



AGENDA
CHASKA CITY COUNCIL
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, December 4, 2023
7:00 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Adopt Agenda
5. Visitor Presentation
6. Approve Previous Meeting Minutes
 - 6.A. City Council Meeting Minutes 11/20/2023
7. Consent Items
 - 7.A. Business License Renewals
 - 7.B. Adopt Resolution 2023-94 to Authorize Eminent Domain for MN River Bluffs Regional Trail
 - 7.C. Adopt Resolution 2023-93 Bond Sale Reimbursement
8. Action Items
 - 8.A. Public Hearing - Truth and Taxation - 2024 Tax Levy and Budget
 - 8.B. Adopt Resolution 2023-92 Authorizing Issuance and Awarding Sale of G.O. Bonds, Series 2023A
9. Bills
 - 9.A. Accounts Payable Claims Roster 12-4-2023
10. Other Business
 - 10.A. City Administrator's Report
 - 10.A.i. Biweekly Report - December 4, 2023
11. Adjourn

**- MINUTES -
CHASKA CITY COUNCIL
NOVEMBER 20, 2023**

1. Call to Order

The meeting was called to order by Mayor Windschitl at 7 p.m.

2. Pledge of Allegiance

3. Roll Call

Roll call was taken. Present: Mayor Windschitl and Councilmembers Grau, Hatfield, Hubbard, and Huang.

Absent: None.

Also Present: Matt Podhradsky, City Administrator; Noel Graczyk, Administrative Services Director; Kevin Wright, Community Engagement Manager; Krista Mark, Communications Coordinator; Elise Durbin, Assistant Administrator; Nate Kabat, Community Development Director; Ashley Cauley, City Planner; Christophe Morschen, City Attorney; Marshall Grange, Parks and Recreation Director; and Stephen Kraus, Fire Chief.

4. Adopt the Agenda

Motion by Councilmember Hatfield, second by Councilmember Grau to adopt the agenda as presented. Motion carried.

5. Visitor Presentation

No one wished to present to the Council.

6. Approve Previous Meeting Minutes

6.A. Approve the November 6, 2023 City Council Meeting Minutes

Motion by Councilmember Hubbard, second by Mayor Windschitl to approve the minutes of the November 6, 2023 City Council meeting.

Motion carried.

7. Consent Agenda

Motion by Councilmember Hatfield, second by Councilmember Hubbard to approve the Consent Agenda Items A through E:

A. Municipal Tort Liability Limits

Motion to direct the City Administrator to inform the League of Minnesota Cities Insurance Trust that the City of Chaska elects not to waive the monetary limits on municipal tort liability established by Minnesota Statute.

B. Tool Lending Library Grant Application Letter of Support

Motion to approve a letter of support to the Minnesota Pollution Control Agency's Waste Reduction and Reuse Environmental Assistance Grant program for a tool lending library in Carver County.

DRAFT

C. Approve Massage Business License – Red Sky Massage

Motion to approve both the Massage Therapy Business License No. MTB. 24-03 for Jinmei Bao as Red Sky Massage, located at 808 Yellow Brick Road, Chaska, Minnesota and her individual massage therapy license contingent on receiving all the required documentation.

D. Adopt Resolution No. 2023-91 Approving the Joint 2024 Assessment Service Agreement with Carver County

Motion to adopt Resolution 2023-91, approving an agreement with Carver County for 2024 assessment services.

E. Approve On-Sale Liquor License at a Community Event – Downtown Business Alliance

Motion to approve On-Sale Intoxicating License at a Community Event, Lic#OSCF23-04, for Downtown Business Alliance of Chaska for Small Business Saturday, effective November 25, 2023.

Motion carried.

8. Action Items

8.A. Adopt Resolution No. 2023-90 and Ordinance No. 1038 approving the Preliminary Site & Building Plan and Rezoning for the Public Safety Facility/City of Chaska/PC #2023-25

City Administrator Podhradsky introduced the item to the Council and City Planner Ashley Cauley provided a presentation on it.

Mayor Windschitl asked why three separate restrooms are necessary in the lobby.

Quinn Hutson, CNH Architects, explained the unisex restroom is attached to the lobby while the gendered bathrooms are accessible from the Police Department side. The number of restrooms is important for access from the training spaces.

Mayor Windschitl asked why there is a separate fitness space for law enforcement. City Administrator Podhradsky stated the fitness space opens up to an outdoor area and would allow separate Departments to remain separate while the outdoor area is a common space for all Departments.

Fire Chief Stephen Kraus stated the original intention was to share the space, but the Police Department tends to use the fitness space as a gathering area or debrief space. The Fire Department uses the kitchen area for the same purpose. Mayor Windschitl stated it seems unnecessary to buy doubles of the same equipment.

Mayor Windschitl asked where the copy space is. Chief Kraus stated the copy room is near the administrative space.

Mayor Windschitl asked if the two Departments will share reception. Chief Kraus stated the Police Department has a lobby space for reception. The Fire Department has separate administrative folks.

Mayor Windschitl stated the point of the joint building was to combine elements of each Department to save on costs and promote efficiency. City Administrator Podhradsky pointed out there are shared common spaces and shared lobby areas. However, each Department

receives visitors for very different reasons and the receptionists are trained for their specific Department's services.

Mayor Windschitl asked if the second level can access the training mezzanine. Chief Kraus stated the second level can access the training mezzanine through the apparatus area. They purposefully separated warm spaces and cool spaces. For example, the firefighter gear needs to stay in spaces where the HVAC can sufficiently process the air.

Mayor Windschitl asked if the firefighter pole will be operable. Chief Kraus confirmed the firefighter pole will be operable.

Councilmember Huang asked what the "hotsy" room is for. Chief Kraus explained it is a room to wash firefighter gear.

Mayor Windschitl asked what the room next to the fire pole is for. Chief Kraus stated there is stairway and ductwork near the fire pole.

Mayor Windschitl asked if every dorm needs its own restroom. Chief Kraus stated it is common to have dorm space with separate bathrooms in new firehouses. It promotes mental health, privacy, and ease of sleep.

City Administrator Podhradsky added the tours of other firehouses revealed how much the firefighters value the separate bathrooms. Different shifts also use the dorms as an opportunity to make the space their own.

Councilmembers Grau and Hubbard noted their understanding of the separate restrooms. Mayor Windschitl stated it seems unnecessary and has concerns about maintaining so many toilets and its cleanliness.

Mayor Windschitl asked if there needs to be double stable storage. Chief Kraus stated each space is meant to accommodate a different use. One is used for training while the other is used more for community events. The storage is to hold extra tables and chairs as needed.

Mayor Windschitl asked how many people can fit in the training space. Hutson stated the room allows for 50 people when set up with tables for training. If it were set up with just chairs, it would allow for 100 people.

Chief Kraus added the space was downsized due to costs. There is another breakout room and other training rooms to help them utilize multiple spaces.

City Administrator Podhradsky pointed out there are TV screens outside of the community meeting room that can be used if an overflow space was needed.

Councilmember Grau suggested a collapsible wall be used. City Administrator Podhradsky stated that option costs about \$65,000, so they chose to move forward with a regular wall.

DRAFT

Mayor Windschitl stated there appears to be only one restroom for the entire Police Department side. Hutson stated there are restrooms connected to the lobby, there are two restrooms near the Deputy Chief's office, there is one near the patrol area, and two dorm bathrooms. Then there are locker rooms with toilets in the basement.

Mayor Windschitl asked for confirmation that the holding cells are only temporary and not intended for overnight stays. City Administrator Podhradsky confirmed that the cells are only for temporary holding until an individual is transferred to the County.

Mayor Windschitl asked if the Police Department's breakroom includes a kitchen. Hutson confirmed there is a kitchen in the breakroom.

Mayor Windschitl asked if every police officer has a desk. City Administrator Podhradsky stated tours of other facilities showed the value of having a storage space dedicated to each officer. It promotes retention.

Chief Kraus added the Police Chief was passionate about ensuring each officer has their own space. As time goes on, they acknowledge there may need to be shared desks.

Mayor Windschitl asked what the desk space outside of the Deputy Chief's office is for. Hutson stated that is for other support positions.

Mayor Windschitl asked if School Resource Officers (SROs) go into the Department regularly. City Administrator Podhradsky stated SROs begin and end their days at the Department.

Mayor Windschitl asked what the purpose of the private locker room is. City Administrator Podhradsky stated the private locker room is a space for someone with an alternative gender identity.

Mayor Windschitl asked if there is a way to switch the locker rooms if there were to be more female officers than male officers. Hutson stated there is currently a wall dividing the two locker spaces that can be moved if there needed to be an adjustment of locker space.

Mayor Windschitl asked what the purpose of the wash bay is because squad cars are washed at a gas station. Hutson stated the wash bay is for cleaning up any potential transport incidents such as a medical issue.

Mayor Windschitl asked what the square boxes outside of the locker rooms are for. Hutson explained the squares represent storage for duty bags.

Mayor Windschitl asked if electric vehicle chargers are included. Hutson stated conduit is being provided to allow for electric vehicle chargers in the future.

City Administrator Podhradsky pointed out the transformer selected was important to allow for future electric vehicle charging.

DRAFT

Mayor Windschitl pointed out there is likely grant money available to support electric city vehicles. City Administrator Podhradsky stated Staff could look into those opportunities. He noted Eden Prairie has some electric vehicles they use for law enforcement, but they haven't been particularly useful.

Councilmember Hubbard asked if there is an elevator. Chief Kraus confirmed there is an elevator on the Fire Department's side near the stairway. There was consideration about creating two separate elevator shafts, but it was determined to be unnecessary. All ADA requirements are met.

Councilmember Grau stated the plans look very nice. Councilmember Hatfield noted the space seems large, but it will be necessary in the long-run.

Councilmember Hubbard noted her appreciation of the thoughtfulness that went into the plans.

Councilmember Grau stated he has concerns about natural light getting into the interior rooms. City Administrator Podhradsky pointed out there are some windows in the ceiling to increase natural light.

Councilmember Huang agreed with Councilmember Hubbard's comments.

Mayor Windschitl pointed out the facility is intended for shift work rather than traditional working hours. Therefore, some of the choices seem unnecessary.

Councilmember Huang stated the City needs to be adaptable to promote future growth and retention. Chief Kraus explained the planning is a fine line between long-term functionality and overbuilding.

Mayor Windschitl stated the training room isn't large enough. He asked for the square footage of the room. Hutson stated the space is larger than the current training room.

City Administrator Podhradsky pointed out there are multiple rooms tied together with technology that allows for either breakout spaces or shared meeting spaces. Chief Kraus stated the classroom, breakout room, Police briefing room, conference room, both Chief offices, and the main lobby can all be connected through technology.

Mayor Windschitl stated there isn't any secure point for people that access the briefing room. Chief Kraus stated the lobby can be used as a lockdown space to limit access to the Police Department. There is card access to enter into other spaces as well.

City Administrator Podhradsky summarized the next steps in the process. They anticipate going out for bid in January 2024 and choosing a contractor by the end of February 2024. Also, there are upcoming community meetings to educate the surrounding area on operations.

Mayor Windschitl noted the monument sign will be digital. He asked if the screen will be large enough to avoid the scrolling messages. City Administrator Podhradsky stated he didn't know

DRAFT

if there is enough space for non-scrolling messages. The sign is using the maximum allowed space per City Code of about four feet by four feet. The sign is intended to be static.

Motion by Councilmember Hatfield, second by Councilmember Huang to adopt Resolution No. 2023-90 approving Preliminary Site and Building Plans for 285 Engler Blvd and the adjacent, unaddressed Meadow Park property (PC #2023-25).

Motion carried.

8.A.i Ordinance

Motion by Councilmember Hubbard, second by Councilmember Grau to adopt Ordinance No. 1038 approving the rezoning of the property at 285 Engler Blvd (fire station property) from P2, Public Buildings, to PCD, Planned Commercial District; and rezoning of the adjacent, unaddressed property (Meadow Park) from PMD 03, Planned Multi-Use Development District, to PCD, Planned Commercial District.

Motion carried.

9. Bills

9.A. Accounts Payable Claims Roster 20-11-2023

The Council requested further information about bills on pages 10, 11, 26, and 27.

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.A.i. Bi-Weekly Report 20-11-2023

10.B. Chaska High School – Hawk Pride Updates

10.C. Financial Reports as of 9/30/23

Councilmember Hatfield:

- Explained there was a strategic planning meeting for the Southwest Transit Commission.
- Pointed out Small Business Saturday is November 25, 2023 and the Downtown Business Alliance is hosting an event.
- Added Hometown Holiday is scheduled for December 3, 2023.
- Encouraged residents to look over their property tax statements.

Councilmember Hubbard:

- Noted one of her employees used Southwest Transit bussing to attend a concert and had a great experience.
- Attended a middle school's Veteran's Day event.

DRAFT

- Wished everyone a Happy Thanksgiving.
- Encouraged community members to think of community organizations during the season of giving.

Councilmember Huang:

- Agreed the Veteran's Day program was well-done.
- Welcomed new Police Department officers to the City.
- Noted there is a summary of various student accomplishments from the local High School in the Council packet.
- Attended the High School's performance of *Spamalot*.
- Wished everyone a belated Happy Diwali.

