those resources are not always in spendable form, or there may be restrictions on how some of those resources can be used. Therefore, net position is divided into three components: net investment in capital assets, restricted, and unrestricted.

The following table presents the components of the City's net position as of December 31, 2019 and 2018, for governmental activities and business-type activities:

	As of December 31,		
	2019	2018	Change
Net position			
Governmental activities			
Net investment in capital assets	\$ 143,383,394	\$ 146,659,763	\$ (3,276,369)
Restricted	19,254,366	20,434,329	(1,179,963)
Unrestricted	(12,136,611)	(11,503,698)	(632,913)
Total governmental activities	<u>150,501,149</u>	<u>155,590,394</u>	<u>(5,089,245)</u>
Business-type activities			
Net investment in capital assets	32,618,078	33,206,537	(588,459)
Restricted	16,407,157	16,111,606	295,551
Unrestricted	(8,973,291)	(7,147,929)	(1,825,362)
Total business-type activities	<u>40,051,944</u>	<u>42,170,214</u>	<u>(2,118,270)</u>
Total net position	<u>\$ 190,553,093</u>	<u>\$ 197,760,608</u>	<u>\$ (7,207,515)</u>

Total net position decreased \$7,207,515 during the 2019 fiscal year.

Governmental activities net position decreased \$5,089,245. The change in the net investment in capital assets category typically depends on the relationship of the rate at which the City is adding capital assets, the rate capital assets are being depreciated, and how the City finances the purchase and construction of capital assets. The current year decrease is due to debt issued in the current year for assets constructed in previous years. The decrease in restricted net position is due to the decrease in resources restricted for capital projects.

Business-type activities net position decreased \$2,118,270, as outlined in the discussion of enterprise fund operations earlier in this report.

STATEMENT OF ACTIVITIES

The Statement of Activities tracks the City's yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing services. The Statement of Activities provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses.

The following table presents the change in the net position of the City for the years ended December 31, 2019 and 2018:

	2019			2018
	Expenses	Program Revenues	Net Change	Net Change
Net (expense) revenue				
Governmental activities				
General government	\$ 6,466,463	\$ 4,610,673	\$ (1,855,790)	\$ (1,718,221)
Economic development	1,682,326	645,461	(1,036,865)	(4,088,889)
Public safety	6,805,386	934,774	(5,870,612)	(5,099,515)
Public works	26,781,348	13,779,341	(13,002,007)	(385,990)
Parks, recreation, and arts	1,636,562	878,603	(757,959)	(904,648)
Interest on long-term debt	1,522,276	—	(1,522,276)	(1,550,437)
Business-type activities				
Electric	35,599,483	41,744,069	6,144,586	2,474,532
Water	3,391,370	2,952,351	(439,019)	(122,357)
Sewer	4,091,831	4,270,823	178,992	(9,510)
Community Center	4,716,992	3,267,123	(1,449,869)	(1,658,180)
Par 30 Golf Course	187,568	137,029	(50,539)	(34,631)
Chaska Town Course	2,505,095	2,106,289	(398,806)	(481,309)
Turbine Generator	1,023,865	1,576,477	552,612	634,307
Internet Service Provider	—	—	—	(59,324)
Storm Water	1,173,012	1,798,863	625,851	579,775
Chaska Curling Center	2,419,331	1,241,022	(1,178,309)	(1,333,089)
Total net (expense) revenue	<u>\$ 100,002,908</u>	<u>\$ 79,942,898</u>	(20,060,010)	(13,757,486)
General revenues				
Property taxes			10,805,084	10,129,998
Franchise taxes			752,914	4,576,985
Grants and contributions not restricted to specific functions			42,662	26,545
Investment earnings			836,007	762,925
Other			415,828	449,559
Total general revenues			<u>12,852,495</u>	<u>15,946,012</u>
Change in net position			<u>\$ (7,207,515)</u>	<u>\$ 2,188,526</u>

One of the goals of this statement is to provide a side-by-side comparison to illustrate the difference in the way the City's governmental and business-type operations are financed. The table clearly illustrates the dependence of the City's governmental operations on general revenues, such as property taxes and franchise taxes. It also shows if the City's business-type activities are generating sufficient program revenues (service charges and program-specific grants) to cover expenses. This is critical given the current downward pressures on the general revenue sources.

The change in economic development is due to a decrease in activity within the tax increment financing districts in the current year. The change in public works is due to a significant increase in construction activity for state and county road projects, which are not city-owned assets.

LEGISLATIVE UPDATES

The 2019 legislative session began with a projected state general fund surplus of \$1.052 billion. The legislative agenda was primarily focused on setting an operating budget for the state's fiscal 2020-2021 biennium. At the end of the regular session, only a higher education budget bill had been completed. However, after a special session, the Legislature was able to address the 11 remaining budget bills, as well as pass an omnibus tax bill and small pension bill. The following is a brief summary of specific legislative changes from the 2019 session or previous legislative sessions potentially impacting Minnesota cities.

Local Government Aid (LGA) – An additional \$26 million was added to the appropriation for the city LGA formula beginning in fiscal 2020, bringing the total state-wide appropriation to \$560.4 million. An additional \$4 million was added to the appropriation beginning in fiscal 2021. The LGA distribution formula for 2020 was altered to provide that a city's 2020 LGA may not be less than its 2019 aid, and the cap on maximum aid losses in any year thereafter was modified.

Bonding Bill – The 2019 bonding bill provided financing for approximately \$102 million of projects and funding authorized by the 2018 omnibus bonding bill, which had been legally challenged due to their reliance on the use of the Environment and Natural Resources Trust Fund to generate appropriation bonds. The 2019 Legislature changed the funding source for these projects to general obligation bonds, clearing the way for the projects to go forward. Included in this was \$59 million earmarked for city water and wastewater projects through the state Public Facilities Authority.

Local Option Sales Tax Process – Effective May 1, 2019, the process for cities to enact a local option sales tax have been modified, requiring special legislation prior to a local referendum vote. Cities must now adopt a resolution specifying the proposed sales tax rate and time frame for the sales tax. The resolution must also include a detailed description of the project or projects (up to five) to be funded by the sales tax, the amount to be raised for each project, and documentation of the regional significance of each project. The resolution must be submitted to the House and Senate tax committee chairs by January 31st to be considered for special legislation by the State Legislature. If special legislation is approved, voter approval must be obtained by referendum at a general election within two years of legislative approval.

Wage Theft – The Legislature enacted a number of changes in employment law aimed at reducing wage theft by employers. The changes require employers to provide written notice to new employees of specific wage information including rate of pay, allowances, paid leave, deductions, days in a pay period, and the employer's legal name, address, and phone number. Employers must also provide an earnings statement that includes similar information. The changes also create new requirements for employer recordkeeping for hours worked each day and each workweek, and imposes penalties for failure to do so and for refusal to make the records available for inspection by the Department of Labor.

Written Estimates of Consulting Fees – Effective August 1, 2019, upon request by applicants for a permit, license, or other approval relating to real estate development or construction, cities are required to provide a written, nonbinding estimate of consulting fees to be charged to the applicant based on information available at that time. The related application will not be considered complete until the city has provided the estimate, received the required application fees, and received the applicant's signed acceptance of the fee estimate along with a signed statement that the applicant has not relied on the fee estimate in its decision to proceed with the application.

Contract Retainage – Effective for contracts entered into August 1, 2019 or later, contract retainage must be released no later than 60 days after the related construction project reaches substantial completion as defined by statute. After substantial completion, cities can still withhold amounts equal to, 1) 250 percent of the cost to correct or complete work known at the time of substantial completion, and 2) the greater of \$500 or 1 percent of the value of the contract pending the completion of "final paperwork," including documents required to fulfill contractual obligations such as operating manuals, payroll documents for projects subject to prevailing wage requirements, and contractor payroll tax withholding affidavits. Any resulting reduction in retainage must be passed from the contractor to all subcontractors at the same rate.

Driver and Vehicle Registration System (VTRS) – The Legislature selected VTRS, a third party vendor system, to replace the failed Minnesota Licensing and Registration System (MNLARS). Fees from driver’s licenses, license plates, and filing fees were increased and a technology surcharge imposed on vehicle registration renewals to pay for the implementation of VTRS, the decommissioning of MNLARS, and to temporarily increase the capacity of Driver and Vehicle Services to meet public service needs. Included in this is \$13 million appropriated in 2019 for reimbursement grants to deputy registrars for costs related to MNLARS. The grants, which would be determined by formula, would require the deputy registrar accepting the grant to release the state from any further liability or claims related to MNLARS.

Vaping Ordinance Authority – Effective July 1, 2019, cities are allowed to enact and enforce ordinances with more stringent measures than the Minnesota Clean Indoor Air Act to protect individuals from involuntary exposure to aerosol or vapor from electronic delivery devices.

Water Connection Fees – Effective January 1, 2020, the annual water connection fees cities are required to collect on behalf of the Minnesota Department of Health for water testing and support has been increased from \$6.36 to \$9.72.

Military Exception to Open Meeting Law – Effective August 1, 2019, members of a public body that are in the military will be allowed to participate in public meetings via interactive television when they are at a required drill, deployed, or on active duty. The member may participate under this exception up to three times a year.

Pension Plan Changes – The 2019 pension bill included several changes to the various pension plans throughout the state:

- Changes to plans administered by the Public Employees Retirement Association (PERA) included:
 - The rights of PERA General Employees Retirement Fund (GERF) plan and Public Employees Police and Fire Fund (PEPFF) plan members to purchase service credit for periods of military leave were expanded. This gives plan members the right to purchase up to five years of service credit for military service leave that is not federally protected because the service occurred prior to public employment or the member did not meet the payment deadlines applicable to federally protected leave service credit purchases.
 - The Phased Retirement Option (PRO) program, which gives cities an opportunity to retain potentially retiring employees that are GERF plan members aged 62 or over, was altered and made permanent. Under a PRO arrangement, an employee would begin collecting a retirement annuity, but could continue working for their current employer for up to five years if they agree to a work schedule that represents a reduction of at least 25 percent each pay period from their current schedule, up to a maximum of 1,044 hours per year. Employees would not be allowed to contribute to a pension benefit plan or accrue additional service time while working under a PRO.
 - A process was established for municipalities and joint powers entities to terminate participation in the PERA Statewide Volunteer Firefighter (SVF) plan if, 1) the entity has either eliminated its fire department or ceased using the services of all departing firefighters and any other noncareer or volunteer firefighters, and 2) the entity’s account has assets sufficient to cover all liabilities including the fully vested liabilities for all departing firefighters and administrative expenses.

- Changes impacting volunteer firefighter relief associations (VRFAs) included:
 - Effective January 1, 2020, vesting schedules for defined contribution plans cannot require that a member have more than 20 years of active service to become 100 percent vested in the member's account, or provide for a larger vesting percentage with respect to the completed years of service than as provided in the statutory schedule.
 - Effective January 1, 2020, the permitted graded vesting schedule for defined benefit pension plans is reduced from 20 years to 10 years for full vesting. Also, plans cannot require that a member have more than 20 years of active service to become 100 percent vested in the member's accrued service pension, or provide for a larger vesting percentage with respect to the completed years of service than as provided in the statutory schedule.
 - Effective January 1, 2020, supplemental benefits are allowed to be paid to designated beneficiaries or estates when plan members have no surviving spouse or children.

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ACCOUNTING AND AUDITING UPDATES

The following is a summary of GASB standards expected to be implemented in the next few years. Due to the COVID-19 outbreak, the GASB has delayed the original implementation dates of these and other standards as described below.

GASB STATEMENT NO. 87, *LEASES*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019 and are now effective for fiscal years beginning after June 15, 2021.

GASB STATEMENT NO. 91, *CONDUIT DEBT OBLIGATIONS*

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

This statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third party obligors in the course of their activities.

This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020 and are now effective after December 15, 2021. Earlier application is encouraged.

**CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION**

**CITY OF CHASKA
STATE OF MINNESOTA**

**ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
December 31, 2019**

Prepared By:

Noel J. Graczyk
Administrative Services Director
City of Chaska

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BOARD OF TRUSTEES
ELECTED AND EX-OFFICIO BOARD MEMBERS

ELECTED TRUSTEES:

<u>Trustee Office</u>	<u>Trustee Name</u>	<u>Term</u>
President	Jesse Davey (2).....	2017-2019
Vice President.....	Gregg Davies (1)	2019-2021
Secretary	Chris Pierce	2018-2020
Treasurer.....	Jason Buntin	2017-2019
Trustee	Kevin Trebiatowski	2018-2020
Trustee	Travis Lindberg	2019-2021

TRUSTEES APPOINTED BY CITY:

Fire Chief, City of Chaska	Tim Wiebe
Mayor, City of Chaska.....	Mark Windschitl
Administrative Services Director, City of Chaska.....	Noel Graczyk

(1) Retired member

(2) Jesse Davey resigned as President and Trustee as of December 31, 2019.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Management
 Chaska Fire Department Relief Association
 Chaska, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Chaska Fire Department Relief Association (the CFDRA) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the CFDRA'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. 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 CFDRA'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 CFDRA'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.