Councilmember Grau:

- Encouraged food safety in light of Thanksgiving.
- Asked when outdoor ice areas will be available. City Administrator Podhradsky stated they aim to have the ice ready before the schools have a winter break, but it is usually ready by mid-January.

City Administrator Podhradsky:

- Shared his positive experience with a plane ride over Chaska.

Mayor Windschitl:

- Thanked Councilmember Huang for covering the recent Mayor's luncheon. He explained there is a conflict with his attendance at the Transportation Advisory Board for the Metropolitan Council.
- Asked if the City is seeking financial support for the golf experience. City Administrator Podhradsky stated the experience can only go away with State support. He provided more information about the golf experience.
- Noted the Santa Parade is December 20, 2023.
- Summarized the plans for the upcoming City Council meetings.
- Added his grandson is a starting quarterback for a local team and has an important game coming up.
- Wished everyone a Happy Thanksgiving.

11. Adjourn

Motion by Councilmember Huang, second by Councilmember Hubbard to adjourn the meeting at 9:07 p.m.

Motion carried.

REQUEST FOR ACTION CHASKA CITY COUNCIL 12/4/2023

Subject: Business License Renewal

Prepared By: Denise Beebe, Senior Clerk

Business License Renewals:

It is time to renew annual business licenses for Games of Skill, Refuse Haulers, Massage Therapists, Massage Therapy Commercial Business Sites, and Tobacco Sale for the upcoming business license period beginning January 1, 2024, and ending December 31, 2024.

All licenses/registrations are set forth and listed below. The fees remain the same as last year. All businesses/individuals who had licenses last year were contacted by mail and requested to return their renewal paperwork by November 27th. The following businesses/individuals have returned their paperwork and payments.

In 2023 there were 7 refuse haulers utilizing a total of 63 trucks, 19 businesses selling tobacco, 3 games of skill vendors servicing 8 locations, 2 massage therapy business license, and 12 individual licensed massage therapists.

In addition there were a total of 43 solicitors, 5 peddlers, 21 transient permits, 2 transient accommodations, and 44 golf cart permits sold.

2024 Business Applicants and Fees:

The following is the list of businesses requesting permits as of December 1, 2023, for the year 2024. Also listed are the outstanding businesses yet to turn in their applications.

Refuse Haulers: \$56 per vehicle

Aspen Waste Systems – 4 Vehicles
Vehicle Dick's Sanitation Service – 6 Vehicles
Republic Services – 25 Vehicles
Suburban Waste – 7 Vehicles
Randy's Environmental Services – 17 Vehicles
Waste Management – 6 Vehicles

Outstanding:

Curbside Waste Inc. – 1 Vehicle

Games of Skill: \$16 per unit/\$16 site

Superior Vending=1 site/8 units \$144
Mendota Valley Amusement= 6 sites/39 units \$592

Outstanding:

Theisen Vending=1 site/ 3 units \$64

Massage Therapists: \$112.00 (Total fluctuates each year)

9 Individuals

Massage Therapy Business \$300

Royal Massage
Bee Well Massage

Red Sky Massage (Opening January 2024)

Tobacco Licenses: \$222

Chaser's Beverage Center
Cub Foods
Cy's Liquors
Hazeltine Golf Course
Holiday Station Store #67
Holiday Station Store #340
Kwik Trip
Oak 19
River City Liquors
Oak 19 Fare & Refreshment
Chaska Smoke Shop
Downtown Smoke Shop
Anna Tobacco

Outstanding:

Chaska Market
Cooper's Foods
Dolce Vita Wine Shop
MGM Wine & Spirits
Speedway #4507
Speedway #4519
Walgreens

Solicitors/Peddlers/Transients: \$100

(Fees are waived for City/CCC hosted events or Interstate Commerce groups and are not listed)

Peddler - 6
Solicitors - 43
Transient - 21

Golf Cart Permits: \$30 (Total fluctuates each year)

44 permits

Transient Accommodations: Level I=\$300, Level II =\$600

Super 8
TownSquare Place

Total Revenue as of 12-1-23

Refuse Haulers -	\$ 3,640
Tobacco Venders -	\$ 2,886
Games of Skill -	\$ 736
Massage Therapy -	\$ 1,908
Solicitors/Peddler/Trans.	\$ 7,000
Transient Accommodations	\$ 1,500
Golf Cart Permits	\$ 1,320

Total: **\$18,990**

Outstanding Owed Yet \$ 1,674

Grand Total: **\$20,664**

This would be a decrease of \$1151 from last year.

CITY COUNCIL ACTION REQUESTED

Motion to approve the 2024 Business Licenses to include games of skill, refuse haulers, massage therapists, tobacco sales, solicitors/peddlers/transients and golf cart permits effective January 1, 2024 through December 31, 2024

REQUEST FOR ACTION CHASKA CITY COUNCIL 12/4/2023

Subject: Authorize Use of Eminent Domain for Minnesota River Bluffs Regional Trail – Chaska Connection

Prepared By: Alex Mollenkamp, Assistant City Engineer

The City, as the lead agency, is in the final design phase of a regional trail project called the “Minnesota River Bluffs Regional Trail – Chaska Connection”. The two-mile segment of trail is planned to fill an existing gap in the MN River Bluffs Regional Trail through downtown via the Highway 41 underpass. City Council previously authorized final plans and specifications and approved the proposal for professional services from Bolton & Menk on May 15, 2023 and authorized property acquisition for three parcels to proceed on September 18, 2023.

The majority of the regional trail will be located within the Carver County Regional Rail Authority property however there are three locations that require access over adjacent private property. Required by state statute, there are legal procedural steps that must be followed when impacts are proposed with public improvements to private property.

The City’s right of way consultant has been in communication with all three property owners and all have been willing participants in the acquisition. Appraisals and offers for acquisition previously authorized by the Chaska City Council have been made to the affected property owners. Easements over two of the properties are very likely to be acquired via negotiation and therefore would not require the use of eminent domain. The third property, owned by United Sugar Producers and Refiners Cooperative, is also likely to be acquired via negotiation however, in the event that the City is unable to come to successful terms with the property owner and in order to keep the project on schedule with federal deadlines, Council is being asked to authorize use of condemnation to acquire the property should it become necessary.

Staff intends to continue negotiations with the property owner to acquire the parcel by purchase rather than through eminent domain proceedings. However, to ensure that this key parcel is acquired before the federal deadline related to the project, City staff recommends authorizing the initiation of eminent domain proceedings and a quick take notice for the United Sugars parcel.

CITY COUNCIL ACTION REQUESTED

Motion to adopt Resolution No. 2023-94 to authorize city staff to initiate eminent domain proceedings for the affected property owner for the Minnesota River Bluffs Regional Trail – Chaska Connection.

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE December 4, 2023 RESOLUTION NO. 2023-94

MOTION BY COUNCILMEMBER _____ SECOND BY COUNCILMEMBER _____

**A Resolution Authorizing the Commencement of Eminent Domain to Acquire Fee Title Over Certain
Property Described Herein**

WHEREAS, the City of Chaska (the “**City**”) desires to construct trail infrastructure improvements lying generally along the former Chicago and Northwestern Railway Company right-of-way within the City limits (the “**Project**”), in cooperation with Carver County and the Carver County Regional Rail Authority; and

WHEREAS, the Project will coordinate and integrate the trail system in the City of Chaska with those owned and maintained by Carver County, the Carver County Regional Rail Authority, and other public trails organized by the Metropolitan Council as part of the Minnesota River Bluffs Regional Trail; and

WHEREAS, the nature and scope of the Project is outlined on EXHIBIT A, attached hereto and incorporated herein; and

WHEREAS, the City anticipates commencing work in the spring of 2024; and

WHEREAS, the City Engineer has completed the engineering review required for the Project and, as part of such work, has determined one parcels needs to be acquired in fee and various easements need to be acquired; and

WHEREAS, the parcel which needs to be acquired in fee and those easements needed, have been appraised in conformance with the Minnesota Statute, and appraisals and offers for acquisition previously authorized by the Chaska City Council have been made to the affected property owners; and

WHEREAS, at this point and time, there is one parcel which must be acquired in fee which the City has not yet able to come to terms with the property owner, United Sugar Producers and Refiners Cooperative; and

WHEREAS, the acquisition in fee of that certain parcel is appropriate and necessary for a public purpose because it is an integral component of the Project’s development of the Minnesota River Bluffs Regional Trail, which is a public trail.

WHEREAS, the City has authorized Wilson Professional Services to negotiate with the various property owners the acquisition in fee title and easements required. Wilson Professional Services has provided Notice and an opportunity of the affected property owner to meet with

the Appraiser and has provided the property owner with a copy of the City's appraisal; and

WHEREAS, the City will comply with all appraisal negotiation requirements in Minnesota Statute 117.036 and negotiations have been ongoing; and

WHEREAS, no final agreement presently exists between the City and the owner of the parcel described in EXHIBITS B and C attached hereto.

NOW, THEREFORE BE IT RESOLVED as follows:

- A. The City finds and declares the Project is a valid public project with a valid public purpose.
- B. A viable and requisite public purpose exists for the acquisition of the parcel in fee shown on EXHIBITS B and C attached hereto and incorporated herein and such property is necessary for the Project and must be obtained before the filing of an award by court-appointed commissioners.
- C. That in the judgement of the City, the acquisition of title to the parcel shown on EXHIBITS B and C will further the public health, safety, and welfare, and will be undertaken in accordance with Minnesota Statutes.
- D. That the City is a statutory city under Minnesota law and has authority to acquire property by condemnation.
- E. The City may, upon compliance with statutory prerequisites including, but not limited to, good faith negotiation, commence Eminent Domain proceedings to acquire the property shown on EXHIBITS B and C attached hereto and incorporated herein.
- F. The City shall comply with all appraisal and negotiation requirements and other conditions precedent to Eminent Domain.
- G. The City Staff and the City Attorney are authorized and empowered to file Statutory Quick Take Notices for all the acquisitions set forth on EXHIBITS B and C
- H. The City Attorney is authorized to file the necessary petition to initiate Eminent Domain proceedings and to prosecute such action to a successful conclusion or until it is abandoned, dismissed, or terminated by the City or a court.
- I. City staff are authorized to obtain updated appraisals for the the parcel shown on EXHIBITS B and C as necessary and to reimburse the owner of the property up to the statutory maximum to obtain an independent appraisal of the property within 30 days of the owner's submission of a copy of the appraisal and the invoice for such appraisal to the City.
- J. City Staff and the City Attorney are authorized to continue to negotiate with the owner for the purchase of the parcel shown on EXHIBITS B and C, subject to approval by the Council.

Adopted by the City Council of the City of Chaska on this 4th day of December, 2023

Mark Windschitl, Mayor

Attest: _____
Deputy Clerk

EXHIBIT A

Preliminary Trail Map

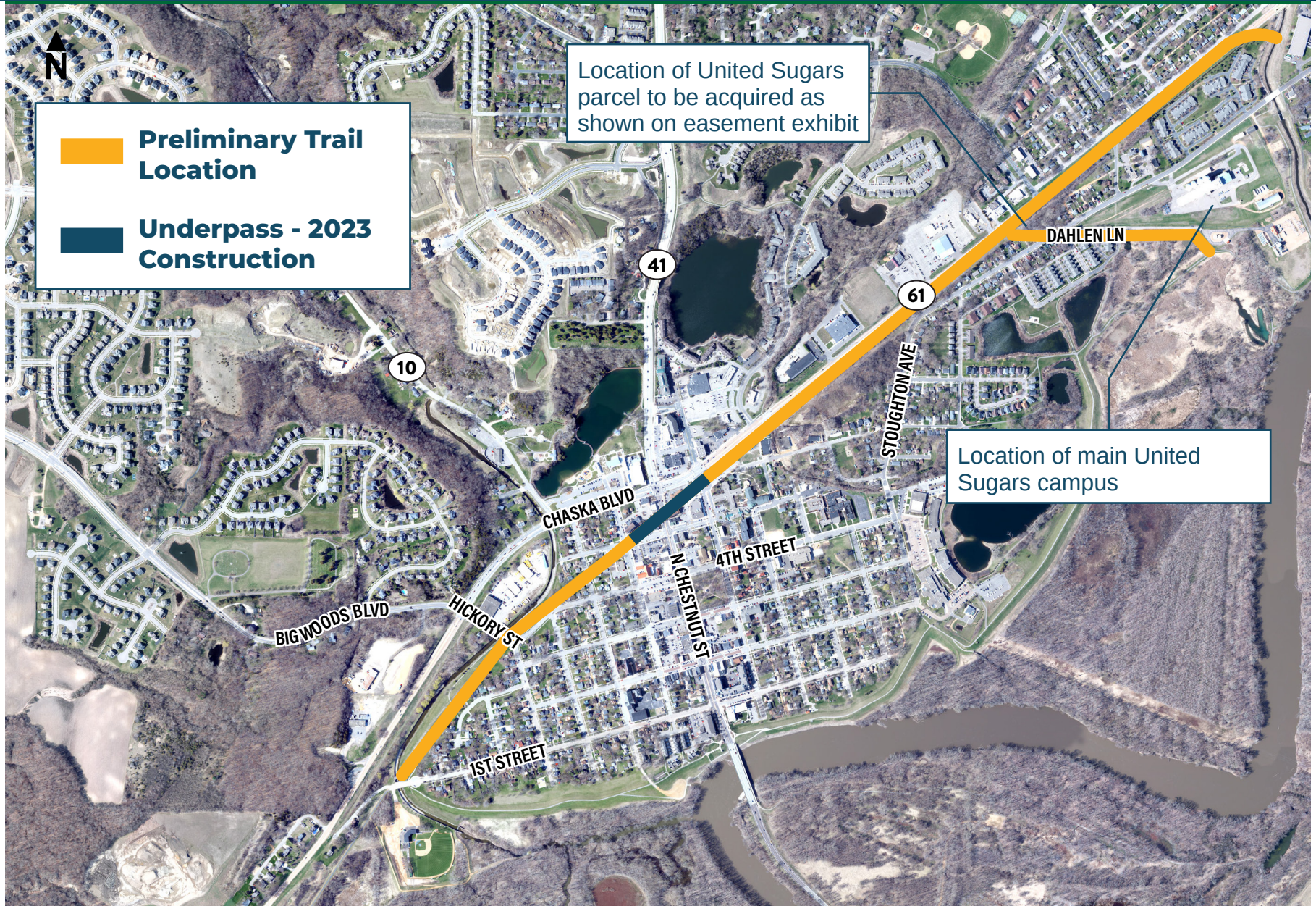


EXHIBIT B

That portion of Lot Four (4) of Stoughton's Addition to Chaska, Carver County, Minnesota, described as follows:

Commencing at the Northeast corner of Lot 4, running thence Westerly along the North line of said Lot 65 feet; thence in an Easterly direction to a point on the East line of said Lot 4, which point is Southerly 20 feet from the place of beginning, thence Northerly on said East line of said Lot 4, 20 feet to the place of beginning, according to the plat thereof on file and of record in the office of the Register of Deed in and for Carver County, Minnesota;

AND

All of Lots Five (5) and Six (6) of Stoughton's Addition to Chaska, Carver County, Minnesota, less that part of said Lots 5 and 6 lying South of the Minneapolis and St. Louis Railroad Company right-of-way for its lead track to the factory of American Crystal Sugar Company;

AND

Lot Seven (7) of Stoughton's Addition to Chaska, Carver County, Minnesota, less the West 12 feet of that part of Lot 7 of Stoughton's Addition to the City of Chaska lying South of the Minneapolis and St. Louis Railroad Company right-of-way for its lead track to the factory of American Crystal Sugar Company;

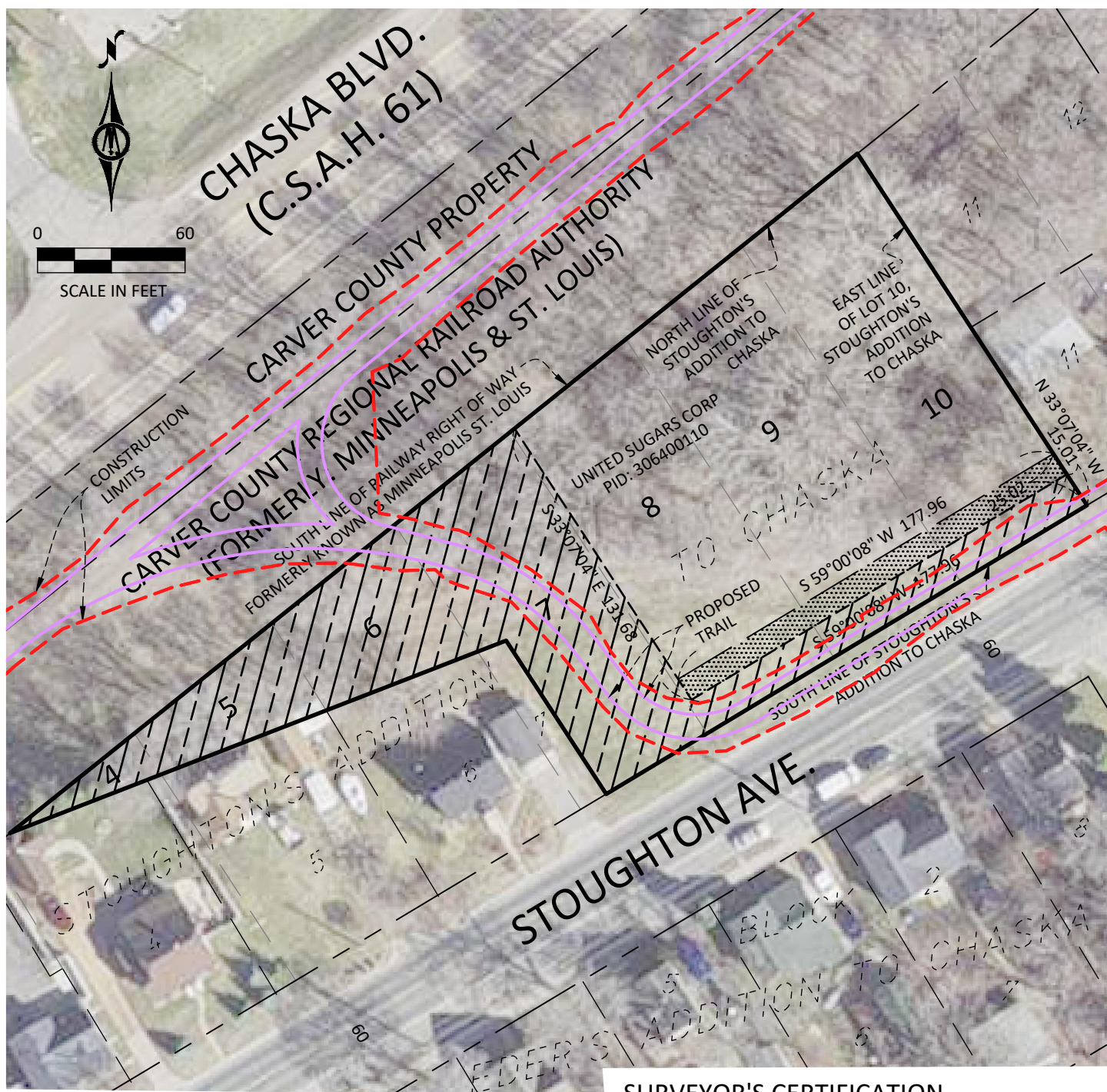
AND

Those parts of Lots Eight (8), Nine (9) and Ten (10) of Stoughton's Addition to Chaska, Carver County, Minnesota shown in Exhibit C.

EXHIBIT C

H:\CHKA\074130153\CAD\C3D\130153 V ESMT N3 UNITED SUGARS CORP.dwg 6/28/2023 2:50 PM

PARCEL 3



PROPOSED AQUISICTION
(16,756 SQ. FT.)

4



PROPOSED TEMPORARY
CONSTRUCTION EASEMENT
(1,780 SQ. FT.)

3

SURVEYOR'S CERTIFICATION

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Timothy L. Sorenson

Timothy L. Sorenson
License Number 48087

06/28/2023
Date

©Bolton & Menk, Inc. 2023, All Rights Reserved

PROPERTY EXHIBIT CHASKA, MN 55318



**BOLTON
& MENK**

2638 SHADOW LANE, SUITE 200
CHASKA, MINNESOTA 55318
(952) 448-8838

PART OF:
LOTS 4, 5, 6, 7, 8, 9, 10
STOUGHTON'S ADDITION TO CHASKA
CARVER COUNTY, MN
FOR: CITY OF CHASKA



City of Chaska

JOB NUMBER: 0T4.130153

FIELD BOOK:

DRAWN BY: ARK

**REQUEST FOR ACTION
CHASKA CITY COUNCIL
12/04/2023**

Subject: Bond Sale Reimbursement

**Prepared By: Matt Burt, Accounting Supervisor
Noel Graczyk, Administrative Services Director**

The City anticipates issuing bonded debt in the future to finance the purchase agreement with Club West Partners, LLC for stormwater right of way property. Prior to issuance of any such bonded debt the City must first comply with IRS regulations regarding reimbursement requirements.

In accordance with IRS regulations, the City must declare its intent to reimburse itself prior to payment of any project expenditures. Projects as listed in the proposed reimbursement resolution will incur costs that may be reimbursed from future bond sales and thus must be declared by the City for possible future reimbursement.

The enclosed proposed resolution establishes compliance with IRS reimbursement regulations for the items as listed in Attachment A to the resolution.

Staff recommends adoption of the resolution.

CITY COUNCIL ACTION REQUESTED

Motion to adopt Resolution 2023-93 relating to financing certain proposed projects and establishing compliance with reimbursement bond regulations under the Internal Revenue Code.

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

RESOLUTION

DATE December 4, 2023 RESOLUTION NO. 2023-93

MOTION BY COUNCILMEMBER _____ SECOND BY COUNCILMEMBER _____

**RESOLUTION RELATING TO FINANCING OF CERTAIN PROPOSED PROJECTS; AND,
ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS
UNDER THE INTERNAL REVENUE CODE**

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

1. Recitals.

(a) The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid, or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

(b.) The City desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified.

2. Official Intent Declaration.

(a) The City proposes to undertake certain projects, which projects and the estimated costs thereof are generally described in Exhibit A hereto, which is hereby incorporated herein and made a part hereof (the "Projects").

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds (as hereinafter defined), (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Projects have been paid by the City before the sixty (60) days before the date of adoption of this resolution.

(c) The City reasonably expects to reimburse the expenditures made for costs of the Projects out of the proceeds of debt in an estimated maximum aggregate principal amount of \$248,000 (the "Bonds") after the date of payment of all or a portion of the costs of the Projects. All reimbursed

expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

3. Budgetary Matters. As of the date hereof, there are no City funds reserved, allocated on a long-term basis, or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside) to provide permanent financing for the expenditures related to the Projects, other than pursuant to the issuance of the Bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

4. Reimbursement Allocations. The City's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the Projects. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds or the Projects and shall specifically identify the actual original expenditure being reimbursed.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 4th day of December 2023.

Mark Windschitl, Mayor

Attest: _____
Denise Beebe, Deputy Clerk

EXHIBIT A

PROJECTS:	
Stormwater Right-of-Way Property Fund 532	\$248,000
Total All Projects	\$248,000

REQUEST FOR ACTION CHASKA CITY COUNCIL 12/04/2023

Subject: Truth in Taxation Public Hearing-2024 Tax Levy and Budget

Prepared By: Matthew Podhradsky, City Administrator

Truth in Taxation Process

Under the Truth in Taxation process, the City and other local taxing jurisdictions are required to hold a public hearing prior to adoption of its annual tax levy and General Fund budget. This process is intended to provide citizen input prior to final development of the budget document by staff, and to assure that these comments can be incorporated into staff's final budget recommendation if the Council wishes to change any part of the proposed budget. While this process was modified by the State Legislature in the 2009 session, reducing some of the requirements on cities for this process, the City of Chaska has chosen to follow the same process we have followed in the past to create consistency for our residents and businesses.

Presently Staff is working on preparation of the 2024 General Fund budget. While the Council will hear Staff recommendations for the General Fund budget and the 2024 tax levy at this meeting, as well as take any public comment on these recommendations, it should be noted that no formal action will be taken by the Council until the December 18th Council meeting when the final tax levy needs to be established. The purpose of this meeting is to take comments on the proposed tax levy and budget and for the Council to provide feedback so that the budget brought in front of the Council on December 18th meeting is reflective of the direction the Council wants to go for the 2024 year.

As we discussed over the past several months, much of what we are planning for in the 2024 General Fund budget and tax levy is a continuation of priorities that were either established during the 2023 budget process, or programs that were already in progress prior to last year's budget being adopted. These have included items such as the continued implementation of our Capital Asset Maintenance Program, finishing up the implementation of our Staffing Study recommendations, and continuing the 2nd of 4 years of implementation for funding of our Building Improvement Program.

The following report will go through not only looking at the current budget environment we are working with in developing the 2024 budget but will also look at the impacts on residents for the recommendations being made.

Budgeting Objectives

As always, we start the budget process by focusing on the objectives that have been discussed with Council for establishment of the 2024 budget. These objectives include:

- ***Support budgeting programs that help Chaska strengthen its mission of being "The Best Small Town in Minnesota"***

- ***Maintain existing high-quality service levels***
- ***Utilize our current Tax Levy Policy: Limit tax levy growth to capture only new growth in community and expenditure inflation. Only increase the levy beyond this point if new service levels/assets are being added***
- ***Fully fund maintenance and replacement of our vehicles, equipment, and physical assets on a regular schedule to ensure sustainability of investments already made***
- ***Fund new programs only after existing, necessary programs are funded***
- ***Budget utilizing a plan that avoids draw-down of the City's General Fund Reserves and builds these reserve levels to a targeted level***
- ***Fully fund the levy needs of the Street Reconstruction Program***
- ***Develop a budget plan that is sustainable from a resource perspective to support service levels that residents expect***

This last objective was added during the 2019 budget process and led to the completion of a Staffing Study identifying current gaps in our Staffing resource levels we will need to plan for as our community continues to grow. 2024 is planned to be the last year of implementing the gap recommendations identified in this Staffing Study analysis. During the 2021 budget process, we also added to our General Fund Reserves Objective by expanding it to include developing a plan to build up our General Fund Reserves balance to targeted levels that help us maintain or improve our current bond rating. As we saw during our Auditor's report this year, this has been an area that we have made great strides in over the past few years with our General Fund Reserves Balances continuing to increase as a percentage of our overall General Fund Budget.

Budget Environment for 2024

With the impacts of COVID largely behind us at this point, we have seen continued growth in our community at levels we have not seen before. With building permits revenue being at the highest levels we have ever seen in our community over the past three years, Chaska has seen a significant amount of growth in the community which has led to significant increases in market values in the community.

One significant change we saw in market values for taxes payable 2023 (current year) compared to what we will see for taxes payable 2024 (next year) is that residential values have stabilized more, with the percent market change in existing homes not seeing the large increase that was experienced last year. Because of the robust residential market between 2020-2022, residential valuations last year went up on average by over 20%. Following that major change last year, we are now seeing existing residential valuation increases be significantly lower than 2022, with there being much more growth in valuations in Commercial/Industrial and Apartments this year because of the larger demand we have seen for these types of uses in the community.

This Staff report will lay out the economic environment in which our decisions for the 2024 budget are being made, and the initiatives the Council has discussed continuing in 2024 to address our service needs and to meet the budgeting objectives we have set above.

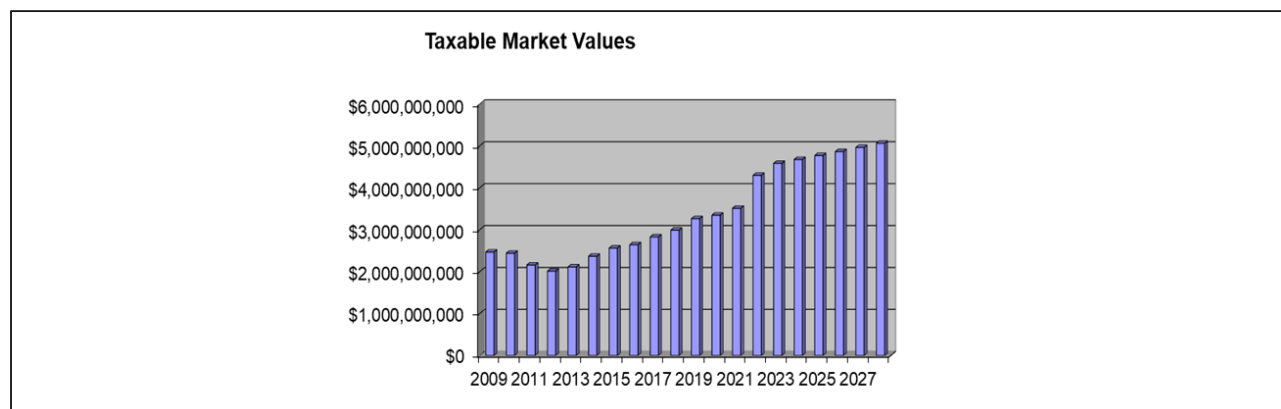
Market Values

As you will see in the chart below, the City of Chaska saw an 8.18% increase in market valuation for 2023. This will increase our net tax capacity by 5.4% for taxes payable 2024. This compares to a 22.35% increase in market values in 2022, which resulted in a 24.9% increase in net tax capacity for taxes payable 2023. As mentioned before, existing residential properties saw significantly less of an increase in market values in 2023 (taxes payable in 2024) than what they saw last year, with more valuation increases coming in the categories of Commercial/Industrial and Apartments because of an increase in demand in both categories over the past year.

City of Chaska 2023 Assessments					
	Residential	Commercial/Industrial	Apartment	Ag	Total
2023 EMV	\$3,500,587,900	\$695,005,100	\$310,560,500	\$78,361,900	\$4,584,515,400
2022 EMV	\$3,295,947,000	\$631,025,600	\$281,134,600	\$89,064,200	\$4,297,171,400
Total Value Change	\$204,640,900	\$63,979,500	\$29,425,900	-\$10,702,300	\$351,323,500
New Construction	\$113,946,200	\$24,029,200	\$1,377,300	\$0	\$139,352,700
Market Change	\$90,694,700	\$39,950,300	\$28,048,600	-\$10,702,300	\$211,970,800
% New Construction	3.46%	3.81%	0.49%	0.00%	3.24%
% Market Change	2.75%	6.33%	9.98%	-12.02%	4.93%
2023 Total % Change	6.21%	10.14%	10.47%	-12.02%	8.18%

As you will see in the chart above, 3.24% of the market value increase represents new construction growth, with 4.93% being growth of market values in existing properties. This is significantly different than we saw last year when the average existing residential properties saw over a 20% increase in their taxable market value.

Below is chart illustrating the past 19-year history of market values in the community and a projection of what we can expect for the next five years:



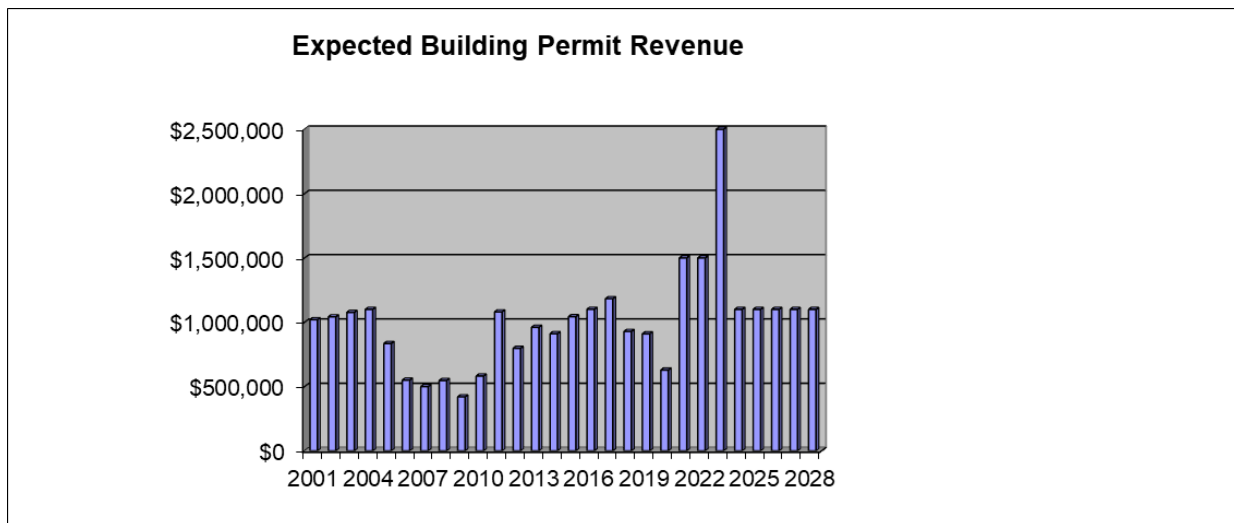
Building Permit Revenue

Another area of fluctuation we have seen over the past several years is in Building Permit revenue, making this a very difficult number to budget. Apart from the Great Recession years

of 2007-2010 where we saw a significant dip in the amount of revenue we generated through Building Permits, most years between 2001-2020 saw building permit revenues of over \$800,000, with many of these years being close to \$1 million.

In 2021, our building permit revenue ended up being over \$1.5 million. In 2022, we also saw a building permit number of over \$1.5 million. For 2023, while we budgeted for just over \$1 million, we expect building permits to come in at approximately \$2.8 million. Much of this increase in building permits this year has been associated with the three new apartment buildings, along with Costco and the addition to the 212 Medical Center. We have also seen steady building with our residential properties throughout the year.

While these building permit numbers have been very high the last three years, we need to be cautious on our revenue projections for Building Permits, as losing one expected large project can have a significant impact on achieving our budgeted revenues in any given year and leave us with a hole in our budget. While we expect to continue to see growth in our community over the next year with many vacant residential lots still available to build on, and a couple of commercial/industrial projects that have either made their way through the planning process this year or are considering moving forward in the near term, Staff feels that we need to be conservative in setting our building permit number for the 2024 budget as we do expect a slowdown in growth. Based on that, we are recommending setting it at a level of \$1.1 million. Below is a chart illustrating the building permit activity we expect to see:



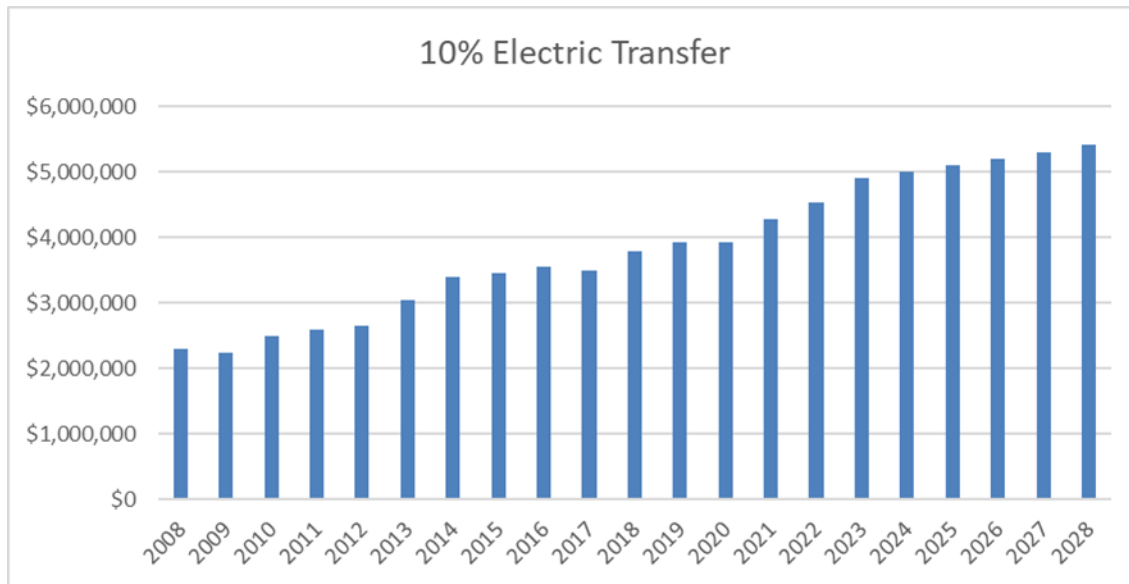
Electric Fund Transfer

Along with strong growth in our building permit activity, we have also seen a large increase in electric load in the community over the past decade. We have seen this with the opening of several data centers in the community, as well as with additions onto existing industrial buildings we continue to see. We have also started to see an impact from the increase in residential usage in the community.

Currently 10% of the City's sales revenue from the Electric Fund is established as a transfer that helps support General Fund activities. 5% of this number has been structured to be a right-of-way fee to the General Fund to support the Electric Fund's use of general city assets such as right of way, making it consistent with our other Franchise fees. The other 5% is a general

transfer of dollars from the Electric Fund to the General Fund to help support services. This 10% total transfer has been a part of Chaska's General Fund budget for over 40 years.

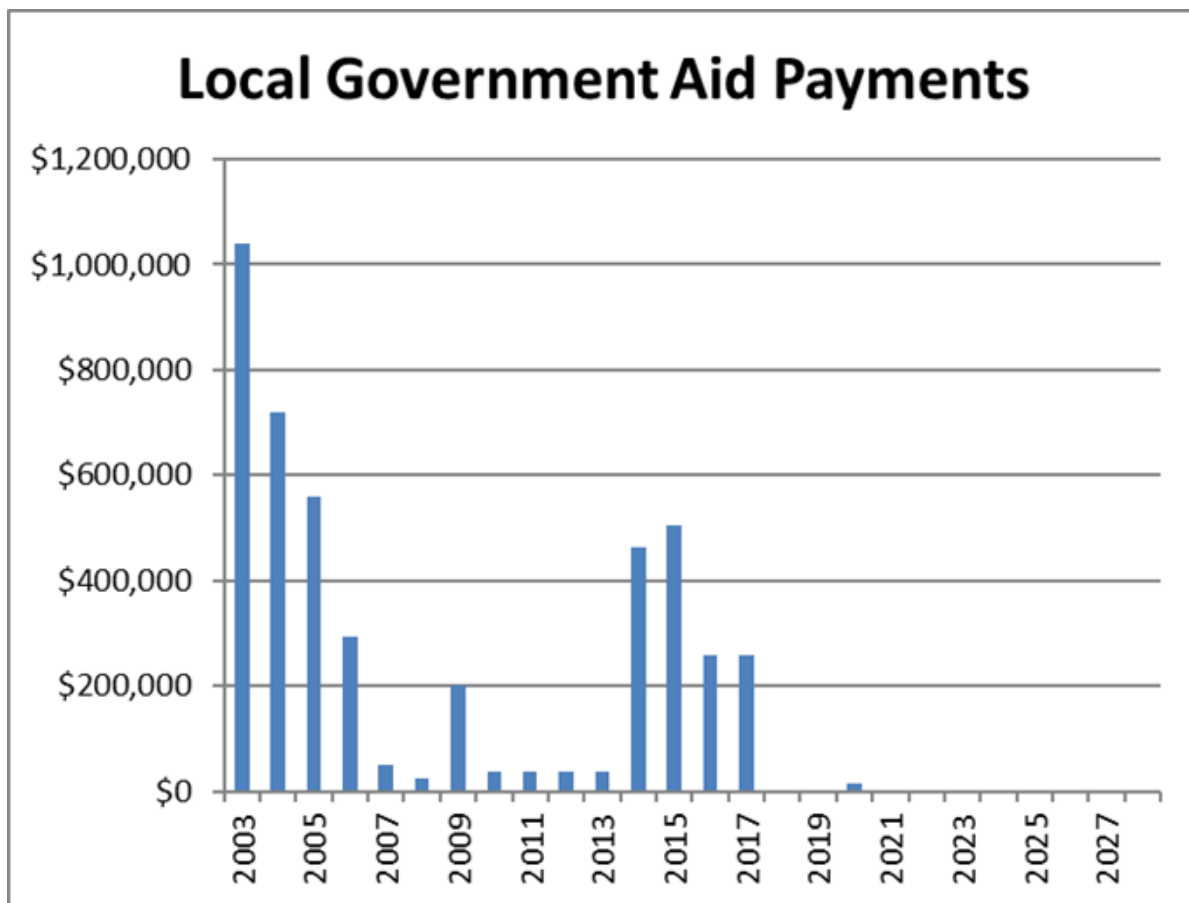
We are seeing this transfer continue to grow, as it is based on 10% of our overall sales within the Electric Department.