(continued)

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 major fund, and the aggregate remaining fund information of the CFDRA as of December 31, 2019, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of City Contributions, and the Schedule of Investment Returns, 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 required supplementary information 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 CFDRA's basic financial statements. The introductory section and supplementary information, 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 introductory section and supplementary information 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.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 29, 2020

Basic Financial Statements:

- **Entity-Wide and Governmental Fund Financial Statements**
Governmental Activities – General Fund
- **Fiduciary Fund Financial Statements**
- **Notes to the Financial Statements**

Chaska Fire Department Relief Association

**GOVERNMENTAL ACTIVITIES - GENERAL FUND
STATEMENT OF NET POSITION AND BALANCE SHEET
December 31, 2019**

STATEMENT 1

ASSETS

Cash and Investments	<u>\$ 57,086</u>
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FUND BALANCE / NET POSITION

Unassigned Fund Balance / Unrestricted Net Position	<u>\$ 57,086</u>
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The notes to the financial statements are an integral part of this statement.

Chaska Fire Department Relief Association

**GOVERNMENTAL ACTIVITIES - GENERAL FUND
STATEMENT OF ACTIVITIES AND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
for the fiscal year ended December 31, 2019**

STATEMENT 2

PROGRAM EXPENDITURES / EXPENSES

General Government:

Other Expenditures/Expenses:

Fund Raising \$ 23,913

Program Activities:

Program Events 28,003

Community Events 2,135

TOTAL PROGRAM EXPENDITURES / EXPENSES 54,051

PROGRAM REVENUES

General Government:

Operating Grants & Contributions

Fund Raising 62,124

Reimbursements 2,399

TOTAL PROGRAM REVENUES 64,523

CHANGE IN FUND BALANCE / NET POSITION 10,472

FUND BALANCE / NET POSITION, January 1 46,614

FUND BALANCE / NET POSITION, December 31 \$ 57,086

The notes to the financial statements are an integral part of this statement.

SPECIAL PENSION TRUST FUND
STATEMENT OF PLAN NET POSITION
December 31, 2019

STATEMENT 3

ASSETS

Cash and Investments:

U.S. Treasury Securities \$ 1,020,619

Domestic Equities 2,607,478

International Equities 501,633

Investment Pools / Mutual Funds:

Exchange Traded Funds 672,056

Mutual Funds 1,546,472

Mutual Funds - Money Market 275,351

NET POSITION

RESTRICTED FOR PENSION BENEFITS \$ 6,623,609

The notes to the financial statements are an integral part of this statement.

SPECIAL PENSION TRUST FUND
STATEMENT OF CHANGES IN PLAN NET POSITION
for the fiscal year ended December 31, 2019

STATEMENT 4

ADDITIONS

Contributions:

State of Minnesota, Fire Aid	\$ 161,529
City of Chaska	326,937
Total Contributions	<u>488,466</u>

Investment Income:

Interest and Dividends	153,458
Net gain in fair value of investments	871,275
Total Investment Income	<u>1,024,733</u>

Less Investment Expense	50,014
Net Investment Income	<u>974,719</u>

TOTAL ADDITIONS	<u>1,463,185</u>
------------------------	------------------

DEDUCTIONS

Benefit Payments:

Retirees, Monthly Benefit	309,883
Disability Benefit, Monthly Benefit	10,087
Survivor Benefit, Monthly Benefit	73,623
Total Benefit Payments	<u>393,593</u>

Administration:

Salaries - Treasurer and Secretary	6,000
Miscellaneous	3,862
Total Administration	<u>9,862</u>

TOTAL DEDUCTIONS	<u>403,455</u>
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CHANGE IN PLAN NET POSITION	1,059,730
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NET POSITION RESTRICTED FOR PENSION BENEFITS,

JANUARY 1	<u>5,563,879</u>
-----------	------------------

DECEMBER 31	<u><u>\$ 6,623,609</u></u>
-------------	----------------------------

The notes to the financial statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

Authorized policies of the Chaska Fire Department Relief Association (CFDRA) conform to U.S. generally accepted accounting principles applicable to governmental units. The following is a summary of the significant accounting policies.

A.) Form of Government

The CFDRA was incorporated on March 3, 1891. It operates under the provisions of Minnesota State Statute Chapter 69.771 as amended. A board of nine trustees governs the CFDRA. The members of the CFDRA elect six trustees, each to a three-year term. The City appoints three trustees of which at least one is an elected member of the City Council. City appointed Trustee members may not hold any additional offices in the CFDRA.

B.) Financial Reporting Entity

The CFDRA is a fire relief association. In accordance with Governmental Accounting Standards Board (GASB) pronouncements and U.S. generally accepted accounting principles, these financial statements present the CFDRA and its component units, entities for which the CFDRA is considered to be financially accountable. The CFDRA does not have any component units.

C.) Entity-Wide Financial Statement Presentation

The entity-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the financial activities of the CFDRA, except for the Fiduciary Funds. Generally, the effect of any material interfund activity has been removed from the entity-wide financial statements. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to association members or others who use or directly benefit from goods, services, or privileges provided by a given function or segment, and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally directed revenues are reported instead as general revenues.

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

D.) Fund Definitions

The accounts of the CFDRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of financial resources, fund equity, revenue, expenditures, additions, and deductions. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The resources of the CFDRA are accounted for in two funds:

-
- General Fund (Governmental Fund Type) - This fund accounts for all financial resources except those that are required to be accounted for in the Special Fund.
 - Special Pension Trust Fund (Fiduciary Fund Type) – This fund accounts for financial resources to be used exclusively for benefit payments (retirement, disability, and dependency) and administration of the Special Pension Trust Fund.

E.) Fund Basis of Accounting

General Fund - The modified accrual basis of accounting and current financial resources measurement focus is followed for the General Fund of the CFDRA. Under this method of accounting, revenues are recognized when received in cash, except for revenues of a material amount that have not been received at the normal time of receipt and revenues susceptible to accrual. Revenues considered susceptible to accrual are those revenues that are both measurable and available to finance the CFDRA's operations during the year. For this purpose, the CFDRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Typically, the CFDRA does not have revenues that are susceptible to accrual. Expenditures are reported when the related liability is incurred.

Special Pension Trust Fund - The accrual basis of accounting and economic resources measurement focus are followed for the Special Pension Trust Fund of the CFDRA. Under this method, additions (revenues) are recognized in the accounting period in which they are earned and become measurable. Deductions (expenses) are recognized in the period incurred, if measurable. Future pension costs are computed periodically in accordance with Minnesota State Statute requirements. Contributions from the City of Chaska, and from the State of Minnesota in the form of the two-percent insurance premium tax and amortization aid are recognized when due, provided that the contributor has made a formal commitment to provide the contribution.

Typically, separate fund financial statements are provided for Governmental Funds. However, due to the simplicity of CFDRA operations, the Governmental Fund financial statements have been combined with the entity-wide statements. Separate fund financial statements are provided for the Fiduciary Fund. Since, by definition, Fiduciary Funds assets are being held for the benefit of a third party and cannot be used for other activities or obligations of the CFDRA, the Fiduciary Fund is excluded from the entity-wide statements.

F.) Income Tax

The CFDRA is a tax-exempt organization under Internal Revenue Code § 501(c)(4). The Association is subject to tax on income from any unrelated business.

The CFDRA is subject to the recognition requirements for uncertain income tax positions as required by the Financial Accounting Standards Board ASC 740-10 (formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes). Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The CFDRA has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdiction where it operates. The CFDRA believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the CFDRA's financial condition and results of

operations. Accordingly, the CFDRA has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at year end.

The CFDRA is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any open tax periods.

G.) Deposits

Cash accounts include Demand Deposit Accounts (DDA), also known as checking accounts, money market deposit accounts and non-negotiable certificates of deposit.

H.) Investments

Investments include negotiable certificates of deposits and all other securities purchased. Investments are reported at fair value. The CFDRA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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 2 for the CFDRA's recurring fair value measurements as of the current year-end.

I.) Net Position Classifications

In the entity-wide and fiduciary fund financial statements, net position represents the difference between assets, liabilities, and deferred inflows/outflows of financial resources, as applicable. Net position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

Restricted Net Position – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for use, it is the Association's policy to first use restricted resources.

J.) Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in the classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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 internally imposed constraints that are established by resolution by the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the Association for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body or by an official to which the governing body delegates the authority.

Unassigned – The residual classification for the General Fund.

When both restricted and unrestricted resources are available for use, it is the Association's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the Association's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

K.) Capital Assets

All capital assets belong to the City and are expensed at the time of purchase. The CFDRA does not have any capital assets.

L.) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M.) Actuarial Liability

The actuarial accrued pension liability has been calculated as of December 31, 2019 in accordance with GASB Statement No. 67. Actuarial liabilities are not recorded in the basic financial statements under accounting principles generally accepted in the United States of America. Instead, pension benefits payable to individual members are accrued in the Special Pension Trust Fund when due and payable upon retirement.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Note 2. Cash and Investments**A.) Components of Cash and Investments**

Cash and investments at year-end consist of the following:

Deposits	\$ 57,086
Investments	<u>6,623,609</u>
Total Cash and Investments	<u>\$6,680,695</u>

Cash and investments are reported on the basic financial statements as follows:

Statement of Net Position and Balance Sheet –	
Governmental Fund	\$ 57,086
Statement of Plan Net Position –	
Fiduciary Fund	<u>6,623,609</u>
Total Cash and Investments	<u>\$6,680,695</u>

B.) Deposits

In accordance with applicable Minnesota Statutes, the Association maintains deposits at depository banks authorized by the Board of Trustees, including checking accounts, savings accounts, and nonnegotiable certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Association's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The CFDRA has no additional deposit policies addressing custodial credit risk.

At December 31, 2019, the carrying amount and bank balance of the CFDRA deposits were \$57,086 and \$57,386, respectively. The entire bank balance was covered by federal depository insurance.

C.) Investments

The CFDRA has the following investments at year-end:

Investment Type	Carrying Value	Fair Value Measurement	Interest Rate Risk - Maturities (Years)		
			Less than 1	1 - 5	6 - 10
U. S. Treasury Securities	\$1,020,619	Level 1	\$461,741	\$558,878	\$0
Domestic Equities	2,607,478	Level 1	N/A	N/A	N/A
International Equities	501,633	Level 1	N/A	N/A	N/A
Investment Pools/Mutual Funds	2,218,528	Level 1	N/A	N/A	N/A
Investment Pools/Mutual Funds	275,351	NAV	N/A	N/A	N/A
Total Investments	<u>\$6,623,609</u>				

N/A - Not Applicable

NAV - Based on net asset value, with no unfunded commitments, daily redemption frequency, and no notice is required

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 CFDRA would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The CFDRA does not have a formal investment policy addressing custodial credit risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The CFDRA follows the limitation of investment types specified in Minnesota Statute 356A.06, subd. 7 (long list). The CFDRA does not have a formal investment policy addressing credit risk. The mutual fund balance includes \$275,351 rated AAA by S&P. The remaining investments are not rated.

Concentration Risk – This is the risk associated with investing a significant portion of the CFDRA's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The CFDRA does not have a formal investment policy addressing concentration risk.

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 CFDRA does not have a formal investment policy addressing interest rate risk.

Note 3. Risk Management

The CFDRA is exposed to various risks of loss related to theft of assets for which the CFDRA carries commercial policies. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Note 4. Public Employee Retirement Systems (PERS)**Plan Description**

Plan Administration. Chaska Fire Department Relief Association (CFDRA) administers the CFDRA Pension Plan (CFDRAPP) - a single-employer defined benefit pension plan that provides pensions for all members in good standing of the Chaska Volunteer Fire Department Relief Association. State Statutes grants the authority to establish and amend the benefit terms to the CFDRA Board of Trustees (CFDRA Board) with consent of the City Council.

Plan Membership. At December 31, 2019, pension plan membership consisted of the following as used to determine Net Pension Liability (Asset) as of December 31, 2019:

Inactive plan members receiving benefits:	
Retirees	43
Disability	2
Surviving spouses/beneficiaries	10
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	44
Total	<u>104</u>

Benefits provided. At December 31, 2019, pension plan benefits consisted of the following:

(a) Individuals who become Members prior to November 4, 2013:

- (i) Monthly Service Pension: \$2.4525 per month of service effective January 1, 2019. The maximum number of months is 360. The benefit is reduced 4% for each year of service less than 20.
- (ii) In lieu of monthly payments, a member may elect a lump sum service pension based on completed years of service up to 30 years. The current lump sum pension is based on \$7,100 per year of service, plus a Supplemental Benefit of 10% of the regular lump sum distribution, but not more than \$1,000. The benefit is reduced 4% for each year of service less than 20.
- (iii) Deferred Service Pension: Termination prior to age 50 with at least 10 years of service. The deferred pension is payable at age 50 and is reduced by 4% for each year of service less than 20.
- (iv) Survivor Benefits: If an active, deferred, or retired member dies, the following benefits are available:

Spousal and Children's Benefits: Surviving Spouse receives 100% of member's monthly pension for life or until marriage. The surviving spouse may also elect a lump sum benefit as described above, plus a Supplemental Benefit of 20% of the regular lump sum distribution, but not more than \$2,000.