Local Government Aid

One area that we continue to discuss, and is important to understand from a context perspective, is the loss of Local Government Aid (LGA) that we have seen compared to where we were 20 years ago. As you can see in the chart on the next page, in 2003 we did receive just over \$1 million in LGA on an annual basis. That number dropped very quickly between 2003 and 2008, with there being some years in between that we saw some LGA get reestablished to the City. Since 2020 we have received no Local Government Aid.

One thing that is important to note is that when we saw the large drop of approximately \$1 million between 2003-2007, we did not levy to replace any of this lost aid. While we did see increasing market values during this same period, which did help mitigate some of this loss in LGA, this permanent loss in aid was never fully recouped through other revenue sources, which has continued to make this an issue that has affected us in our annual budgeting process ever since. Our need to address our identified Staffing gap was largely impacted by not having this LGA to work with. When we complete the Staffing Study implementation in 2024, we will have in essence recaptured this lost revenue from LGA and be able to fill the gaps that not having this LGA has had over the years in being staffed at the proper level.



While we still do not get any Local Government Aid allocated to us, there were two programs created in the past legislative session that all cities were positively impacted with. The first was the State providing all local governments with 1-time dollars to support Public Safety Needs (Police and Fire). Based on the passage of this aid, at the end of this current budget year (2023), we will have a one-time allocation of approximately \$1.2 million provided to us to use for eligible public safety needs. We are not required to use all these dollars within the 2024 budget year, and we are limited on what things we can use these dollars to purchase. As part of the 2024 budget, we are planning to utilize \$396,000 of these Aid dollars, with \$350,000 going towards expediting hires in both Police and Fire that were already planned for in 2024. Expediting these planned hires will allow us the ability to free up time for individuals from both the Police and Fire Departments to dedicate themselves to managing the day-to-day decisions that will be needed in the construction of our new Public Safety facility. The other \$46,000 will be utilized for the purchase of 2 Search and Rescue Drones (along with corresponding training and software costs). This is a tool that we have the need for on a frequent basis, and now must call on other communities to help us provide. As we grow, we will have more needs for the services a drone can provide for our Public Safety departments.

The second form of State Aid that was created comes from a special sales tax the State of Minnesota created is to address transportation/transit needs in the Metro Area, and at the same time provide dollars to support the development and preservation of affordable housing within Metro Area communities. In 2024, we are expecting an allocation of approximately \$260,000,

with this going up to around \$375,000 in 2025 (and beyond). In 2024, we plan to use these dollars both to complete an affordable housing study for our community to inventory what we have and strategies for how we can preserve or create more affordable housing units. We would also expect to be utilizing some of these dollars towards partnering with the CDA to create opportunities for more Community Land Trust homes in Chaska.

Discussion Items for 2024 Budget

In the several work sessions we held to discuss the 2024 budget, one thing we talked extensively about is that the major priorities we had in 2023 are not proposed to change in 2024. The focus on the 2024 year would be to continue moving forward with the implementation of the priorities we established last year, as most were either priorities that still needed to be finished or were ones that would take multiple years to complete. Below are the priorities identified for the 2024 budget year:

1. Continued utilization of our tax levy policy
2. Continued implementation of our CAMP program
3. Finish implementation of our Staffing Study Plan, with 2024 being the final year to complete implementation
4. Continue implementation of our 4-year funding plan for our Building Improvement Program to address the deficiencies in our General Fund facilities, with 2024 being the second of four years to ramp up funding necessary to support this program.

I will spend some time discussing each of these separately.

1. Establishing tax levy based on policy:

For three decades, the City of Chaska had a policy in place for the establishment of the annual tax levy for the City. This policy stated that the City's objective was to have a constant tax rate, and that the levy would increase annually based on the increase in tax capacity in the community over the past year. For instance, if the tax capacity (which is based on market values) increased by 5% in any given year, the levy would be recommended to be increased by 5%, which would keep our tax rate the same. Theoretically, if a resident's property stayed the same in value from one year to the next, the taxes on their property would not increase. They would only increase if there was an increase in valuation.

In 2015, the Council officially changed that policy to have our levy increase reflect the actual items that have a direct impact on the cost of services we provide: new growth, inflation, and the addition of any new programs to our budget.

Based on that policy, for 2024, the percentage of new growth in the community is 3.24%, with a growth in inflation of 5.16% over the past 12 months. This would say that our operational levy should increase by just over 8% to accommodate the increase in service costs for our existing services, assuming we saw no change in service level. The only other increase would come from any additional services/new items being introduced in the Budget for the upcoming year.

Increasing the levy by 8.40% would allow us to generate enough resources to fund our existing services in the community but would not address the addition of any services, such as increases

needed to address the final year of our Staffing Study implementation and the implementation of our Building Improvement Plan. The tax impact for the median-valued home in the community (\$379,700) would be \$5.67 per month if we were to only address our baseline services in this upcoming tax year.

2. Continued implementation of our full Capital Asset Maintenance Program (CAMP)

Since 2012, we have discussed the importance of reinvesting back into the assets we have in the community if we are going to keep them in good condition.

In doing a study of our existing assets back in 2013, it was determined that in our General Governmental Services we were approximately \$1 million short annually in being able to properly fund the replacement of our assets such as parks, road, trails, etc. To address this, the Council decided that year to implement a program over a 4-year period, increasing revenues to the program (now referred to as the CAMP program) by \$250,000 each year until fully implemented. In 2017, we finished this 4-year ramp up of revenue, which has since allowed us to fund \$1 million annually towards our CAMP activities.

With the full \$1 million in CAMP fully incorporated into our baseline tax levy model (meaning that we can accomplish this without adding to the \$5.67 impact to a median-valued home described above), the following projects are what we would anticipate completing during the 2024 year.

- Steet Sealcoat/Overlay Program (Grimm Road, Schindler Crossing, Wellers Circle, Schoolmaster Drive, Maxwell Lane, Van Sloan (portions), Kessler Lane, Kessler Cout, Ryburg Street, Ryburg Circle and Schoolmaster Circle): \$500,000
- Lion's Park Playground Replacement: \$225,000
- Bavaria Road/Innsbruck Drive Retaining Wall Replacement: \$215,000
- Addition of Pickle Ball Courts to Lions Park: \$150,000 (with \$75,000 planning to come from the Park Development Fund)
- Trail Resurfacing (3 miles): \$60,000

As you can see from the lists above, the CAMP program is really aiming to properly take care of the assets we have already invested into. This existing infrastructure is critical to take care of so we make sure that we don't spend more money in the future replacing things that could have been preserved if properly maintained.

3. Staffing Study Implementation (Last year of implementation)

As Council is aware, one of the new programs that was added in 2020 was the implementation of filling the identified gap in our Staffing levels over a 4-year period. As a result of our Council/Department Head retreat in 2017, and identifying that there was a feeling that our staffing resource levels were not adequate to sustain our current service levels/expectations going into the future, the city did hire Baker Tilly (the City's municipal advisor) to complete a Staffing Study on our organization. The objective of the study was to look at two things:

- Identify any gap we have in our current staffing resource levels
- Identify what we will have to plan for over the next 20 years as we move to full development

The results of this staffing study found that we were 15.8 employees short in our entire organization to be able to be staffed properly to provide our current service levels. The study also identified that after this gap is filled, we would need to plan for an additional 57.2 employees over the next 20 years to be staffed at the appropriate levels to continue to provide our current service levels in a sustainable way. While this future number is large, it is important to realize that we will grow by almost 10,000 additional residents as well as businesses over the next 20 years which will bring with it new revenue growth to help support these Staff resources.

The greatest and most immediate concern identified from the results of this staffing study is the current gap we have in employees to be able to properly provide the service levels we currently provide to our residents and businesses. While the gap analysis found that our largest gap exists in building maintenance, where we had no employees solely dedicated to this task, there were other gaps identified throughout the organization. Specifically, the analysis found a shortfall in the following areas:

- Administration: 1 dedicated Economic Development Coordinator and 1 additional HR Generalist
- Administrative Services: 1 additional Payroll Support Specialist
- Community Development: 1 Additional Planner
- Engineering: Assistant City Engineer
- Public Works: 5 Dedicated Building Maintenance Personnel (1 Foreman, 1 lead and 3 maintenance workers), 1 Storm Water Maintenance Worker, 1 Street Maintenance Worker and 1 Park Maintenance Worker
- Water/Sewer: 2 Additional Water/Sewer Maintenance Workers

As Council may remember, as a part of our budget discussions in 2020, it was decided to start addressing this gap by developing a 4-year plan to both fill these positions and allocate resources towards building maintenance activities, which we also had not dedicated dollars to in the past. We identified a \$1.5 million gap in being able to meet these staffing needs, plus an additional \$500,000 to help meet our underfunded building maintenance needs. To fill this gap, it required an increase of \$375,000 to our tax levy each of the next 4 years in addition to \$125,000 coming from our Enterprise Funds to help support these activities. With approval of this plan in the 2020 budget, we did focus on filling our building maintenance needs first, which included hiring 3 of the 5 identified Building Maintenance positions, with us then focusing on filling our HR Generalist position. Because of revenue shortfalls identified mid-year in 2020 due to COVID, we did have to put a hold on hiring the HR Generalist position but were able to fill our 3 Building Maintenance positions along with putting our first \$125,000 towards building maintenance activities.

As the Council is aware, although we had planned to move forward with implementation of the 2nd year of the plan in 2021, Council did decide to put this on hold because of the uncertainties of the economy due to COVID. As we moved into 2022, Council did decide to move forward with reinstituting the implementation of the Staffing Study plan, with the goal of trying to finish the implementation of this gap plan by the end of 2024.

In addition to moving forward with the 2nd year of the plan in 2022, the Council did also look at the deficiencies that were determined to exist in the Police and Fire Services. While the fire

services were able to be addressed through normal growth in the community, it was determined that there was a current gap of 3 police officers to properly staff us for our current population and service levels. Based on that discussion, it was decided by the Council to add 1 additional police officer to our Staffing Study implementation over each of the remaining 3 years, bringing to total tax levy need to fund this program to \$487,000 per year when we included these three new positions.

For the 2024 Budget year, we have included the \$487,000 to implement the 4th and final year of the plan. If we were to move forward with implementing this fourth year, the following positions would be added to our Staffing levels over the next year:

2024 Planned Positions

- Payroll Support Specialist
- Storm Water Maintenance Worker
- Street Maintenance Worker
- Water/Sewer Maintenance Worker
- Patrol Officer (#30)

It should be noted that under the Staffing Study Implementation plan that there is also \$125,000 of additional dollars that come from the Enterprise Funds to support not only the positions that are being added in these Enterprise Funds, but also to help fund the building maintenance activities that impact each of our departments including those outside of the General Fund.

If we were to look at the total tax impact for just the Staffing Program, we would find that this program would add an impact of \$3.33 per month to the median valued home in the community.

It should be noted that beyond the positions needed to implement our Staffing Gap plan, we do have additional positions that are being added to the budget being supported by our normal, baseline tax growth. These are the positions that are needed to make sure that we keep up with growth and increased service needs as our community continues to grow:

- Police CSO Intern Position: \$26,400 total cost
 - This is one that helps with creating an internal pipeline of potential officer candidates as we move into the future and the challenge of getting good officer candidates continues to be difficult
- Fire-Chief #4 of Operations: \$160,000 (including benefits, pension, etc.)
 - We currently have one person functioning as both the Training and Operations Chief positions. This is not sustainable going into the future with the increasing call loads and training requirements
- Part-Time Election Staffing for 2024 Election-\$13,000
 - This is something that we need to add to the budget every two years when we hold an election

- Part Time Lodge Programmer moved to Full Time-\$38,000
 - We have seen an increased demand for AOA programming. Most of this additional cost will be offset by addition revenue generated through these programs.

4. Building Improvement Program

A good deal of our budget discussions over the past two years has been in implementing our Building Improvement Program to help address the lack of space and conditions of our General Fund buildings across the community, including:

- Public Safety (Police and Fire)
- Municipal Services Building (Public Works, Water/Sewer, Electric, Storm Water, Mechanics)
- New Library
- City Hall

As we have discussed, except for the Fire Station (which is 28 years old), all these facilities are over 30-years old, with little reinvestment put into these buildings over this time. These buildings have also not increased in size to accommodate new employees added as the community has grown, which has also not given us the space needed to add new equipment.

To address this issue, the City hired architects at Leo A Daly and the construction management firm of RJM Construction to complete the following tasks:

- Identify the square footage needs of every General Fund Department
- Develop a Concept Plan to address each of the department's needs
- Develop conceptual pricing to accomplish implementing these building recommendations

The findings of this study were presented to the Council in 2022 as this plan was being considered, along with recommendations for how to fund these facility needs. The total estimated costs to address the needs of each of these facilities was \$121.5 million, which would create an annual debt service need of a little over \$6.86 million per year, with \$4.5 million attributed to General Fund costs, and \$2.36 million attributed to costs of our Enterprise Funds (i.e., Electric, Water/Sewer, Storm).

As we have discussed during this process, one of the things that makes this issue difficult to address is both the fact that the original facilities were funded using 1-time dollars, and our tax levy has historically been very low, giving us few resources to reinvest back into these facilities as the needs have arisen. This means that to address this issue, we have needed to look at creating new resources unless we are willing to cut back on our existing services levels, which have also been traditionally leanly funded.

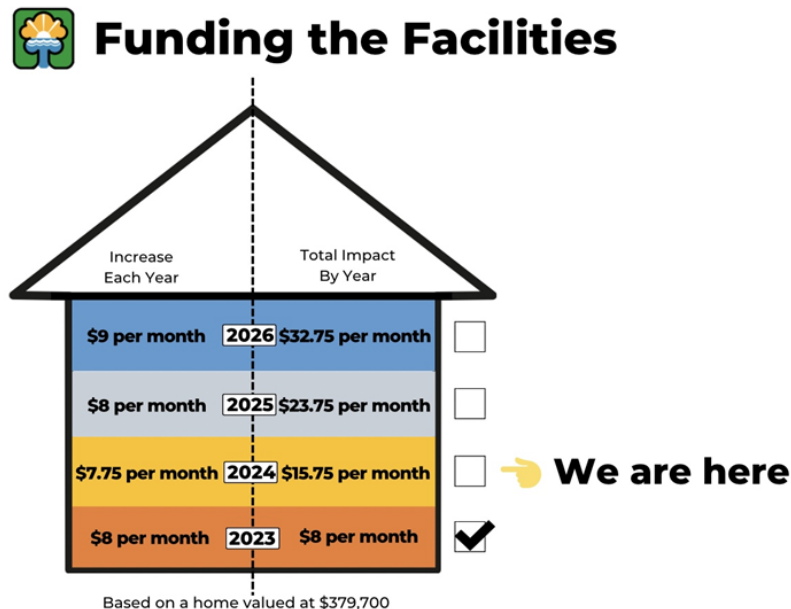
To address the funding of this program, but to not see the entire impact come all at once, Council did move forward in 2023 to fund this program over a 4-year period, with the tax levy needing to increase by \$1.125 million for each of the four years of the program. Increasing this over a 4-year period not only helps spread this increase over time, but also matches up with the pace at which we could even implement improvements in the plan, as we would only have the capacity to take on one facility every other year.

With the Council moving forward with the first year of funding the plan in 2023, Staff did move forward with the design work needed to allow for the construction of the Public Safety Facility in 2024, with a completion date in the fall of 2025. Continuing the pace of implementing the funding for this Building Improvement Plan over a period that we think is achievable, the following would be the anticipated schedule for start of construction in each of the other facilities:

- MSB-2026 (Complete in fall of 2027)
- Library-2028 (Complete in fall of 2029)
- City Hall Remodeling: Start and complete in 2030

If the Council moves forward with implementing the second year of funding for the program, not only would we be able to move forward with the construction of the Public Safety Facility (a portion of the second year of funding is needed to support that project), but we would also move forward with starting the design work on the Municipal Services Building.

As the Council is aware, we did a significant amount of public outreach last summer to educate our residents not only about the need for the program, but what impact they could expect on taxes if we were to move forward with this plan. The plan we shared last summer started with an \$8 monthly impact to the median-valued home in 2023. As we move forward into 2024, we can see that the additional impact for just this program would be \$7.75 per month on the median valued home in the community. We would expect it to have an impact of \$8 per month in 2025 and \$9 per month in 2026, bringing the ultimate total impact of this program to \$32.75 per month on a median valued home, or an additional \$393 per year. It is important to remember that this is the impact on the Median Valued home in the community. The impact could go up or down based on the actual value of a resident's home.



Other Budget Items of Note:

Besides the major initiatives above, it is important to note a few items that are included in this year's budget to keep up with our service level needs and are included in the baseline tax levy increase described above (#1):

- Additional Dump Truck/Snowplow for additional miles of road added: \$290,000
- 1 Cargo Van for expanded Building Maintenance Department: \$42,000
- Fiber Extension from Chaska Town Course to Hundertmark Town to create Loop: \$75,000
- Complete work on Implementation of Recommendations of Planning and Zoning Audit: \$65,000 (this will be supported through Grant from Met Council)
- Implementation of Lexipol Policy Manual Updating and Maintenance in Fire Department: \$5,700 (match system in Police Department)
- Join SWAT Consortium with other surrounding jurisdictions: \$20,000
- Additional equipment for Downtown Snow Removal Equipment to support new Streetscape: \$37,000

All these items are included in the budget with no additional tax levy impact. I point these out as they are larger new expenditures we need to address for our growing service level demand because of growth.

Below is the proposed Revenues and Expenditures for the 2024 General Fund Budget

General Fund Revenues

	2022	2023	2024		
	Actual	Budget	Budget	Increase	%Increase
Property Tax	\$8,467,504	\$10,590,388	\$13,358,797	\$2,768,409	26.1%
Elec/GasFranchise Fees	4,742,904	5,361,000	5,264,000	(\$97,000)	-1.8%
Other Franchise Fees	307,061	305,000	314,150	\$9,150	3.0%
License and Permits	2,041,733	1,035,098	1,135,098	\$100,000	9.7%
Other Revenues	3,316,994	2,841,703	3,683,728	\$842,025	29.6%
Admin Charges to Funds	4,495,266	4,803,300	5,093,000	\$289,700	6.0%
Total Revenue	<u>\$23,371,462</u>	<u>\$24,936,489</u>	<u>\$28,848,773</u>	<u>\$3,912,284</u>	<u>15.7%</u>

General Fund Expenditure

Department	2022	2023	2024	Increase	%Increase	Notes
	Actual	Budget	Budget			
Council	\$168,882	\$191,078	\$199,486	\$8,408	4.40%	
Communication	\$48,732	\$155,139	\$354,330	\$199,191	128.40%	Moved Comm. Coord and Comm. Eng. Coord here from Admin
Administration	\$944,729	\$1,122,615	\$1,049,096	-\$73,519	-6.55%	
Human Resources	\$451,973	\$462,885	\$492,336	\$29,451	6.36%	
Elections	\$38,890	\$13,906	\$40,783	\$26,877	193.28%	2024 is an election year-additional expenses for this
Admin Serv-Finance	\$1,795,943	\$1,860,432	\$2,022,258	\$161,826	8.70%	Addition of Payroll Specialist-Staffing Program
Admin Serv-IS	\$1,273,463	\$1,282,276	\$1,318,518	\$36,242	2.83%	
Legal	\$248,097	\$120,000	\$140,000	\$20,000	16.67%	
Community Dev.	\$563,119	\$417,903	\$590,700	\$172,797	41.35%	Full wage for Planner and Zoning Study Implement from grant
Engineering	\$576,263	\$635,955	\$657,531	\$21,576	3.39%	
City Hall Bldg	\$219,034	\$216,612	\$235,505	\$18,893	8.72%	
Building Maint Div	\$619,849	\$761,846	\$967,283	\$205,437	26.97%	Final add of dollars for maint buildings from Staffing Program
Police	\$6,030,828	\$6,176,456	\$6,791,993	\$615,537	9.97%	Addition of Patrol Officer #30 as part of Staffing Program
Fire	\$2,328,090	\$2,550,484	\$2,929,751	\$379,267	14.87%	Addition of Fire Chief #4-Operations Chief-Growth Position
Building Inspection	\$929,197	\$821,511	\$1,030,044	\$208,533	25.38%	Built in Full Wage of Inspector funded through grant last year
Public Works Admin	\$403,409	\$424,883	\$459,911	\$35,028	8.24%	
Streets	\$1,915,641	\$1,935,240	\$2,056,646	\$121,406	6.27%	Addition of Street Maintenance Worker-Staffing Program
Snow Removal	\$341,014	\$284,555	\$322,861	\$38,306	13.46%	Addition of Street Maintenance Worker-Staffing Program
MSB Building	\$213,000	\$211,196	\$261,792	\$50,596	23.96%	Addition of Fleet Maint. Software and Building Repairs
Park Maintenance	\$1,471,379	\$1,281,432	\$1,506,325	\$224,893	17.55%	Seen increases in fertilizer, fuel and utilities for park shelters
ISD 112 Maint	\$28,252	\$37,940	\$38,199	\$259	0.68%	
Tree Control	\$53,671	\$64,968	\$85,293	\$20,325	31.28%	Increased efforts because of Emerald Ash Borer Disease
Parks Admin	\$895,047	\$722,923	\$771,513	\$48,590	6.72%	
Parks Youth	\$221,955	\$345,156	\$383,820	\$38,664	11.20%	Shifting of true Park and Rec. dollars from CCC to General Fund
Park Senior	\$195,680	\$207,565	\$226,278	\$18,713	9.02%	Move Part-Time Senior Programmer to Full Time
Parks Adult	\$79,665	\$79,779	\$87,210	\$7,431	9.31%	Shifting of true Park and Rec. dollars from CCC to General Fund
Firemen's Park	\$104,309	\$123,425	\$122,053	-\$1,372	-1.11%	
Parks Skating Rink	\$7,900	\$12,481	\$12,612	\$131	1.05%	
Unallocated	\$614,025	\$2,414,997	\$3,694,646	\$1,279,649	52.99%	These are additional dollars for the Building Improve Program
Total	\$ 22,782,036	\$ 24,935,638	\$ 28,848,773	\$3,913,135	15.69%	

Impact of Proposed Maximum Tax Levy for 2024

As we do each year, the following is an illustration of the impact of taxes in our current year (2023) compared to what is being proposed in this Staff report recommendation for 2024:

Median Valued Home in Chaska:

-Median Value of Home in 2023: \$370,700

-Median Value Home in 2024: \$379,100

Actual Annual Taxes Paid on Example Home

-2023 Median Value Home City taxes in 2023: \$1,171

-2023 Median Value Home City taxes in 2024: \$1,372

Increase of \$16.75 per month or \$201 for the year

This increase of \$16.75 is made up of:

Inflation and New Growth (tax levy policy): \$5.67

CAMP: \$0

Staffing Study: \$3.33

Building Improvement Program: \$7.75

Comparison to Other Communities

Based on what was discussed above, the proposed total tax levy for 2024 would be \$17,744,598. This levy amount not only includes the General Fund Levy, but also includes the Equipment Acquisition Fund Levy, the EDA levy, and the Mt. Pleasant Cemetery Levy. We do also levy \$409,596 for a Tax Abatement Levy, but this is generated directly from the project that it is meant to support and does not impact what residents pay, just like tax increment financing.

Rank	City	2023 Levy	2024 Projected Levy	Population	Tax Levy Per Capita
1	Golden Valley	31,087,048	32,641,400	22,034	\$1,481
2	Oak Park Heights	6,337,260	6,654,123	4,776	\$1,393
3	Wayzata	5,879,345	6,173,312	4,437	\$1,391
4	Mendota Heights	11,947,424	12,544,795	11,658	\$1,076
5	Columbus	4,233,069	4,444,722	4,172	\$1,065
6	Minneapolis	442,754,385	464,892,105	436,934	\$1,064
7	Hopkins	18,766,224	19,704,535	18,608	\$1,059
8	Excelsior	2,331,074	2,447,628	2,335	\$1,048
9	Orono	8,387,000	8,806,350	8,447	\$1,043
10	St. Anthony Village	8,478,011	8,901,912	9,060	\$983

53	Prior Lake	16,863,956	17,707,154	27,855	\$ 636
54	Carver	3,851,980	4,044,579	6,371	\$ 635
55	Chaska	17,744,598	17,744,598	28,170	\$ 630
56	Lino Lakes	12,893,915	13,538,611	21,658	\$ 625
57	Maple Grove	41,203,200	43,263,360	71,230	\$ 607

76	Mounds View	\$6,479,782	\$6,803,771	12,965	\$	525
77	Arden Hills	\$4,718,680	\$4,954,614	9,682	\$	512
78	Vadnais Heights	\$6,461,264	\$6,784,327	13,270	\$	511
79	St. Paul Park	\$2,654,073	\$2,786,777	5,498	\$	507
80	Falcon Heights	\$2,474,298	\$2,598,013	5,379	\$	483
81	Anoka	\$8,295,505	\$8,710,280	18,127	\$	481
82	Lauderdale	\$1,010,172	\$1,060,681	2,221	\$	478
83	North Oaks	\$2,182,645	\$2,291,777	5,195	\$	441
84	White Bear Lake	\$9,955,000	\$10,452,750	24,689	\$	423

This chart above assumes that we implement what is being discussed in this Staff Report and assumes that each of the other cities would see a 5% increase in their levy. In hearing from other cities around the Metro Area, it does appear that many cities' numbers will be higher than a 5% increase meaning that where we fall on this chart could be better than what we are projecting. As you can see in the chart above, we would move to 55 lowest out of 84 Metro Cities (we were at 56th lowest last year).