Surviving children receive 100% of member's monthly pension payable immediately at death of an active or inactive member, payable until age 18. If the child is enrolled in college or technical school, the payments will continue until age 22.

The maximum family benefit is 100% of the member's accrued benefit.

(b) Individuals who become Members after November 4, 2013:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

-
- (i) The member is entitled to a lump sum service pension based on completed years of service up to 25 years. The current lump sum pension is based on \$7,100 per year of service, plus a Supplemental Benefit of 10% of the regular lump sum distribution, but not more than \$1,000. The benefit is reduced 4% for each year of service less than 20.
 - (ii) Deferred Service Pension: Termination prior to age 50 with at least 10 years of service. The deferred pension is payable at age 50 and is reduced 4% for each year of service less than 20.
 - (iii) Survivor Benefits: If an active, deferred, or retired member dies, the surviving spouse, children or estate will receive 100% of the member's lump sum benefit plus a Supplemental Survivor Benefit in the amount of 20% of the total benefit paid, but not more than \$2,000.
- (c) Disability Benefits: A disabled member will receive the amount of their monthly service pension or lump sum service pension based on credited service as of the date the member became eligible for a disability benefit.

These benefit provisions are established and can be amended by the CFDRA's membership with approval by the Chaska City Council. Benefit provisions are within the limitations established by Minnesota State Statutes.

Contributions. State Statutes grants the authority to establish and amend the contribution requirements of the City to the CFDRA Board. The CFDRA Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute actuarially determined rate.

Investments

Investment Policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the CFDRA Board by a majority vote of its members. It is the policy of the CFDRA Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2019:

Asset Class	Target Allocation
Domestic Equity	35.00%
International Equity	20.00%
Fixed Income	10.00%
Real Estate	10.00%
Cash	25.00%
Total	<u>100.00%</u>

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.65%. The money-weighted rate of return expresses investment performance, net investment expense, adjusted for changing amounts as actually invested.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Net Pension Liability (Asset) of the CFDRA

The components of the net pension liability (asset) of the CFDRA at December 31, 2019, were as follows:

Total Pension Liability	\$ 6,188,680
Plan Fiduciary Net Position	<u>(6,623,609)</u>
CFDRA's Net Pension Liability (Asset)	<u>\$ (434,929)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.03%

Actuarial method and assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2019 using the entry-age normal method and following actuarial assumptions, applied to all periods included in the measurements.

Inflation	2.50 percent
Salary Increases	Not applicable as plan members are paid on call volunteers
Investment Rate of Return	5.75 percent, net of pension plan investment expense, including inflation
20-year municipal bond yield	2.75%

Mortality rates were based on the following.

Healthy Pre-retirement: RP-2014 employee generational mortality table projected with mortality improvement scale MP-2018 from a base year of 2006.

Healthy Post-retirement: RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2018 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-2018 from a base year of 2006. Male rates are adjusted by a factor of 0.96.

Assumption changes since the prior valuation include the following:

- The expected investment return and discount rate decreased from 6.25% to 5.75% to reflect updated capital market assumptions.
- The mortality assumptions were updated from the rates used in the July 1, 2017 Minnesota PERA police & Fire Plan actuarial valuation to the rates used in the July 1, 2019 Minnesota PERA Police & Fire Plan actuarial valuation.
- The inflation assumptions decreased from 2.75% to 2.5%.

Changes in benefits since the prior valuation include the following:

- 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 as of January 1, 2019

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

The demographic actuarial assumptions used in the December 31, 2019 valuation were based on the same assumptions used in the July 1, 2019 PERA Police and Fire actuarial valuation, except that the CFDRA uses a separate retirement rate assumption based on a review completed in 2016. The economic actuarial assumptions are reviewed annually as part of the CFDRA's annual valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic Equity	4.76%	7.26%
International Equity	5.41%	7.91%
Fixed Income	2.01%	4.51%
Real Estate	4.53%	7.03%
Cash	0.74%	3.24%
Total		6.64%
Less: Investment Expense		(0.80%)
Total (weighted average, Rounded to 1/4%)		5.75%

Discount rate. The discount rate used to measure the total pension liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was 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.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the CFDRA, calculated using the discount rate of 5.75 percent, as well as what the CFDRA's net pension liability (asset) would be if it were calculated using a discount rate of 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
CFDRA net pension liability (asset)	\$228,574	(\$434,929)	(\$991,237)

Note 5. Subsequent Events – Investment Fair Values

The CFDRA generally reports its investments at fair value based on standards described earlier in these notes. Subsequent to year end, the Novel Coronavirus (COVID – 19) pandemic has caused significant volatility in economic conditions, including substantial reductions in the quoted active-market prices of some investments. The CFDRA anticipates that these factors are likely to cause a decline in the future fair value of its investment portfolio, which may result in a decrease the overall funding level of the pension plan. However, the potential future impact of these conditions on the fair value of the CFDRA's investment portfolio is not determinable at this time.

**SPECIAL PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

EXHIBIT 1

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u> ²
Total Pension Liability						
Service Cost	\$100,284	\$ 97,600	\$ 76,833	\$ 74,777	\$ 76,662	\$ 74,610
Interest	326,559	323,454	307,707	318,368	323,774	324,731
Changes of Benefits Terms	642,398	-	229,268	-	-	248,676
Differences between expected and actual experience	(58,684)	-	23,511	-	(42,040)	-
Changes of Assumptions	250,267	-	68,838	-	-	-
Benefit payments, including refunds of member contributions	<u>(393,593)</u>	<u>(354,522)</u>	<u>(595,443)</u>	<u>(451,119)</u>	<u>(517,365)</u>	<u>(318,551)</u>
Net change in total pension liability	867,231	66,532	110,714	(57,974)	(158,969)	329,466
Total Pension Liability – beginning ¹	<u>5,321,449</u>	<u>5,254,917</u>	<u>5,144,203</u>	<u>5,202,177</u>	<u>5,361,146</u>	<u>5,031,680</u>
Total Pension Liability - ending (a)	<u>\$6,188,680</u>	<u>\$5,321,449</u>	<u>\$5,254,917</u>	<u>\$5,144,203</u>	<u>\$5,202,177</u>	<u>\$5,361,146</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 488,466	\$ 465,022	\$ 443,793	\$ 427,285	\$ 401,321	\$ 361,296
Net investment income	974,719	(342,294)	819,964	408,073	(220,343)	232,061
Benefit payments, including refunds of member contributions	(393,593)	(354,522)	(595,443)	(451,119)	(517,365)	(318,551)
Administrative expense	<u>(9,862)</u>	<u>(14,407)</u>	<u>(10,295)</u>	<u>(11,561)</u>	<u>(4,226)</u>	<u>(9,463)</u>
Net change in plan fiduciary net position	1,059,730	(246,201)	658,019	372,678	(340,613)	265,343
Plan Fiduciary Net Position - beginning	<u>5,563,879</u>	<u>5,810,080</u>	<u>5,152,061</u>	<u>4,779,383</u>	<u>5,119,996</u>	<u>4,854,653</u>
Plan Fiduciary Net Position - ending (b)	<u>\$6,623,609</u>	<u>\$5,563,879</u>	<u>\$5,810,080</u>	<u>\$5,152,061</u>	<u>\$4,779,383</u>	<u>\$5,119,996</u>
CFDRA's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (434,929)	\$ (242,430)	\$ (555,163)	\$ (7,858)	\$ 422,794	\$ 241,150
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.03%	104.56%	110.6%	100.15%	91.87%	95.50%

Notes to Schedule:

¹ The 2013 results are shown for transition purposes only. They do not reflect what was actually recognized on the 2013 Financial Statements.

² Information for 2013 and prior years not available.

**SPECIAL PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS**

EXHIBIT 2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially Determined Contribution (ADC) ¹	\$165,134	\$165,134	\$265,347	\$265,347	\$267,302	\$267,302	\$293,799	\$293,799	\$246,000	\$246,000
Contributions in Relation to the ADC	488,466	465,022	436,793	427,285	401,321	361,296	364,512	298,250	299,930	271,345
Contribution Deficiency (Excess)	<u>(\$323,332)</u>	<u>(\$299,888)</u>	<u>(\$171,446)</u>	<u>(\$161,938)</u>	<u>(\$134,019)</u>	<u>(\$93,994)</u>	<u>(\$70,713)</u>	<u>(\$4,451)</u>	<u>(\$53,930)</u>	<u>(\$25,345)</u>

Notes to Schedule

¹ ADC amounts are equal to statutory requirements under MN Statutes 424A.092 and 69.773.

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 Statutes 69.773, Subd 4. (d)(3)(i). Plan Changes - Amortize over 20 years per Minnesota Statutes 69.773, Subd 4. (d)(3)(v).
Remaining Amortization Period	5 years as of December 31, 2019
Asset Valuation Method	Fair Value
Inflation	2.5%
Salary Increases	0%, including inflation
Investment Rate of Return	5.0% 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-2014 Combined Mortality Table, fully generational

**SPECIAL PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS**

Other Information:

In 2011, benefits terms were modified to change the surviving spouse benefits from 75% of the member's monthly benefit for life to 100% of the member's monthly benefit for life. The survivor benefit for surviving children was modified to change the benefit from 25% to 100% 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 effective 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 as of January 1, 2019.

SPECIAL PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

EXHIBIT 3

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u> ¹
Annual money-weighted rate of return, net of investment expense	17.7%	(5.9%)	16.3%	8.7%	(4.5%)	4.8%

Notes to Schedule

¹ Information for 2013 and prior years not available.

Chaska Fire Department Relief Association

**SPECIAL PENSION TRUST FUND
HISTORY OF ADDITIONS BY SOURCE AND TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

EXHIBIT 4

Fiscal Year	State Contribution and Supplemental Benefit Aid			City Contribution						Other Sources		Total Sources (Loss)
				Formula as Adjusted			Additional					
	2% of Premium	% Inc. (Dec.)	% of Sources	City	% Inc. (Dec.)	% of Sources	Additional	% Inc. (Dec.)	% of Sources	Net Investment Income (Loss) (1)	% of Sources	
2010	\$83,772	5.6%	14.8%	\$122,573	0.6%	21.6%	\$65,000	0.0%	11.5%	\$295,169	52.1%	\$566,514
2011 (1)	94,569	12.9%	31.5%	140,361	14.51%	46.8%	65,000	0.0%	21.7%	(1,433)	N/A	298,497
2012	95,646	1.1%	17.2%	137,604	(2.0%)	24.7%	65,000	0.0%	11.7%	258,182	46.4%	556,432
2013	134,758	40.9%	14.5%	164,754	19.7%	17.7%	65,000	0.0%	7.0%	567,803	60.8%	932,315
2014 (2)	136,013	0.9%	22.9%	225,283	36.7%	38.0%	N/A	N/A	N/A	232,061	39.1%	593,357
2015 (1)	146,680	7.8%	36.5%	254,641	13.0%	63.5%	N/A	N/A	N/A	(220,343)	N/A	180,978
2016	151,139	3.0%	18.1%	276,146	8.4%	33.1%	N/A	N/A	N/A	408,073	48.8%	835,358
2017	158,712	5.0%	12.6%	285,081	3.2%	22.5%	N/A	N/A	N/A	819,964	64.9%	1,263,757
2018 (1)	157,177	(1.0%)	33.8%	307,845	8.0%	66.2%	N/A	N/A	N/A	(342,294)	N/A	122,728
2019	161,529	2.8%	11.0%	326,937	6.2%	22.3%	N/A	N/A	N/A	974,719	66.7%	1,463,185

Notes:

- (1) Investment Loss is excluded when the percentage of total sources is calculated.
- (2) Beginning in 2014, additional City Contribution included in Formula.

**SPECIAL PENSION TRUST FUND
HISTORY OF DEDUCTIONS BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

EXHIBIT 5

Fiscal Year	Pension Payments		Other		Total Deductions	% of Total Sources (1)
	Pension Payments	% of Total Sources (1)	Other	% of Total Sources (1)		
2010	\$244,347	43.1%	\$8,784	1.6%	\$253,131	44.7%
2011	272,079	90.7%	4,760	1.6%	276,839	92.3%
2012	280,812	50.5%	13,668	2.5%	294,480	52.9%
2013	301,511	32.3%	33,182	3.6%	334,693	35.9%
2014	318,551	53.7%	9,463	1.6%	328,014	55.3%
2015	517,365	128.9%	4,226	1.1%	521,591	130.0%
2016	451,119	54.0%	11,561	1.4%	462,680	55.4%
2017	595,443	47.1%	10,295	0.8%	605,738	47.9%
2018	354,522	76.2%	14,407	3.1%	368,929	79.3%
2019	393,593	26.9%	9,862	0.7%	403,455	27.6%

Notes:

(1) Investment Loss is excluded when the percentage of total sources is calculated.

**SPECIAL PENSION TRUST FUND
HISTORY OF ANNUAL BENEFITS
LAST TEN FISCAL YEARS
(UNAUDITED)**

EXHIBIT 6

<u>Fiscal Year</u>	<u>Monthly Pension Benefit per Month of Service</u>	<u>Lump Sum Pension Benefit per Year of Service</u>
2010	\$1.9750	N/A
2011	1.9750	N/A
2012	1.9750	N/A
2013 (1)	1.9750	\$6,000
2014 (2)	2.0850	6,255
2015	2.0850	6,255
2016	2.0850	6,255
2017 (3)	2.1850	6,486
2018	2.1850	6,486
2019 (4)	2.4525	7,100

Notes:

- (1) Beginning in 2013, a lump sum benefit option was added to the pension plan.
- (2) Benefit Increase as of June 1, 2014.
- (3) Benefit Increase as of January 1, 2017.
- (4) Benefit Increase as of January 1, 2019.

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CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION

Special Purpose Audit Reports

Year Ended
December 31, 2019

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CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION

Special Purpose Audit Reports
Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Trustees and Management
Chaska Fire Department Relief Association
Chaska, Minnesota

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Chaska Fire Department Relief Association (the Association) as of and for the year ended December 31, 2019, and the related notes to the financial statements, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described below, we identified two deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described as findings 2019-001 and 2019-002, in the accompanying Schedule of Findings, to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Trustees of the Association, others within the Association, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
Minneapolis, Minnesota
June 29, 2020

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the Board of Trustees and Management
Chaska Fire Department Relief Association
Chaska, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Chaska Fire Department Relief Association (the Association) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated June 29, 2020.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, nothing came to our attention that caused us to believe that the Association failed to comply with the provisions of the deposits and investments and relief associations sections of the *Minnesota Legal Compliance Audit Guide for Relief Associations*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, except as described in the Schedule of Findings as finding 2019-003. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Association's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the Association, and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
Minneapolis, Minnesota
June 29, 2020

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CHASKA FIRE DEPARTMENT
RELIEF ASSOCIATION

Schedule of Findings
Year Ended December 31, 2019

FINDINGS – MATERIAL WEAKNESSES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

2019-001 LACK OF SEGREGATION OF DUTIES

Finding – A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one individual should have access to both physical assets and the related accounting records or to all phases of a transaction. If the segregation of duties is inadequate, there is a resulting danger that intentional fraud or unintentional errors could occur and not be detected. Although we believe the Chaska Fire Department Relief Association (the Association) has taken steps to segregate incompatible duties the best it can considering the size of the entity, we believe the size of the accounting staff prohibits complete adherence to this concept. As a result, the Association has a lack of segregation of duties.

2019-002 IMPROPER RECEIPT DOCUMENTATION

Finding – The Association conducts several fundraising activities, the proceeds of which are used to help support its General Fund. The Association receives funds from a number of sources, including donations, a raffle, a fishing tournament, food and beverage sales, and so on. The records kept by the Association do not adequately identify the source or amount of the proceeds deposited from each of these activities. Further, the internal controls over the processing of these cash transactions do not provide for the adequate safeguarding of these assets.

FINDINGS – MINNESOTA LEGAL COMPLIANCE

2019-003 SPECIAL PENSION TRUST FUND DISBURSEMENTS

Finding – Minnesota Statutes § 424A.05 requires checks or authorizations for electronic funds transfers for disbursements authorized from the Special Pension Trust Fund be signed by the relief association treasurer and at least one other elected trustee who has been designated by the Board of Trustees to sign the checks or authorizations. For the year ended December 31, 2019, disbursements from the Association's Special Pension Trust Fund did not have the required two signatures.

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June 29, 2020

To the Board of Trustees and Management
 Chaska Fire Department Relief Association
 Chaska, Minnesota

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the Board of Trustees, administration, or those charged with governance of the Chaska Fire Department Relief Association (the Association).

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Association as of and for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the Association's financial statements for the year ended December 31, 2019:

- We have issued an unmodified opinion on the Association's financial statements. The Association has elected not to present the management's discussion and analysis, which accounting principles generally accepted in the United States of America has determined necessary to supplement, although not required to be part of, the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.
- We reported two material weaknesses in the Association's internal control over financial reporting:
 1. The Association does not have adequate segregation of duties related to internal controls over financial reporting.
 2. The records kept by the Association do not adequately identify the source or amount of proceeds deposited for various fundraising activities. The internal controls over the processing of these transactions do not provide for the adequate safeguarding of assets.

- We reported one finding based on our testing of the Association's compliance with Minnesota laws and regulations:
 1. Minnesota Statutes § 424A.05 requires checks or authorizations for electronic funds transfers for disbursements authorized from the Special Pension Trust Fund be signed by the relief association treasurer and at least one other elected trustee who has been designated by the Board of Trustees to sign the checks or authorizations. For the year ended December 31, 2019, disbursements from the Association's Special Pension Trust Fund did not have the required two signatures.

OTHER OBSERVATIONS AND RECOMMENDATIONS – NOVEL CORONAVIRUS (COVID-19)

Shortly after the end of the 2019 fiscal year, the onset of the novel coronavirus (COVID-19) pandemic caused substantial volatility in economic conditions and tremendous disruption in the way governments, businesses, and individuals function. Minnesota fire relief associations may experience the impact of this pandemic in a myriad of financial areas, such as: declines in investment rates of return, disruption of prescribed internal control procedures, and delays in internal and external financial reporting. As your association adapts to the new normal of operations in a post-COVID-19 world, the assessment of and responses to new risks that may accompany operational changes will be critical to the safeguarding of association resources and sound financial stewardship. We encourage management and governance to include a robust financial risk assessment process when planning responses to these challenges, and to reassess and adapt internal controls over financial transactions and reporting to align with significant changes made to daily operations, even those intended to be temporary.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Pension Benefits – The Association has disclosed an actuarial accrued liability that was calculated using actuarial methodologies described in Governmental Accounting Standards Board Statement No. 67. The actuarial calculations include significant assumptions, including projected changes, investment returns, retirement ages, and turnover rates.

We evaluated the key factors and assumptions used by management to develop the estimate discussed above in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated June 29, 2020.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of City Contributions, and Schedule of Investment Returns, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section and supplementary information, which accompany the financial statements, but are not RSI. The introductory section and supplementary information 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.

CLOSING

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

This report is intended solely for the information and use of the Board of Trustees, management of the Association, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

MALLOY, MONTAGUE, KARNOWSKI, RADOSEVICH & CO., P.A.
Minneapolis, Minnesota

REQUEST FOR ACTION CHASKA CITY COUNCIL 07/06/2020

Subject: Amending 2020 Fund Budgets

Reviewed By: Noel Graczyk, Administrative Services Director

Prepared By: Kelly Grinnell, Finance Manager and Matt Burt, Accountant

Background

Due to impact from the COVID-19 emergency, staff has evaluated and identified amendments to several 2020 Fund Budgets. Finance staff met with department heads to review budgets and revise projections. Some of the amendments are due to COVID-19 and others are the result of other factors.

General Fund

The proposed amendments reduce anticipated 2020 revenues and expenditures each by \$181,945, thus retaining a balance budget. Some of the major amendments include:

Revenues:

- Administration – Annual liquor licenses for the period July 2019 through June 2020 were partially refunded due to the closure of bars and restaurants from mid-March through June 1, resulting in a \$5,700 budget reduction.
- Building Inspections – Staff has compared current year permit revenues with prior year averages to determine whether we would still be able to meet the budget targets originally established. Staff recommends a 33% reduction in budgeted permit revenues, which is approximately \$309,024, as it is anticipated that residential and commercial construction has/will slow.
- Miscellaneous – Other miscellaneous reductions include:
 - Reducing the Admin fee charged to the Community Center and Curling and Event Center for 2020 results in a \$91,652 reduction
 - Eliminate all expected Concessions revenue from Fireman's Park due to the likelihood that it will not be open for the 2020 season
 - Reductions to Parks and Recreation revenues of \$44,500 due to the cancellation of programs
 - Inspection Service revenue related to the billing of the Engineering Department's time has been reduced by 50%, or \$30,000, due to the anticipated reduction in construction projects and the low amounts of revenue brought in over the past few years
- COVID 19-Reimbursement – Staff expects reimbursements for increased part-time fire department wages and other COVID-19 related expenses. The amount will be determined later.

Expenditures:

- Capital Improvement and Maintenance – Due to the impact of COVID-19, Staff has reviewed and prioritized Capital Improvement and Maintenance projects that were planned in 2020. Staff is delaying \$275,000 of the planned transfers to the Park Fund.
- Personnel Services – Staff identified reductions to personnel services by eliminating some new positions, delaying start dates, and furloughing some part-time employees while City facilities have been shut down, resulting in savings of approximately \$382,720. Staff also made increases to the budget to cover comp-time cashed out, resulting in a \$220,594 increase. Comp-time cash out has historically not been budgeted high enough, resulting in large budget to actual variances at year-end. An increase in fire department staffing duty crews due to COVID-19 results in an increase of \$228,867; however, this should be reimbursable.
- Materials/Supplies, Professional Services, and Other Expenses – Staff was able to use some of the reductions to help balance out other variances anticipated in budget to actuals. Many departments reduced their travel/school/conference expenses due to events being canceled and refunded. Parks and Recreation reduced their budget for special events by \$25,000 for events that have been canceled due to COVID-19.

Community Center Fund

The proposed amendments reduce anticipated 2020 revenues by \$1,524,114, reduce expenditures by \$97,033, and increase transfers in by \$125,000 for a net change of \$1,302,081. Some of the major amendments include:

Revenues:

- Admissions – Daily admission fees are expected to be \$263,426 lower than budgeted.
- Membership Fees – Membership fees are expected to be \$558,100 lower than budgeted.
- Rental Fees – Rental fee income is expected to be \$337,363 lower than budgeted.
- Lessons Revenue – Revenue from lessons is expected to be \$327,545 lower than budgeted.
- COVID-19 Reimbursement – The City projects a reimbursement of \$50,000.

Expenditures:

- Wages and Benefits – Staff projects wages and benefits will be \$233,724 lower due to furloughs and staffing changes.
- Contractual Services – Staff projects contracted services will be \$50,914 due to reduced operations.
- Improvements – Staff is working on \$292,000 worth of improvements in the pool, arena, playroom, Willow Room conversion, and other areas. The City had budgeted \$50,000 for the year. The remaining \$242,000 will be covered partially by a \$125,000 transfer from the CIP projects fund, and the City expects some reimbursement from COVID-19 reimbursement.

Curling Center Fund

The proposed amendments reduce anticipated 2020 revenues by \$689,884 and expenditures by \$59,459, for a net change of \$630,425. Some of the major amendments include:

Revenues:

- Lease Revenue – Staff projects lease revenue will be \$171,500 lower than budgeted due to the Crooked Pint temporary closure.
- League Fees – League fees are expected to be \$111,000 lower than budgeted.
- Rental Fees – Rental fee income is expected to be \$123,000 lower than budgeted.
- Lessons Revenue – Revenue from lessons is expected to be \$119,000 lower than budgeted.

Expenditures:

- Wages and Benefits – Staff projects wages and benefits will be \$41,575 lower due to furloughs and staffing changes.
- Special Events – Special events costs are expected to be \$12,632 lower due to cancelled events.

Electric Fund

The proposed amendments increase anticipated 2020 revenues by \$2,198,000 and expenditures by \$2,350,291, for a net change of \$152,291. Some of the major amendments include:

Revenues:

- Electric Sales – Overall electric sales are expected to be \$2,325,000 higher than budgeted largely due to including the Energy Adjustment Charges (EAC) as part of the budget (which are reflected in the increase in MMPA expense below).
- Penalties – The City has not charged penalties since February. If penalties are waived for the remainder of the year a budget amendment of \$105,000 is recommended.

Expenditures:

- MMPA Purchased Power – The total billed from MMPA is expected to be \$2,309,000 higher due to including the EAC as part of the budget (see revenue note above).
- Wages and Benefits – Staff projects wages and benefits will be \$104,555 lower due to medical leaves.
- Bank Charges – Bank charges are expected to be \$102,309 higher than budget due to an increase in online payments.
- Bad Debt Expense – Bad debt expense is expected to be \$51,091 higher than budget due to an increase in write-offs.

Water Fund

The proposed amendments increase anticipated 2020 revenues by \$13,000 and decrease expenditures by \$11,211, for a net change of \$24,211. Some of the major amendments include:

Revenues:

- Water Sales – Overall water sales are expected to be \$22,000 higher than budgeted.
- Penalties – The City has not charged penalties since February. If penalties are waived for the remainder of the year a budget amendment of \$9,000 is recommended.

Expenditures:

- Wages and Benefits – Staff projects wages and benefits will be \$31,348 lower due to unfilled positions.
- Bank Charges – Bank charges are expected to be \$22,435 higher than budget due to an increase in online payments.

- Bad Debt Expense – Bad debt expense is expected to be \$3,702 higher than budget due to an increase in write-offs.