Recommendation

Staff will be presenting the General Fund budget and going through each of the priorities being considered at the Council at the meeting on Monday night as part of our annual Truth in Taxation Public Hearing. At this meeting, it will be recommended that the Council consider establishing a total operating tax levy for 2024 of \$17,531,797 for the General Fund and other general governmental funds of the City supported by a tax levy. At the same time, it will also be recommended to consider establishing a tax levy of \$409,596 to support our City's Tax Abatement Projects, which will have no impact on what taxpayers would pay in 2024 as these resources come directly out of the projects they have supported. The EDA will also be recommended to consider a proposed \$212,801 levy for the EDA in 2024. All together these levies total \$18,154,194, which again would have a total impact on the median valued home of \$16.75 per month or \$201 for the year.

It should be noted, as in all years, that no decisions can be made at the meeting on Monday night. The purpose of the meeting is to meet our Statutory requirements for holding a Truth in Taxation Public hearing to be able to present to the public the budget that is being proposed, to answer any questions residents may have, and to take any comments from residents that can be considered in establishing the final tax levy and budget, which will occur on December 18th of this year. It should be noted that all taxpayers in the community received communication from the County as to what the impact of our decision would be on the home and that this public hearing was being held tonight.

Attached to this Staff Report, you will find a Draft of the Administrator's Budget Message for the General Fund for your review.

CITY COUNCIL ACTION REQUESTED

Motion to close the Truth in Taxation Public Hearing, and to establish December 18, 2023 as the date to consider the adoption of the 2024 budget and final tax levy.

City of Chaska ***2024 Budget*** ***DRAFT***



2024 Annual Budget

To the Citizens of Chaska, Honorable Mayor, and Chaska City Council:

Submitted for your review is the proposed 2024 Annual Budget for the City of Chaska, along with a review of major issues and opportunities relating to the City's general operations. The budget, as proposed, I believe meets the needs for continuing to provide excellent municipal services, while at the same time meeting the City's objectives that we have established during the budgeting process. As we did during the 2023 budget process, we have continued to spend the better part of this year talking to the public about our largest current challenge, which will be taking care of our existing City facilities and investing into improvements that will be needed to allow us to meet our service objectives moving into the future.

As you read this budget, you will find that beyond trying to maintain our current services at levels that our residents expect, this budget seeks to continue our efforts to keep our Capital Asset Maintenance Program (CAMP) fully funded as we move into the future so that we continue to reinvest back into the assets that are aging in our community such as trails, roads and parks. We also have put a high priority on making sure we are working towards keeping our General Fund Reserve balance at a sufficient level to be able to address requirements of our Bond Rating Agency to maintain our already high rating, and that special attention is put towards completing implementation of the recommendations of our Baker-Tilly Staffing Study. 2024 will be the fourth and final year of implementing this Staffing Plan that helped us identify staffing shortages we needed to fill to keep our residents' expected service levels sustainable as we continue to grow.

Finally, as we started in 2023, an emphasis was placed in this budget on implementing the plan to address our City Facility needs for buildings supporting our General Fund services in Chaska. This includes our Police and Fire Services, our Municipal Services Campus, Chaska Library, and our City Hall. All these facilities are over 30 years old, with very little change occurring in these facilities as our community has grown. Not only do these facilities have deferred maintenance projects that need to occur, but none of them are large enough to handle our current staffing or equipment levels in the City, let alone our future needs as we continue to grow. As will be described throughout this budget document, the 2024 budget will be the second of four years of revenue increases that will be needed to support the debt service of rehabilitating and expanding these facilities which will take the rest of this decade to complete. 2024 will also mark the first facility in our Building Improvement Program that we plan to move forward to construct, with our Public Safety campus slated to start in the Spring of 2024 and be completed in the Fall of 2025. This facility will house both our Police and Fire Departments on the property that currently holds our Fire Department.

The following document will go through these discussions in detail, as well as lay out the data to show what we expect to see over the course of 2024 to help our residents understand the decisions that are being made for the 2024 budget year.

2024 Budget Environment

As we go into 2024, we are seeing market values in the community stabilize to levels that are more typical for a growing community. For taxes payable 2023, we saw an increase in our community's overall market value of 22.35%, which was the largest single year increase we had seen in over two decades.

For taxes payable 2024, we are seeing an 8.18% increase in our community's taxable market value, with 3.24% driven by new construction and the other 4.93% being driven by changes in existing properties values. The strongest growth we have seen in the City has been in the category of Apartments, which saw a 10.47% overall increase in value, with most of that being in existing apartment buildings. This growth was caused by a strong demand for additional apartment units in the community as the vacancy rate was very low. This led to the construction of over 600 rental units in Chaska which we expect to start coming on-line over the next few months.

Commercial/Industrial properties also saw strong growth at 10.14%, with 6.33% of that being with existing Industrial buildings. It was this demand which led to the construction of two additional industrial buildings in our new Chaska Creek Industrial Park, and additions to buildings in our North Industrial Park.

Residential saw the smallest change in property values for 2024, with existing residential properties only seeing a 2.75% increase in market values. This small amount of change in existing residential properties was likely due to the large increase we saw in 2023 in market values, when we saw the taxable values of properties catch up to the large increase in sales values we were seeing in Chaska a couple of years ago.

Our tax capacity for 2024 is slated to grow at a slower rate of 5.4% compared to 24.9% in 2023. The tax capacity measures the amount of value that is taxable within a community.

As we have seen since 2021, building activity in Chaska was very strong during 2023. This building activity has included the addition of two apartment buildings in the Clover Ridge Neighborhood, the construction of an additional apartment building in the Hazeltine Plaza development, and the addition of rental townhomes on the former site of Oak Ridge Conference Center, totaling over 600 rental units in all. In addition to this, we saw strong Commercial/Industrial development with the construction of Costco, the 5th floor addition to the 212 Medical Center's main building, the addition of an industrial building on the former Chaska Building Center site, and the completion of a second industrial building in the Chaska Creek Industrial Park. We also saw the addition of a significant amount of new owner-occupied residential units in three separate development areas in Southwest

Chaska and in the westerly neighborhood addition to the Clover Ridge Neighborhood. As we finish out 2023, we expect that permits will exceed the 2021 and 2022 levels of \$1.5 million, reaching approximately \$2.8 million. For 2024, we are expecting to see some slowing in the market, with only two smaller industrial buildings currently approved. However, we do expect to continue to see a moderate pace of development for residential units. Because of that, we are budgeting for \$1.1 million in building permits.

As the 2024 budget was put together, there were several major budget environmental factors we needed to consider as it related to revenues, including:

- Market Values across the community increased by 8.18% compared to the 22.35% increase we saw in 2022. This will bring our overall property value in the community to \$4.58 billion, a little over \$351 million higher than last year. 3.24% of this change came from new construction, with the rest being increased values on existing properties. This 3.24% increase is slightly higher than the 2.17% increase in new construction we saw last year.
- Based on Legislative Changes made during the last session, while we will continue to see \$0 in Local Government Aid, we did receive a one-time allocation of \$1.22 million in Public Safety Aid to support Police and Fire services. We are not required to utilize these dollars all during the 2024 year, but the 2024 budget recommends formally allocating approximately \$400,000 of these dollars towards public safety expenses.
- Based on Legislative Changes during the last session, the State did create a Metro Sales Tax, with a portion of this sales tax coming back to each Metro Area City with the purpose of supporting the creation of more affordable housing stock. The allocation in 2024 for Chaska is estimated to be approximately \$258,000, with it going up to \$375,000 in 2025. These funds are anticipated to continue into the future.
- While building permits in Chaska have been over \$1.5 million in 2021 and 2022, and close to \$2.8 million in 2023, we do not expect to see as robust of growth in 2024, and therefore are setting our budget for permits to be at \$1.1 million for 2024.
- We are continuing to see an increase in population, with a steady increase in the number of residential units being built in the community, including 600 new rental units opening over the next 6 months. Based on this, we expect the population in Chaska to be just over 28,700 in 2024.
- Our Electric Revenue has continued to increase, as we have seen a significant amount of Economic Development activity occur in the last several years, including Data Center development, and additions to existing industrial businesses driving up this usage. This has had a positive impact on the Electric Right of Way Usage Fee coming back to our General Fund. We expect the amount coming back to the General Fund in 2024 to be approximately \$5 million.

Tax Levy Establishment Policy

This Budget Document will discuss the continued use of our tax levy establishment policy, which the Council adopted during our 2014 budgeting process. Our current policy focusses on what the actual driving factors are in setting our tax levy, including actual new growth in our population and inflationary factors, instead of focusing solely on keeping a constant tax rate, which was the past policy direction the City utilized.

In this respect we feel that any new increases in tax resources are directly tied to the increased costs we need to support the level of services we currently provide in the community. This policy also allows us to capture the resources of any new development in the community to make sure that all new homes and businesses are contributing their "fair share" to support our General Fund services. Capturing this new value has no impact on the taxes paid by existing residences, but instead helps make sure that we are capturing this new value to contribute to the overall service need increases in the community caused by new growth. This tax levy establishment policy goes on to say that we would only increase our tax levy above this amount if we were addressing new items in our budget, and that the levy would increase by the actual amount that is needed to support the direct cost of these new initiatives.

In this 2024 budget, the items that would be above and beyond our base-level tax levy establishment policy, which the Council has decided are critical to address in 2024 include:

- Implementing the fourth and final year of our Staffing Gap plan, which requires an additional \$487,000 in tax levy.
- Commit to the second of four years of ramping up revenues for our Building Improvement Program, which would add \$1.125 million of tax levy each of the 4 years of the program, along with \$590,500 of Utility Funds each of the next 4 years to support the ultimate \$6.8 million of estimated annual debt service necessary to implement this entire program.

As we will discuss later in this budget, utilizing our base tax levy policy, and addressing these additional items above would have an impact on the Median Value Home in the community (\$379,100) of \$16.75 per month, or \$201 over the course of the entire year.

Staff feels that this budget document continues to move forward in taking a more comprehensive look at not just our current operations, but also the future costs of properly maintaining our assets through our CAMP and Building Improvement Programs. This document also moves us in the direction of continuing to meet our Staffing needs throughout our General Fund services. We also think that it creates a logical nexus between how we set our tax levy and what actual changes we see in the community that cause us to increase the resources we need to meet our primary service objectives.

Budget Objectives

As with all our budgeting processes, the first place that we start with is by establishing the objectives we are trying to accomplish in setting our budget for the upcoming year. Below is the list of those objectives that were used in the establishing the proposed 2024 budget you see before you now:

- Support budgeting programs that help Chaska strengthen its mission of being “The Best Small Town in Minnesota”
- Maintain existing high-quality service levels
- Utilize our existing Levy Policy: Limit tax levy growth to capture only new real growth in community and inflation. Only increasing levy beyond this point if new service levels/assets are being added
- Fully fund maintenance and replacement of our vehicles, equipment, and physical assets on a regular schedule to ensure sustainability of investments already made
- Fund new programs only after existing, necessary programs are funded
- Budget utilizing a plan that avoids draw-down of City’s General Fund Reserves and builds these reserve levels to a targeted level
- Fully fund levy needs of Street Reconstruction Program
- Develop a budget plan that is sustainable from a resource perspective to support service levels that residents expect

The newest objective on this list is the last one, added during the 2019 budget process, in which we discussed the importance of resourcing our organization to a level that can sustain the service levels our residents have come to expect. Over the past five years, the City Council has discussed some of the biggest financial challenges the City will face over the next several years, with one of our biggest challenges being able to keep our service levels constant if we do not put sustainable levels of resources in to support them.

In the past, the City of Chaska has been very lean when it has come to resources used to support the high level of services we provide in the community. As the community grows, and assets such as our facilities get older, these levels of resources will not be sustainable to keep our service levels constant. This is especially true when it comes to the Staffing levels throughout the organization, and the dollars allocated towards maintaining our aging facilities. Continuing to address our Staffing needs through finishing the implementation of our Staffing Gap plan, and continuing to fund our Building Improvement Program, will allow us to be able to meet the service level expectations of our residents as we go into the future. Putting these resources in place now will also help us 25-30 years down the road when our City facilities will once again need additional major reinvestment. It will make sure we have an existing funding source available to support these improvements.