Sewer Fund

The proposed amendments reduce anticipated 2020 revenues by \$123,600 and expenditures by \$23,711, for a net change of \$99,889. Some of the major amendments include:

Revenues:

- Sewer Sales – Overall sewer sales are expected to be \$112,400 lower than budgeted.
- Penalties – The City has not charged penalties since February. If penalties are waived for the remainder of the year a budget amendment of \$11,200 is recommended.

Expenditures:

- Wages and Benefits – Staff projects wages and benefits will be \$32,348 lower due to unfilled positions.
- Bank Charges – Bank charges are expected to be \$10,935 higher than budget due to an increase in online payments.
- Bad Debt Expense – Bad debt expense is expected to be \$3,702 higher than budget due to an increase in write-offs.

Golf Courses

Staff has reviewed the budgets for the Par 30 and Town Course funds. Staff is hoping both will meet budgeted projections. If necessary, staff will bring budget amendment recommendations later in the of summer.

Recommendation

Staff recommends adoption of the proposed resolution.

CITY COUNCIL ACTION REQUESTED

Motion to adopt Resolution 2020-54 Amending 2020 Fund Budgets.

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

RESOLUTION

DATE 07/06/2020 **RESOLUTION NO.** 2020-54

MOTION BY COUNCILMEMBER _____ **SECOND BY COUNCILMEMBER** _____

A RESOLUTION AMENDING 2020 FUND BUDGETS

WHEREAS, the City Council, on December 16, 2019, adopted Resolution No. 2019-131 adopting the 2020 Budget; and,

WHEREAS, the City Council previously adopted the following budget amendments:

- February 24, 2020 – Res. 2020-17
- June 15, 2020 – Res. 2020-48

WHEREAS, budget amendments to the General, Electric, Water, Sewer, Community Center, and Curling and Event Center Funds have been identified to reflect adjusted revenues and expenditures as estimated for 2020.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chaska, Minnesota, that the following amendments to the 2020 Budget be adopted:

2020 Budget	Revenues and Other Sources	Expenditures and Other Uses	Net Increase (Decrease)
General Fund (Fund 101)	\$18,984,708	\$18,984,708	\$0
Increases	366,848	777,588	(410,740)
Decreases	(548,793)	(959,533)	410,740
Amended Fund Budget	\$18,802,763	\$18,802,763	\$0

2020 Budget	Revenues and Other Sources	Expenditures and Other Uses	Net Increase (Decrease)
Electric Fund (Fund 601)	\$39,762,500	\$39,806,088	\$(43,588)
Increases	2,325,000	2,465,660	(140,660)
Decreases	(127,000)	(115,369)	(11,631)
Amended Fund Budget	\$41,960,500	\$42,156,379	\$(195,879)

2020 Budget	Revenues and Other Sources	Expenditures and Other Uses	Net Increase (Decrease)
Water Fund (Fund 602)	\$3,471,300	\$3,483,786	\$(12,486)
Increases	55,000	22,435	32,565
Decreases	(42,000)	(33,646)	(8,354)
Amended Fund Budget	\$3,484,300	\$3,472,575	\$11,725

2020 Budget	Revenues and Other Sources	Expenditures and Other Uses	Net Increase (Decrease)
Sewer Fund (Fund 603)	\$4,451,852	\$4,710,361	\$(258,509)
Increases	16,700	14,637	2,063
Decreases	(140,300)	(38,348)	(101,952)
Amended Fund Budget	\$4,328,252	\$4,686,650	\$(358,398)

2020 Budget	Revenues and Other Sources	Expenditures and Other Uses	Net Increase (Decrease)
Community Center Fund (Fund 604)	\$3,880,176	\$4,122,045	\$(241,869)
Increases	50,000	272,000	(222,000)
Decreases	(1,574,114)	(369,033)	1,205,089
Amended Fund Budget	\$2,481,062	\$4,025,012	\$(1,543,950)

2020 Budget	Revenues and Other Sources	Expenditures and Other Uses	Net Increase (Decrease)
Curling and Event Center Fund (Fund 610)	\$2,850,758	\$2,848,846	\$1,912
Increases	9,691	51,270	(41,579)
Decreases	(699,575)	(110,729)	(588,846)
Amended Fund Budget	\$2,160,874	\$2,789,387	\$(628,513)

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 6th day of July 2020.

Mark Windschitl, Mayor

Attest: _____
Chaska Deputy Clerk

REQUEST FOR ACTION CHASKA CITY COUNCIL 07/06/2020

Subject: Chaska Par 30/Learning Links of Chaska Project-Consider Release of Construction Documents for Bidding

Prepared By: Matt Podhradsky

As the Council is aware, for several months the City has been working with the group Learning Links of Chaska on a redevelopment plan for the Chaska Par 30 Golf Course. The goal for the redeveloped course is to be inclusive not just for traditional golfers, but one that breaks down both physical and economic barriers that often keep people from taking up golf as a sport. Specifically, the course is being designed to be adaptive to those who might have physical barriers that do not allow them to golf, and to keep it at a price point that is accessible to all.

For the City, the timing of this partnership has been very good as the Par 30 is now 50 years old. The course still has much of the original infrastructure from when it opened and has not generated enough revenue to support capital improvements needed to keep it functional. One major needed improvement is the irrigation system, which by itself would cost around \$400,000 to replace. This has become an immediate issue at the Par 30 this summer, as the pump for our existing irrigation system did fail, and we are finishing the season having to water the course and greens by hand.

At the same time our course does not drain well, making play difficult and infrastructure like our wellhouse is failing which would cost around \$200,000 to rehab. Finally, we have not controlled our own parking on site, which has left us paying \$14,000 a year to rent spaces at the Goodman Group Hazeltine Gates Office Building. If we were to move forward with some reinvestment back into the course, we would likely want to build/control our own parking facility, which would be about \$300,000 (\$10,000 per stall for 30 stalls). Without having a financial partner at the table, and also a larger vision that helps attract additional people to the course, making the decision to keep it open going into the future may not be straight forward as it could be a large investment with not much return through additional golfers to the course. The estimated total cost for the improvements outlined here is \$900,000.

Previous Council Actions Taken

As the Council may remember, back in September of last year, the Council did enter into a Letter of Intent with the Learning Links of Chaska to seek to partner and build a "barrier-free" golf course facility. The objectives jointly developed for this project include:

- Make the necessary improvements into the Par 30 to allow it to continue functioning as a community-owned golf course facility into the future
- Design the course to be Barrier-free, not allowing physical or economic barriers to impede people from utilizing this asset
- Design the course to have a positive environmental impact

- Design the course to be economically sustainable, both from a maintenance perspective and by diversifying the potential revenue streams coming into the course
- Design the course to be fun and versatile

At the March 2, 2020 meeting, the City Council did move forward to accept the concept plan for the proposed project, along with establishing a new budget for the project being \$1,850,000. The Council did also authorize our Engineers at Stantec to move forward with developing the construction documents for the project, and to seek necessary permitting to allow the project to move forward on the site. At the same time, Staff was going to move forward to complete an agreement with the Goodman Group to exchange receiving parking for the project at no cost for the exchange of an easement to accept drainage from their site for a future proposed construction project, and we would see to work with the townhome development to the east to pick up a remnant parcel adjacent to the Par 30 to be utilized in this new course design. Learning Links of Chaska would also move forward to complete fundraising for the first phase of this project (Golf course minus a clubhouse).

Since that time, many of the items above have been completed, including:

- Final project design was completed with budget coming in at \$1.85 million
- Construction Documents for the project are completed and ready to go to bid
- Stormwater permitting has been completed on the project with permits having been received from Army Corps of Engineers and Carver County
- Agreement with Goodman Group for parking is nearly complete
- Agreement with Highland Management (townhomes to the east) for remnant parcel is nearly complete
- Learning Links has been able to achieve \$750,000 in commitments through fundraising both through cash and in-kind supply donations (our hope was that they would be able to hit \$850,000, but given the COVID issues, they were not able to be successful in getting over the \$750,000)

With these items complete, or nearly complete, there are still two items that need to be undertaken for this project to move forward, including:

1. Advertising for bids from contractors for the construction plans that have been developed
2. Complete gift agreement with the Learning Links of Chaska to commit their \$750,000 contribution to the City

At the meeting tonight, we are recommending that the Council take the steps both to release the construction documents for bid, and to authorize Staff to move forward with developing a gift agreement with Learning Links that would need to be approved and executed prior to us accepting a bid and entering into a formal contract with a contractor. It should be noted that we would also have to complete the agreements and have them considered for approval prior to a contract being executed.

Assuming that Council were to go forward with authorizing release of the construction documents to seek bids tonight, we would see this item coming back to the Council at the August 17th meeting, assuming the bids came in as expected. If that were to occur and all

agreement completed before or at that meeting, it would allow the City to shut down the Par 30 Course in September and move forward with grading on the site yet this fall. If that were to occur, the Par 30 would at a minimum be shut down until mid-2021.

At the meeting on Monday, we will have representatives from Stantec to review drawings illustrating the final project being bid, along with representatives from Learning Links to speak to the donations they have received for this project to date.

Attached to this Staff report you will find an illustrative plan for the course, a proposed project schedule along with a letter summarizing the fundraising activities of the Learning Links Board.

Staff is recommending that the Council authorize Staff to put the construction documents for the Par 30 Learning Links project out for public bid.

CITY COUNCIL ACTION REQUESTED

Motion to authorize Staff to move forward with releasing construction documents for the Par 30 Learning Links project to go out for public bid, with an anticipated awarding date for bids at the August 17, 2020 City Council meeting.



July 2, 2020

Matt Podhradsky
City Administrator
City of Chaska
One City Hall Plaza
Chaska, MN 55318

Dear Mr. Podhradsky,

I am pleased to write to you today, because this letter marks an important milestone in our joint effort to renovate the Chaska Par 30.

Back in the summer of 2018, the Chaska City Council adopted a memorandum of understanding that gave Learning Links permission to develop a conceptual plan and begin securing charitable funds for the eventual renovation of the City's Par 30 course.

Between the summer of 2018 and the fall of 2019, Learning Links engaged experts, city officials and the public, and invested over \$200,000 to create a new, "barrier-free" vision for the Par 30.

Last fall, we presented a conceptual design and preliminary budget to the Council and entered into a second agreement that allowed for detailed renovation plans to be created – with the stipulation that renovation of the Par 30 could begin after Learning Links had secured \$750,000 in charitable contributions and pledges towards the project.

The purpose of my letter is to confirm that Learning Links of Chaska has reached this initial fund-raising target. Currently we have either received cash contributions or executed written donation agreements for the following contributions:

Category	Pledges	Paid	Outstanding
Hole Sponsors (7)	\$175,000	\$35,000	\$140,000
Foundations	\$375,000		\$375,000
Individuals	\$100,000	\$76,000	\$24,000
In-kind Donations*	\$100,000		\$100,000
Totals	\$750,000	\$111,000	\$639,000

*\$25,000 in negotiation

Our hole sponsor agreements provide that donors will make their payments over time periods ranging from 1 to 5 years. In addition to seven hole sponsorships, Learning Links has secured \$375,000 in additional pledges from three other institutions.

We have also received smaller contributions and pledges from businesses and individuals totaling to \$100,000. Of this amount, \$76,000 is in cash and \$24,000 remains to be collected in the form of multi-year pledges.

Lastly, we have secured commitments for in-kind donations from golf course equipment suppliers in the amount of \$75,000, and we are in negotiations for approximately another \$25,000 worth of additional in-kind gifts. The final amount of these in-kind donations will be finalized prior to award of the general contractor bid.

It is important to note that, in light of the COVID-19 pandemic, we have gone back to our key sponsors and donors and reconfirmed their commitments. These final gift agreements will be reviewed, and in some cases signed, by the City before construction bids are awarded. It is also important to note that we continue to raise funds for phase 1 of the renovation, even after our initial target has been achieved.

The Learning Links Board of Directors truly appreciates the cooperation we have received from the City and we look forward to successfully completing this unique partnership. If you have questions concerning the status of the funding, please feel free to contact me at your convenience.

Sincerely,

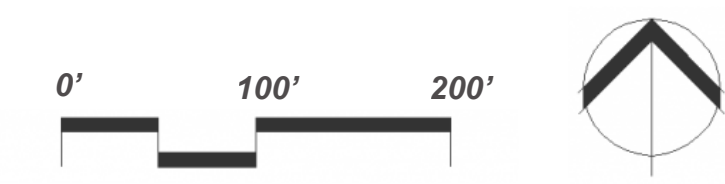
A handwritten signature in cursive script that reads "David Pokorney".

David Pokorney

Treasurer, Learning Links of Chaska



SITE PLAN







CLAIMS ROSTER REPORT

FOR COUNCIL MEETING:

July 6, 2020

Paid and Unpaid Invoices:

Check #'s 333907-334016

\$719,941.44

Paid Electronic Invoices:

Wire #'s 2394-2396

\$43,819.65

Amount for Approval-Council Meeting:

July 6, 2020

\$763,761.09

Checks

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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
100007 AAA STRIPING SERVICE CO									
107082		06/24/2020	070720	333911	14,718.88	07/24/2020	INV	PD	LONG LINE STRIPING OF CIT
CHECK DATE: 07/07/2020									
103825 ACUSHNET COMPANY									
909023897		06/19/2020	070720	333912	130.45	07/19/2020	INV	PD	RESALE
CHECK DATE: 07/07/2020									
909031862		06/22/2020	070720	333912	133.68	08/21/2020	INV	PD	RESALE
CHECK DATE: 07/07/2020									
909031994		06/22/2020	070720	333912	116.78	07/22/2020	INV	PD	RESALE
CHECK DATE: 07/07/2020									
909032052		06/22/2020	070720	333912	119.72	07/22/2020	INV	PD	RESALE
CHECK DATE: 07/07/2020									
909040111		06/23/2020	070720	333912	116.78	07/23/2020	INV	PD	RESALE
CHECK DATE: 07/07/2020									
909051495		06/24/2020	070720	333912	116.78	07/24/2020	INV	PD	RESALE
CHECK DATE: 07/07/2020									
909051933		06/24/2020	070720	333912	248.04	07/24/2020	INV	PD	RESALE
CHECK DATE: 07/07/2020									
					982.23				
100146 ASPEN MILLS INC									
258378		06/25/2020	070720	333913	127.84	07/25/2020	INV	PD	DUTY UNIFORM-S ROSENOW
CHECK DATE: 07/07/2020									
108936 AYORA, PEDRO									
33910		06/29/2020	070720	333914	100.00	07/29/2020	INV	PD	CREDIT BALANCE REFUND-216
CHECK DATE: 07/07/2020									
108925 BARKONY, DONALD									
10006604		06/29/2020	070720	333915	71.92	07/29/2020	INV	PD	CREDIT BALANCE REFUND-407
CHECK DATE: 07/07/2020									
100179 RAINBOW GROUP LLC									
0518663-IN		06/22/2020	070720	333916	193.00	07/22/2020	INV	PD	BASE PEG PLUGS FOR BALL F
CHECK DATE: 07/07/2020									



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City of Chaska
VENDOR INVOICE LIST

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apinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
104067 BRIGGS MARKETING INC									
0508201		05/08/2020	070720	333917	590.00	06/08/2020	INV	PD	COLLECT-IT SUPPORT TO MAY
CHECK DATE: 07/07/2020									
100214 BORDER STATES INDUSTRIES INC									
920197895	200126	06/24/2020	070720	333918	567.40	07/25/2020	INV	PD	(20) ELBOW STAND OFF PLUG
CHECK DATE: 07/07/2020									
100254 BRYAN ROCK PRODUCTS INC									
41497		06/15/2020	070720	333919	180.35	07/15/2020	INV	PD	GRAVEL FOR MAIN TRAIL
CHECK DATE: 07/07/2020									
108932 BUTLER, AMBER									
10014244		06/29/2020	070720	333920	42.13	07/29/2020	INV	PD	CREDIT BALANCE REFUND-115
CHECK DATE: 07/07/2020									
107733 C-D PRODUCTS INC									
75939		06/23/2020	070720	333921	916.00	07/23/2020	INV	PD	COVID-Election Distance D
CHECK DATE: 07/07/2020									
100323 CDW GOVERNMENT INC									
XZJ3257		06/02/2020	070720	333922	164.22	07/02/2020	INV	PD	2 SURFACE PRO COVERS (COV
CHECK DATE: 07/07/2020									
XZL8883		06/02/2020	070720	333922	221.42	07/02/2020	INV	PD	2 SURFACE PRO COVERS (COV
CHECK DATE: 07/07/2020									
XZM9997		06/03/2020	070720	333922	165.39	07/03/2020	INV	PD	ZOOM ROOMS (COVID-19)
CHECK DATE: 07/07/2020									
XZS3941		06/03/2020	070720	333922	3,964.02	07/03/2020	INV	PD	3 SURFACE PROS (COVID-19)
CHECK DATE: 07/07/2020									
XZZ7375		06/04/2020	070720	333922	594.94	07/04/2020	INV	PD	3 SURFACE PRO DOCKS, 1 CO
CHECK DATE: 07/07/2020									
ZCB0970		06/10/2020	070720	333922	40.77	07/10/2020	INV	PD	ADAPTERS FOR SURFACE PROS
CHECK DATE: 07/07/2020									
ZCS4907		06/16/2020	070720	333922	37,472.40	07/15/2020	INV	PD	0365 LICENSE RENEWAL
CHECK DATE: 07/07/2020									
ZCV3032		06/15/2020	070720	333922	579.53	07/15/2020	INV	PD	WILLOW RM COLOR PRINTER



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City of Chaska
VENDOR INVOICE LIST

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apinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 07/07/2020									
ZDC1050		06/16/2020	070720	333922	309.37	07/16/2020	INV	PD	ADAPTERS FOR SURFACE PROS
CHECK DATE: 07/07/2020									
108923 CERBERUS SFR HOLDINGS II LP					43,512.06				
32856		06/29/2020	070720	333923	9.07	07/29/2020	INV	PD	CREDIT BALANCE REFUND-205
CHECK DATE: 07/07/2020									
108819 COLE PAPERS INC									
9845335		06/18/2020	070720	333926	581.64	07/18/2020	INV	PD	FD MEDICAL GLOVES (COVID-
CHECK DATE: 07/07/2020									
9845336		06/18/2020	070720	333927	815.96	07/29/2020	INV	PD	GLOVES-FD-COVID-19
CHECK DATE: 07/07/2020									
9846931		06/23/2020	070720	333924	133.37	07/23/2020	INV	PD	FD CLOROX WIPES (COVID-19
CHECK DATE: 07/07/2020									
9847208		06/23/2020	070720	333925	140.97	07/23/2020	INV	PD	FD SANITIZER (COVID-19)
CHECK DATE: 07/07/2020									
100436 COMCAST CORPORATION					1,671.94				
0055482/JUN20		06/12/2020	070220	333907	6.75	07/07/2020	INV	PD	JUN FD CABLE SUBSCRIPTION
CHECK DATE: 07/02/2020									
106301 CORE AND MAIN LP									
M379383	200127	06/17/2020	070720	333928	112.45	06/30/2020	INV	PD	WATER STOCK CURB STOP LID
CHECK DATE: 07/07/2020									
M537698	200125	06/19/2020	070720	333928	566.96	07/19/2020	INV	PD	WATER STOCK MTR 1 1/2 FLA
CHECK DATE: 07/07/2020									
M569896	200123	06/25/2020	070720	333928	1,249.12	07/25/2020	INV	PD	WATER STOCK - HYDRANT GAS
CHECK DATE: 07/07/2020									
108946 COX, JENNIFER					1,928.53				
2008208.002		06/24/2020	070720	333929	18.82	07/24/2020	INV	PD	REFUND ACCOUNT BALANCE
CHECK DATE: 07/07/2020									PAYEE: COX, JENNIFER
107812 SCOTT CONGDON									



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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
4086		06/22/2020	070720	333930	293.60	07/22/2020	INV	PD	BLDG PERMITS, INSPECTION
CHECK DATE: 07/07/2020									
4123		06/24/2020	070720	333930	34.00	07/24/2020	INV	PD	INSPECTION FORMS-GREEN
CHECK DATE: 07/07/2020									
4126		06/24/2020	070720	333930	102.00	07/24/2020	INV	PD	BUSINESS CARDS-SCHMIDT, Z
CHECK DATE: 07/07/2020									
					429.60				
103870 DIVERSIFIED PLUMBING AND HEATING INC									
28404		06/22/2020	070720	333931	251.60	07/22/2020	INV	PD	OAK 19 KITCHEN REPAIRS
CHECK DATE: 07/07/2020									
28427		06/23/2020	070720	333931	2,509.00	07/08/2020	INV	PD	FD BATHROOM UPDATES (COVI
CHECK DATE: 07/07/2020									
					2,760.60				
108943 EDER, KAREN									
2008205.002		06/24/2020	070720	333932	26.00	07/24/2020	INV	PD	REFUND ACCOUNT BALANCE
CHECK DATE: 07/07/2020						PAYEE: EDER, KAREN			
100619 ESS BROTHERS & SONS INC									
AA3833		06/05/2020	070720	333933	9,780.40	07/05/2020	INV	PD	VETERANS PARK RAILING
CHECK DATE: 07/07/2020									
100628 EXCEL AUTO GLASS									
12824		06/11/2020	070720	333934	289.00	07/11/2020	INV	PD	BLDG MAINT CHEV EXPLORER
CHECK DATE: 07/07/2020									
12825		06/11/2020	070720	333934	289.00	07/11/2020	INV	PD	#2207 PARK PICKUP
CHECK DATE: 07/07/2020									
					578.00				
105728 FIDELITY SECURITY LIFE INSURANCE COMPANY									
164395131		06/24/2020	070220	333908	670.35	07/24/2020	INV	PD	JUL EMP INS PREM-VISION
CHECK DATE: 07/02/2020									
100643 FASTENAL COMPANY									
MNT1078439		09/13/2017	070720	333935	-158.86	08/01/2020	CRM	PD	CREDIT-ANCHOR BOLTS FOR A
CHECK DATE: 07/07/2020									



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City of Chaska
VENDOR INVOICE LIST

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apinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
MNT1095767 CHECK DATE: 07/07/2020		05/22/2020	070720	333935	633.92	06/21/2020	INV	PD	PARK CABLE TIES (QTY 4200
					475.06				
108935 FLAHERTY, BRIAN									
32243 CHECK DATE: 07/07/2020		06/29/2020	070720	333936	68.70	07/29/2020	INV	PD	CREDIT BALANCE REFUND-521
100673 FLEETPRIDE INC									
53316075 CHECK DATE: 07/07/2020		06/11/2020	070720	333937	1,041.82	07/11/2020	INV	PD	#312 FIRE TRUCK BRAKE CHA
108941 GARCIA, HEATHER									
2008203.002 CHECK DATE: 07/07/2020		06/24/2020	070720	333938	12.14	07/24/2020	INV	PD	REFUND ACCOUNT BALANCE PAYEE: GARCIA, HEATHER
102327 GBI HOMES									
2651-FINAL CHECK DATE: 07/07/2020		06/29/2020	070720	333939	1,500.00	07/29/2020	INV	PD	BLDRS DEP REF-2651 EITEL
100752 GPSI LEASING II ACCORD LLC									
LEASE0021247 CHECK DATE: 07/07/2020		07/01/2020	070720	333940	5,120.00	07/31/2020	INV	PD	GPS LEASE
108933 GRABSKY, DAVID									
30738 CHECK DATE: 07/07/2020		06/29/2020	070720	333941	86.87	07/29/2020	INV	PD	CREDIT BALANCE REFUND-394
100759 GRAINGER									
9561572869 CHECK DATE: 07/07/2020		06/15/2020	070720	333942	217.08	07/15/2020	INV	PD	FIRE STATION MAINT
9562173790 CHECK DATE: 07/07/2020		06/16/2020	070720	333942	1,392.16	07/16/2020	INV	PD	BLDG MAINT FIRE STATION
9562991803 CHECK DATE: 07/07/2020		06/16/2020	070720	333942	31.00	07/16/2020	INV	PD	PLASTIC SYRINGE FOR WTP
					1,640.24				
108927 GROSCH, LEO									



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City of Chaska
VENDOR INVOICE LIST

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lapinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
10008354 CHECK DATE: 07/07/2020		06/29/2020	070720	333943	58.75	07/29/2020	INV	PD	CREDIT BALANCE REFUND-110
108947 H & J ELECTRIC LLC									
55983 CHECK DATE: 07/07/2020		06/25/2020	070720	333944	577.90	07/25/2020	INV	PD	WO# 738 OH TO UG SEC CONV
100785 HACH COMPANY									
12004294 CHECK DATE: 07/07/2020		06/19/2020	070720	333945	526.95	07/19/2020	INV	PD	CHLORINE TESTER FOR WTP
108939 HANSON, MEGAN									
2008209.002 CHECK DATE: 07/07/2020		06/26/2020	070720	333946	800.00	07/26/2020 PAYEE: HANSON, MEGAN	INV	PD	RFD-WEDDING DEPOSIT
100810 HAWKINS INC									
4738000 CHECK DATE: 07/07/2020		06/19/2020	070720	333947	4,011.39	08/03/2020	INV	PD	WTP CHEMICALS
100848 HIGH TECH CLEANING INC									
15865 CHECK DATE: 07/07/2020		06/15/2020	070720	333948	110.00	07/15/2020	INV	PD	ELECTROSTATIC SPRAY PD (C
15866 CHECK DATE: 07/07/2020		06/22/2020	070720	333948	757.66	07/22/2020	INV	PD	MSB CLEANING SUPPLIES
					867.66				
100859 HOISINGTON KOEGLER GROUP INC									
019-053-6 CHECK DATE: 07/07/2020		06/17/2020	070720	333949	310.00	07/17/2020	INV	PD	LION'S PARK SHELTER PLANN
103092 INTERNATIONAL FIRE SERVICE RES									
000064480 CHECK DATE: 07/07/2020		06/22/2020	070720	333950	265.00	07/07/2020	INV	PD	IAFC MEMBERSHIP-WIEBE
104751 IMPACT MAILING OF MINNESOTA INC									
147970 CHECK DATE: 07/07/2020		06/30/2020	070720	333951	8,785.06	07/31/2020	INV	PD	Jun Bills



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City of Chaska
VENDOR INVOICE LIST

IP 7
lapinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100943 JEFFERSON FIRE & SAFETY INC									
IN119080 CHECK DATE: 07/07/2020		06/19/2020	070720	333952	89.85	07/19/2020	INV	PD	BATTERIES FOR HELMET LIGH
108924 JONES, RICHARD									
10004400 CHECK DATE: 07/07/2020		06/29/2020	070720	333953	30.38	07/29/2020	INV	PD	CREDIT BALANCE REFUND-823
108945 JOURDAN, JOCELYN									
2008207.002 CHECK DATE: 07/07/2020		06/24/2020	070720	333954	20.00	07/24/2020	INV	PD	REFUND ACCOUNT BALANCE PAYEE: JOURDAN, JOCELYN
100988 KERBER FAMILY HOMES									
868 ORIOLE LN CHECK DATE: 07/07/2020		06/29/2020	070720	333955	1,500.00	07/29/2020	INV	PD	BUILDERS DEPOSIT REFUND
101022 KUSSKE CONSTRUCTION CO LLC									
52492000-8 CHECK DATE: 07/07/2020		06/26/2020	070720	333956	161,469.16	07/26/2020	INV	PD	2019 DT ST RECONSTRUCTION
101043 LANO EQUIPMENT INC									
01-758146 CHECK DATE: 07/07/2020		06/10/2020	070720	333957	38,368.06	07/10/2020	INV	PD	#502 TC BOBCAT-2020 T450A
01-759901 CHECK DATE: 07/07/2020		06/17/2020	070720	333957	17.24	07/17/2020	INV	PD	#719 BOBCAT WASHER CAST
01-759948 CHECK DATE: 07/07/2020		06/17/2020	070720	333957	48.56	07/17/2020	INV	PD	#719 BOBCAT SPRING FOR GA
					38,433.86				
108928 LAXEN, LEONARD									
10009979 CHECK DATE: 07/07/2020		06/29/2020	070720	333958	46.01	07/29/2020	INV	PD	CREDIT BALANCE REFUND-150
101114 LUNDQUIST, TOM									
79904 CHECK DATE: 07/07/2020		06/04/2020	070720	333959	20.00	08/01/2020	INV	PD	LICENSE REIMBURSE-SPECIAL



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City of Chaska
VENDOR INVOICE LIST

IP 8
apinvlst

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
105710 MACQUEEN EMERGENCY GROUP									
W02206 CHECK DATE: 07/07/2020		06/15/2020	070720	333960	998.45	07/15/2020	INV	PD	FIRE TRUCK REPAIR
103176 MANSFIELD OIL COMPANY									
882507 CHECK DATE: 07/07/2020		06/19/2020	070720	333961	4,818.66	07/19/2020	INV	PD	DYED DIESEL (ALL DEPARTME
882517 CHECK DATE: 07/07/2020		06/19/2020	070720	333961	7,400.88	07/19/2020	INV	PD	UNLEADED FUEL
					12,219.54				
108931 MCKINNEY, WILLIAM									
10013101 CHECK DATE: 07/07/2020		06/29/2020	070720	333962	262.52	07/29/2020	INV	PD	CREDIT BALANCE REFUND-618
101187 METRO SALES INC									
INV1611784 CHECK DATE: 07/07/2020		06/17/2020	070720	333963	165.00	07/17/2020	INV	PD	Rico/MP C3003 Color copie
INV1615530 CHECK DATE: 07/07/2020		06/24/2020	070720	333963	159.00	07/24/2020	INV	PD	JUL FD COPIER
					324.00				
101188 MEYER LABORATORY INC									
0739156-IN CHECK DATE: 07/07/2020		06/11/2020	070720	333964	258.46	07/11/2020	INV	PD	HAND SOAP (QTY 8)
105998 MILBANK WINWATER WORKS									
165103 00 CHECK DATE: 07/07/2020	200124	06/19/2020	070720	333965	3,328.00	07/19/2020	INV	PD	WATER STOCK ULTRASONIC 1 1
101337 MINNESOTA DEPARTMENT OF HEALTH									
79571 CHECK DATE: 07/07/2020		05/31/2020	070720	333966	23.00	06/29/2020	INV	PD	D. ABRAHAM LICENSE RENEWA
108937 MINNESOTA HOME GUYS									
33917		06/29/2020	070720	333967	113.50	07/29/2020	INV	PD	CREDIT BALANCE REFUND-306



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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 07/07/2020									
101258 MINNESOTA POLLUTION CONTROL AGENCY									
10000109005		06/23/2020	070720	333968	187.50	07/23/2020	INV	PD	PBP REIMBURSEMENTS-HOT SP
CHECK DATE: 07/07/2020									
101276 MINNESOTA VALLEY ELECTRIC COOPERATIVE									
107051510/JUN20		06/22/2020	070720	333969	33.13	07/16/2020	INV	PD	JUN 82ND ST & HWY SIGNAL
CHECK DATE: 07/07/2020									
778320601/JUN20		06/22/2020	070720	333969	104.72	07/16/2020	INV	PD	JUN CHEVALLE LIFT STATION
CHECK DATE: 07/07/2020									
780272000/JUN20		06/22/2020	070720	333969	10.86	07/16/2020	INV	PD	JUN CHEVALLE IRRIGATION B
CHECK DATE: 07/07/2020									
					148.71				
108926 MOORE, MITCHELL									
10008045		06/29/2020	070720	333970	195.22	07/29/2020	INV	PD	CREDIT BALANCE REFUND-146
CHECK DATE: 07/07/2020									
101327 MP NEXLEVEL LLC									
1119022		06/23/2020	070720	333971	2,464.00	07/23/2020	INV	PD	WO# 792 HABITAT FOR HUMAN
CHECK DATE: 07/07/2020									
101356 MTI DISTRIBUTING INC #31380									
1260520-00		06/16/2020	070720	333972	254.37	07/16/2020	INV	PD	V500 SEALS (PARK DEPT)
CHECK DATE: 07/07/2020									
101759 MY ALARM CENTER LLC									
14029380		07/01/2020	070720	333973	102.72	08/01/2020	INV	PD	CITY HALL MONITORING 7/1/
CHECK DATE: 07/07/2020									
101253 BUSINESS PLANNING CONCEPTS INC									
383600072020		06/13/2020	070220	333909	144.00	07/10/2020	INV	PD	JUL PERA LIFE PREMIUMS
CHECK DATE: 07/02/2020									
102654 NORTH AMERICAN SAFETY INC									
INV51715		06/22/2020	070720	333974	179.88	07/22/2020	INV	PD	SAFETY GLOVES



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City of Chaska
VENDOR INVOICE LIST

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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 07/07/2020									
101445 OFFICE DEPOT									
100227072001		06/25/2020	070720	333975	29.99	07/25/2020	INV	PD	COPY PAPER
CHECK DATE: 07/07/2020									
100540527001		06/24/2020	070720	333975	68.30	07/25/2020	INV	PD	Catridge for Vicki/Home a
CHECK DATE: 07/07/2020									
100814090001		06/23/2020	070720	333976	18.47	07/24/2020	INV	PD	Faxed/Emailed stamps
CHECK DATE: 07/07/2020									
100814593001		06/23/2020	070720	333976	10.49	07/24/2020	INV	PD	Mailed Stamp
CHECK DATE: 07/07/2020									
101262978001		06/24/2020	070720	333976	38.96	07/24/2020	INV	PD	Stapler and staples
CHECK DATE: 07/07/2020									
511441346001		06/15/2020	070720	333975	-5.88	06/15/2020	CRM	PD	Refund damaged tape dispe
CHECK DATE: 07/07/2020									
511456022001-1		06/16/2020	070720	333975	21.86	07/18/2020	INV	PD	Tape Dispensers and tape
CHECK DATE: 07/07/2020									
511456022001-2		06/16/2020	070720	333975	69.98	07/18/2020	INV	PD	Copy paper for the Work R
CHECK DATE: 07/07/2020									
511456022001-3		06/16/2020	070720	333975	73.59	07/18/2020	INV	PD	Ink Cartridges for Denise
CHECK DATE: 07/07/2020									
101456 OLSEN FIRE PROTECTION INC					325.76				
Z139599		06/19/2020	070720	333977	315.00	07/19/2020	INV	PD	INSPECTION OF MSB FIRE AL
CHECK DATE: 07/07/2020									
101465 ON SITE SANITATION INC									
0000939874		06/13/2020	070720	333978	310.00	07/13/2020	INV	PD	TOWN COURSE
CHECK DATE: 07/07/2020									
0000939875		06/13/2020	070720	333978	215.00	07/13/2020	INV	PD	SUNSET PARK
CHECK DATE: 07/07/2020									
0000939876		06/13/2020	070720	333978	215.00	07/13/2020	INV	PD	CLOVER RIDGE SOCCER FIELD
CHECK DATE: 07/07/2020									
0000939877		06/13/2020	070720	333978	80.00	07/13/2020	INV	PD	PAR 30
CHECK DATE: 07/07/2020									
0000939878		06/13/2020	070720	333978	215.00	07/13/2020	INV	PD	CITY SQUARE PARK



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 07/07/2020									
108930 PETERSON, BARB					1,035.00				
10010546		06/29/2020	070720	333979	166.75	07/29/2020	INV	PD	CREDIT BALANCE REFUND-224
CHECK DATE: 07/07/2020									
107855 STAPLES INC									
7855229		06/17/2020	070720	333980	17.37	07/17/2020	INV	PD	Clorox Wipes for the Work
CHECK DATE: 07/07/2020									
101616 RDO EQUIPMENT COMPANY									
E0652270		06/09/2020	070720	333981	14,632.75	07/09/2020	INV	PD	#T3 2020 TM T-16DT TRAILER
CHECK DATE: 07/07/2020									
101689 READY WATT ELECTRIC INC									
103342		06/23/2020	070720	333982	2,440.00	07/23/2020	INV	PD	1ST HALF SIREN MAINTENANC
CHECK DATE: 07/07/2020									
101652 RIES HEATING & A/C INC									
19785		06/17/2020	070720	333983	509.00	07/17/2020	INV	PD	A/C SERVICE CHECKS AT CIT
CHECK DATE: 07/07/2020									
103251 ROBERT THOMAS HOMES INC									
4201		06/29/2020	070720	333984	1,500.00	07/29/2020	INV	PD	BLDRS DEP REF-4201 MILLST
CHECK DATE: 07/07/2020									
4202		06/29/2020	070720	333984	1,500.00	07/29/2020	INV	PD	BLDRS DEP REF-4202 MILLST
CHECK DATE: 07/07/2020									
6406		06/29/2020	070720	333984	1,500.00	07/29/2020	INV	PD	BLDRS DEP REF-6406 TIMBER
CHECK DATE: 07/07/2020									
6410		06/29/2020	070720	333984	1,500.00	07/29/2020	INV	PD	BLDRS DEP REF-6410 TIMBER
CHECK DATE: 07/07/2020									
					6,000.00				
101673 ROCHESTER MIDLAND CORP									
INV00197975		06/25/2020	070720	333985	56.79	07/25/2020	INV	PD	FIREMAN'S PARK SERVICES
CHECK DATE: 07/07/2020									



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
107219									SAFETY AND SECURITY CONSULTATION SPECIALISTS LLC
3052		01/18/2020	070720	333986	1,400.00	07/30/2020	INV	PD	GRAIN BIN RESCUE TRAINING
	CHECK DATE: 07/07/2020								
108934									SELINGER, JUDI
32023		06/29/2020	070720	333987	27.90	07/29/2020	INV	PD	CREDIT BALANCE REFUND-347
	CHECK DATE: 07/07/2020								
104416									KELBRO COMPANY
2515283		06/20/2020	070720	333988	158.00	07/20/2020	INV	PD	ICE DELIVERY OAK 19
	CHECK DATE: 07/07/2020								
101775									THE SHERWIN-WILLIAMS COMPANY-CHANHASSEN
8116-8		06/19/2020	070720	333989	98.62	07/20/2020	INV	PD	PAINT FOR ATHLETIC & COMM
	CHECK DATE: 07/07/2020								
104827									ROHN INDUSTRIES INC
530568		06/15/2020	070720	333990	20.25	07/15/2020	INV	PD	Security Console Shreddin
	CHECK DATE: 07/07/2020								
105388									SHRED-IT US HOLDCO INC
8129907122		06/15/2020	070720	333991	91.22	07/15/2020	INV	PD	Shredding-PD
	CHECK DATE: 07/07/2020								
104547									SITEONE LANDSCAPE SUPPLY HOLDING LLC
100512436-001		06/19/2020	070720	333992	31.66	07/19/2020	INV	PD	IRRIGATION PARTS/SUPPLIES
	CHECK DATE: 07/07/2020								
106596									SIWEK LUMBER JORDAN INC
19322		06/16/2020	070720	333993	71.10	07/16/2020	INV	PD	CEDAR LUMBER FOR COMMUNIT
	CHECK DATE: 07/07/2020								
101916									SOUTHWEST POWER EQUIPMENT
1-523635		06/23/2020	070720	333994	34.72	07/23/2020	INV	PD	EDGER RENTAL FOR BALL FIE
	CHECK DATE: 07/07/2020								



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
101850 STANTEC CONSULTING SERVICES INC									
1663402 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	7,581.71	06/29/2020	INV	PD	APR-GENERAL ENGINEERING
1663403 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	418.50	06/29/2020	INV	PD	APR-ENGINEERING DEPT ASSI
1663404 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	551.00	06/29/2020	INV	PD	APR-MSA
1663405 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	980.00	06/29/2020	INV	PD	APR-DT RECONSTRUCTION MAS
1663406 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	86.00	06/29/2020	INV	PD	APR-MN RIVER FLOODPLAIN M
1663407 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	6,467.50	06/29/2020	INV	PD	APR-SW AREA COLLECTOR COR
1663409 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	12,418.25	06/29/2020	INV	PD	APR-RECORD PLAN/BASE MAP
1663410 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	3,138.50	06/29/2020	INV	PD	APR-MCKNIGHT WETLAND BANK
1663411 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	282.38	06/29/2020	INV	PD	APR-CREEK RD SW COLLECTOR
1663412 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	413.25	06/29/2020	INV	PD	APR-LAKE HAZELTINE SUBSTA
1663414 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	4,629.00	06/29/2020	INV	PD	APR-NE COLLECTOR IN SW AR
1663415 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	3,899.25	06/29/2020	INV	PD	APR-LOCAL SURFACE WATER M
1663416 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	210.00	06/29/2020	INV	PD	APR-ADA TRANSITION PLAN
1663417 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	17,168.19	06/29/2020	INV	PD	APR-2019 DT RECONSTRUCTIO
1663418 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	873.00	06/29/2020	INV	PD	APR-HILL TOWER REVISIONS
1663419 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	539.25	06/29/2020	INV	PD	APR-HAZELTINE BLUFF POND
1663421 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	2,016.00	06/29/2020	INV	PD	APR-BRIDGE SAFETY INSPECT
1663422 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	49,079.50	06/29/2020	INV	PD	APR-PAR 30 GOLF COURSE



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
1663423 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	4,225.60	06/29/2020	INV	PD	APR-WELL 9 REHABILITATION
1663425 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	618.00	06/29/2020	INV	PD	APR-HARVEST WEST PARK NAT
1663426 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	273.00	06/29/2020	INV	PD	APR-PRIVATE-HARVEST WEST
1663427 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	2,590.50	06/29/2020	INV	PD	APR-PRIVATE-STRUCTURES IN
1663429 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	3,276.00	06/29/2020	INV	PD	APR-PRIVATE STORMWATER RE
1663430 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	182.00	06/29/2020	INV	PD	APR-PRIVATE STORMWATER RE
1663567 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	36,108.50	06/29/2020	INV	PD	APR-CREEK RD TRUNK SEWER
1663587 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	20,366.38	06/29/2020	INV	PD	APR-LYMAN BLVD CITY UTILI
1663596 CHECK DATE: 07/07/2020		05/29/2020	070720	333995	68,242.44	06/29/2020	INV	PD	APR-2020 DT RECONSTRUCTIO
					246,633.70				
108922 STAPLETON, JOHN F									
30.0480010 CHECK DATE: 07/07/2020		06/24/2020	070720	333996	1,267.22	07/24/2020	INV	PD	REFUND SPECIAL ASSESSMENT
108929 STEFFEL, MARGO									
10010040 CHECK DATE: 07/07/2020		06/29/2020	070720	333997	94.88	07/29/2020	INV	PD	CREDIT BALANCE REFUND-156
101874 STEPP MANUFACTURING CO INC									
057701 CHECK DATE: 07/07/2020		06/11/2020	070720	333998	127.74	07/11/2020	INV	PD	HEAT SENSOR FOR TACK TRUC
101892 STUART C IRBY CO									
S011860897.002 CHECK DATE: 07/07/2020		06/11/2020	070720	333999	94.84	07/11/2020	INV	PD	JUMPER REPAIR
103677 SUN LIFE ASSURANCE COMPANY OF CANADA									



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET DUE DATE	TYPE	STS	INVOICE DESCRIPTION
237741/JUL20 CHECK DATE: 07/02/2020		06/20/2020	070220	333910	4,093.95 07/20/2020	INV	PD	JUL EMP LIFE INS PREMIUMS
106847 SWANNIES GOLF APPAREL CO								
5164 CHECK DATE: 07/07/2020		06/24/2020	070720	334000	1,312.00 07/24/2020	INV	PD	RESALE
101932 TAYLOR MADE GOLF CO INC								
34286306 CHECK DATE: 07/07/2020		06/22/2020	070720	334001	116.83 10/01/2020	INV	PD	2020 DEMO/RENTALS
105137 TEE TIMES PRESS INC								
29346 CHECK DATE: 07/07/2020		06/08/2020	070720	334002	225.00 07/08/2020	INV	PD	ADVERTISING JUNE 2020 ISS
108944 THERRES, SUSAN								
2008206.002 CHECK DATE: 07/07/2020		06/24/2020	070720	334003	36.75 07/24/2020	INV	PD	REFUND ACCOUNT BALANCE PAYEE: THERRES, SUSAN
101969 TIMBERWALL LANDSCAPE & MASONRY PRODUCTS INC								
I10118225 CHECK DATE: 07/07/2020		06/26/2020	070720	334004	213.11 08/10/2020	INV	PD	LANDSCAPE WORK AT ARBOR P
101983 TOTAL CONTROL SYSTEMS INC								
9376 CHECK DATE: 07/07/2020		06/22/2020	070720	334005	2,464.40 07/22/2020	INV	PD	CRADLE POINT UPDATES
101990 KANDI KOUNTRY EXPRESS LTD								
428719 CHECK DATE: 07/07/2020		06/15/2020	070720	334006	97,573.00 07/15/2020	INV	PD	#119 TRUCK BOX & SNOW EQU
101989 TOWN & COUNTRY GLASS INC								
11970 CHECK DATE: 07/07/2020		05/14/2020	070720	334007	385.49 07/29/2020	INV	PD	Replace broken window-St
107745 US BANK NATIONAL ASSOCIATION								



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
417270998 CHECK DATE: 07/07/2020		06/19/2020	070720	334008	439.53	07/15/2020	INV	PD	CCC COLOR COPIER LEASE PM
104522 US FOODS INC									
5242372 CHECK DATE: 07/07/2020		06/19/2020	070720	334009	198.84	07/19/2020	INV	PD	SANITIZER, SOAP-TC/PAR30-
102061 USA BLUE BOOK									
262166 CHECK DATE: 07/07/2020		06/09/2020	070720	334010	69.15	07/09/2020	INV	PD	CHLORINE
263153 CHECK DATE: 07/07/2020		06/10/2020	070720	334010	280.06	07/10/2020	INV	PD	MASTER LOCKS FOR CITY PAR
					349.21				
108938 VENTURE CAPITAL LLC									
34269 CHECK DATE: 07/07/2020		06/29/2020	070720	334011	130.53	07/29/2020	INV	PD	CREDIT BALANCE REFUND-112
102117 VILLAGE PLUMBING INC									
8321 CHECK DATE: 07/07/2020		06/19/2020	070720	334012	220.00	07/19/2020	INV	PD	VALVE TESTING AND REBUILD
102189 WM MUELLER & SONS									
256022 CHECK DATE: 07/07/2020		06/17/2020	070720	334013	23.80	07/25/2020	INV	PD	WO# 638 LYMAN BLD - DISPO
256177 CHECK DATE: 07/07/2020		06/22/2020	070720	334013	500.40	07/25/2020	INV	PD	WO# 742 - OH MAINT - ROCK
256386 CHECK DATE: 07/07/2020		06/25/2020	070720	334013	31.66	07/25/2020	INV	PD	DRAIN TILE AT TOWN COURSE
					555.86				
108942 WOFSE, MICHELE									
2008204.002 CHECK DATE: 07/07/2020		06/24/2020	070720	334014	36.00	07/24/2020	INV	PD	REFUND ACCOUNT BALANCE PAYEE: WOFSE, MICHELE
102220 NORTHLAND SYSTEMS INC									
78815 CHECK DATE: 07/07/2020		06/10/2020	070720	334015	6,991.64	07/15/2020	INV	PD	VMWARE LICENSE RENEWAL



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INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
102228 ZEE MEDICAL SERVICE INC									
54127387		06/23/2020	070720	334016	106.49	07/23/2020	INV	PD	TC MEDICAL SUPPLIES
CHECK DATE: 07/07/2020									
					106.49				
=====									
183 INVOICES					719,941.44				
=====									

** END OF REPORT - Generated by Michelle Robbin **

Electronic Payments

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** END OF REPORT - Generated by Michelle Robbin **

**Biweekly Report
July 6, 2020
By
Matt Podhradsky**

UPCOMING COUNCIL MEETING SCHEDULE

Below is a schedule of what to expect for the next couple of Council meeting dates:

July 6th: We will have a Work Session on that night starting at 5:30 pm. The purpose of this work session will be to review the Annual Auditor's report looking back at the 2019 year. We will also be proposing budget amendments at the meeting that night to address any changes we are expecting to see in the budget since its adoption in December due to COVID 19.

July 20th: We will have a Work Session that night starting at 5:30 pm. The purpose of this work session will be to discuss the topic of chickens and bees being allowed in residential areas of our City. This will be an opportunity to look at the pros and cons of the topic, and to explore what other cities who have allowed this since our last work session on this topic in 2015 have experienced as they have moved to allow this in their communities. I should also note that we are planning to have a closed portion of our meeting on the evening of July 20th for our attorney from the League of Minnesota Cities to update us on a case we are involved in regarding the bank robbery at Klein Bank in downtown Chaska a couple of years ago. A closed meeting is allowed for attorney-client privilege in active litigation cases.

If there are any questions or concerns as we move back into a live format of meetings, please let me know so that we can adjust as necessary.

FEDERAL CARES DOLLARS

As the Council may have seen, over the past week the Governor did move to release \$881 million of funds received by the State of Minnesota meant to be utilized by local units of government for COVID 19 response and mitigation efforts. Of that share, the City of Chaska is slated to receive \$2.08 million, based on our population. Following the announcement of these dollars being released, Staff did move to certify our request to receive these dollars to the State of Minnesota, which will allow us to receive our allocation within the next few days.

As I have shared with the Council, besides reimbursing ourselves for work that has been done to respond to this pandemic since March, we are working with our facility architects at Leo A Daly to develop a list of improvements (along with cost-estimates of these improvements) to address concerns within our facility which will allow us to continue moving to get our staff back to work on-site while being safe at the same time. We are also looking at how some of these funds may also be utilized to help other COVID 19 responses within the community.

Over the next couple of weeks, we will be looking at prioritizing potential projects and reimbursements and would hope to bring recommendation back to the Council in a few weeks to suggest how these dollars might best be utilized. It should be noted that funds cannot be

utilized to replaced lost revenue over the past few months, and that we need to spend these funds by the end of November or else the unused funds will have to be returned to the Federal Government as unspent proceeds.

If there are any questions on this, please let me know.

ELECTION JUDGE RECRUITMENT

As you are aware, 2020 is a major election year, meaning that we will be having both Primary Elections (August 11th), and a General Election (November 3rd). While we would typically have a large pool of election judge applicants to choose from to fill the necessary spots, this is an unusual year as many of our long-time election judges are choosing not to serve this year because of the concern of COVID 19 exposure. In fact, with just over a month left until the Primary, we currently have about 40 of our 75 needed positions filled and are working to fill the other positions within the next couple of weeks to allow time for training. This is not an unusual situation in Chaska, as many communities are running into the same issue primarily because election judges tend to fall into the same demographics from an age perspective as those at the most serious risk of serious issues arising from contracting COVID 19.

While we are looking at contingencies now to utilize City Staff to help backfill positions if necessary, I would ask that if you know someone willing to serve that you point out the opportunity to them, and to ask them to contact Denise Beebe at 952-227-7511 to express their interest. Most judges work for a half day period, and we are looking for judges that would be able to work both the Primary and General Elections.

If you have any questions on this, please let me know.

4th of July Holiday

Just a reminder that with the 4th falling on a Saturday this year, the day we are scheduled to be closed to observe the 4th of July will be Friday, July 3rd. We will be getting out messaging to the public to remind them of this, but to also remind residents that we will be having fireworks on the evening of 4th of July at McKnight Park. These fireworks will start at 10 pm, and we are reminding people to socially distance as they gather for this event. Also, just a reminder that the Jonathan 4th of July festivities have been cancelled for this year due to COVID 19 concerns. If there are any questions about this, please let me know.