As mentioned previously, instituting each of the above-described initiatives in 2024 would require an additional tax levy of \$487,000 for the Staffing Program, and an additional

\$1.125 million in tax levy to support the Building Improvement Program. On the Median-Valued Home in Chaska (\$379,100) the tax impact would be \$16.75 per month in additional costs, or \$201 over the course of the entire year. This would require a levy increase of 19.3%. Given that we are seeing a 5.4% increase in our tax capacity for 2024, we would see an approximate 14.6% increase in our tax rate. Assuming a 5% increase in tax levies from all other communities in the Twin Cities (we have actually seen most cities above a 5% increase), we would be 55th lowest out of 84 cities in the Twin Cities Metro Area.

MAJOR INITIATIVES OVER PAST DECADE

During the recession period from 2008-2013, to navigate the financial impacts to our revenue collection that supported our budgeted activities, the City deferred many planned expenditures as a strategy to balance the budget. This was needed and allowed us not to increase the tax levy for four years during this recession period.

When the economy improved after 2013, the City was able to put more emphasis into the projects that we had to defer, which revolved around the reinvestment back into our existing infrastructure and assets, as well as making sure that we were staffing at a level that could sustain the level of services residents have come to expect in our community.

CAMP Program

This renewed emphasis on reinvestment back into our existing infrastructure was first demonstrated through the establishment of our Capital Asset Maintenance Program (CAMP). The CAMP focused on how to properly maintain the assets in which we have already invested and have a responsibility to keep in good condition moving into the future. In 2014 we started investment in this program, with a four-year plan for how to fully fund these needs. This four-year plan increased revenue in the General Fund to support a \$1 million gap, with the final \$250,000 of this being incorporated into the 2017 budget. With this program fully funded, we have been able to move forward in making the proper reinvestment back into our existing General Fund Assets, such as roads, trails, and parks. The budget for 2024 continues with full investment into the CAMP to keep up with these reinvestment needs.

Staffing Gap Program

During the 2020 budget, we did turn our attention to addressing the gaps we had identified in our staffing levels across the City in past years, and what we felt was needed to sustainably meet our service level expectations in the future. Following direction from the City Council in the 2017 Council/Department Head Retreat, focus was put on having our Financial Advisors at Baker Tilly complete a Staffing Study looking not only at what staff we need to plan for going into the future to keep up with our service level demands as our community grows, but also on any gaps we currently have in being able to sustainably meet our service level expectations in the current environment.

Based on this study, we were able to determine that we were 16 employees short in being able to meet our current service level needs, but that once we filled this gap, we could expect that we will need an additional 57 employees City-wide to meet our staffing needs when our community is fully developed in the next 20 years.

To work on filling our existing gap, we divided the implementation of this plan over a four-year period to spread the costs over multiple years so as not to have all the financial impact in one budget year. We were able to start this Staffing program in 2020, needing to take a break in 2021 because of COVID challenges. However, in 2022, we did re-establish this program, implementing the second of the four years recommended for full implementation, along with addressing public safety gaps (shortage of 3 Police Officers) that were not identified in the original study. These three Police Officers were spread into each of the remaining three years of the Staffing program implementation, with one new position being added each year. In addition to funding the positions through this program, \$500,000 was also added to the program to help fund the on-going maintenance of our City facilities as positions being added in this program included Building Maintenance Staff. Up until this point, Chaska had not had any dedicated Building Maintenance personnel on Staff, which was a real challenge with having aging facilities.

The budget for 2024 has us funding the fourth and final year of this program, with the program being supported by \$487,000 in additional tax levy and \$125,000 coming from the Enterprise Funds to support not only the final slate of new Staff identified in this program, but also the final addition of dollars to help support on-going maintenance of our City facilities through our new Building Maintenance Staff.

Building Improvement Program

In 2023, a new program was added to address necessary building improvements in our General Fund facilities. As we have been discussing over the last two years both internally and through educational events for the public, there is a significant need to reinvest in our General Fund facilities that are all over 30 years old, are in poor condition, and are not sized or designed properly to serve our growing community and the changes in services we have had to make to properly serve our residents.

When doing our initial study to explore our current needs, it was identified that the following four buildings need reinvestment and expansion, without the necessary resources being currently available to address these needs. The four General Fund facilities discussed, in order of their priority, include:

- Public Safety (Police and Fire)
- Municipal Services Building (Public Works, Water/Sewer, Storm Water, Electric)
- Chaska Library
- Chaska City Hall

Later in this document I will discuss the needs that we have found with these facilities, and the revenue needs we would have to properly address these deficiencies. Also, to be discussed, the program is one that we are laying out to have the financial resources necessary collected over a four-year period to help spread the additional tax burden needed to support the program over an extended period.

The first facility in this program would be scheduled to be completed in 2025 (Public Safety Facility), with the final facility being completed in late 2030 (City Hall Rehabilitation). This Building Improvement Program is where we have spent the bulk of our budget discussions over the past two years, and what we have been out educating the public on since early spring of 2022. 2024 would be the second year of implementing the needed tax levy to support this program, with the City levying the first portion of this program in 2023. 2024 would also mark the start of construction on the first facility in this program, which is the Public Safety Facility. This would be slated to start construction in the spring of 2024 and be completed by the Fall of 2025.

Tax Levy Establishment Policy

For nearly 30 years, the City of Chaska had a policy of establishing our annual tax levy based on keeping a constant tax rate. Based on this policy, the tax levy would go up by the amount of increase we saw annually in our tax capacity, which is directly related to the amount of market value growth we saw in the City. For instance, if market values (and hence tax capacity) increased in the community by 8.18% (as it will for taxes payable 2024), the levy could also increase by 8.18% and have no impact on the tax rate in the community. This would mean that if someone's property did not change in taxable market value from one year to the next, that their City taxes would not see any increase.

While the constant tax rate policy worked very well for several years, during our last major recession (2010-2013) we did start to experience some of the practical limitations of this policy. The first practical issue experienced is that not all market value increases are associated with the construction of new buildings. Some of the market value increase also occurs on existing properties as we experience inflationary growth from one year to the next. While the tax rate would not change, a resident's taxes would change unless their market value stayed the same. This often was the practical reality, as we saw a significant amount of property value growth in existing properties from 2000-2008.

The other issue that we experienced from 2010-2013 was the impact of decreasing market values in the community. As with increasing market values, the same can be said for decreasing market values when trying to keep a constant tax rate. If the market values go down, the tax levy also needs to decrease accordingly to keep the tax rate constant. With an objective of keeping our service levels constant, this was a significant issue the City faced when market values declined for four straight years. This led to the City temporarily modifying its tax levy policy to state that the tax levy would be set to keep the tax rate constant, unless that forced the actual levy to decrease, in which case the tax levy would stay the same. This change was made based on the notion that while

property values decreased, the cost for providing these services would not decrease unless a community is willing to reduce the amount of services it provides. In fact, if the service levels are kept the same, the actual cost of providing the service in subsequent years increases because of inflationary factors. Based on this change, and the decrease in market values in 2010-2013, the City of Chaska's tax levy saw a 0% increase during each of those four years, staying at an amount of \$4,880,354.

Finally, the practical reality is that if the tax levy change is only tied to the changes in market values, and a large portion of this market value change is in existing properties, this does not really tie the tax levy increases directly to a need for additional services, and therefore levy. Theoretically, it does not cost the City more to provide services for a residence that is already existing, except for our actual inflationary increases in costs from year to year for supplies and labor. Our costs only increase by the amount of new growth that occurs in the community. By focusing only on new growth and our inflationary increase in costs, we are more truly representing the needs we have for additional resources to support the services we already provide.

It was during the 2014 budgetary process that the City Council made a permanent change to our tax levy establishment policy to learn from the issues we experienced during the Great Recession. The current tax levy policy, established in 2014, focuses specifically on looking at the two items that create increased cost pressures on our General Fund, if a primary objective is to keep a constant level of services in the community:

- New construction in the community (3.24% for taxes payable 2024)
- Inflationary increases in the market (~5% for 2024)
 - Total Base-line tax levy increase of 8.24% to keep current service levels constant
 - It should be noted above that the actual rate of inflation we have been seeing over the past two years has been over 5%. However, we decided to cap it at 5% for budgeting purposes because we are addressing the addition of our Building Improvement Plan again in 2024.

If the City desires to keep service levels constant, it costs more money to provide the same services to new users in the community. Also, market inflationary increases impact the cost of providing our services regardless of whether we make any changes in service levels or not. To make sure we take these issues into account, our tax levy policy states that we would set our increase in operational levy based on the percentage market value attributed to new growth, in addition to whatever the inflation rate is running in any given year. In that way, we can make sure that all new users are paying their fair share of service costs in the community, and that we consider that costs go up on an annual basis because of inflation, no matter what policy decisions we make.

The policy goes on to state that we would only increase the levy beyond this point if we were adding new services, and that the actual cost of providing those new services would

determine the amount of additional increase we would need in the tax levy. In the case of the 2024 budget, the two new items that are being added are the \$487,000 going towards the final year of implementation of our Staffing Gap study, and the \$1.125 million towards the second year of our Building Improvement Program. The total new tax levy amount needed in 2024 to address these added programs would be \$1,612,000. Any other increase in the levy is due to keeping up with new growth and inflation to keep our service levels constant.

Key Factors in Revenue Forecast

Key factors which impact both the cost of providing services and the City's revenue resources are changes in Chaska's population and households. As the number of households in the community increases, there is increased demand for street maintenance, snow plowing, park usage, recreation, police calls, utility bills, etc. Population and household levels also impact expected revenues from utilities, building permits and property tax levies.

A significant trend that occurred in the early part of the past decade was the increased rate of residential development in the City. In the 1990s, Chaska's residential development remained relatively stable, with an average of 200 new living units per year.

During the 1990s, Chaska's population increased from 11,339 to 17,450. From 2001 to 2005, more than 2400 new living units were approved within new residential subdivisions. In addition, the type of developer shifted from local developers to large national firms. As a result of both increased demand and supply of residential dwellings, a significant increase in new residential dwelling construction activity occurred in the 2003-2005 period. This large amount of growth resulted in a 35% increase in our population from 2000-2010, with our official population being 23,770 in 2010. This compares to the 8% average increase in population that was experienced across the rest of the Twin Cities Metropolitan Area during the same period, making Chaska and the Southwest metro area one of the fastest growing areas in the entire Twin Cities. This growth resulted in an increase in demand for services, and hence an increase in revenue necessary to provide the same level of services in the future to our residents.

From 2008-2013 however, residential development in the metro area decreased significantly because of both over-building and a general downturn in the economy. At the same time, the supply of new available lots within the Chaska area decreased, resulting in a significant downturn in building activity. This resulted in a period of very stagnant residential growth from 2008-early 2012.

This downward trend reversed itself in late 2012, and stabilized, with several new residential developments approved over the past decade. Starting in 2013, this included the approvals for several new residential subdivisions both on the north end of Chaska, and in the southwest quadrant of the community. We also saw very robust growth in our Commercial/Industrial properties, with the addition of the 212 Medical Center, several

Data Centers, commercial additions in Hazeltine Plaza, and the expansion of buildings in our existing Industrial Park. Over this past year, we have seen a continued push in residential development, while also seeing a large increase in Commercial/Industrial activity. In 2023, we saw robust Commercial/Industrial development, along with the addition of several residential rental projects. This included the addition of three apartment buildings and rental townhomes, creating over 600 new rental units in the community. It also included the start of construction on the Costco building, the completion of two industrial buildings in our Chaska Creek Industrial Park, an addition onto the 212 Medical Center, along with new single family owner-occupied housing units being constructed.

While we have seen three years of very strong growth in 2021-2023, with building permit revenues being over \$1.5 million in 2021 and 2022, and permit revenue being close to \$2.8 million on 2023, we are expecting some slowdown in building in the community with our building permit revenues budgeted to be \$1.1 million in 2024. Below is a chart indicating what we think will happen with our population growth over the next 5 years due to expected growth:

Year	# of Housholds	# of New	Est. Pop.
2000	6,979	445	17,449
2001	7,394	415	17,746
2002	7,909	515	18,982
2003	8,378	469	20,107
2004	8,854	476	21,250
2005	9,122	268	21,893
2006	9,323	201	22,375
2007	9,553	230	22,927
2008	9,743	190	23,383
2009	9,767	24	23,441
2010	9,832	65	23,652
2011	9,907	75	23,777
2012	10,039	132	24,094
2013	10,173	134	24,415
2014	10,373	200	25,270
2015	10,523	150	25,255
2016	10,673	150	25,652
2017	10,823	150	25,975
2018	10,973	150	26,335
2019	11,123	150	26,695
2020	11,243	120	26,983
2021	11,468	225	27,523
2022	11,668	200	28,003
2023	11,845	177	28,170
2024	12,445	600	28,668
2025	12,595	150	30,228
2026	12,745	150	30,588
2027	12,895	150	30,948
2028	13,045	150	31,308

An analysis of General Fund revenues by major fund source:

Total revenues anticipated to fund the 2024 General Fund operating budget are \$28,848,773, which is an increase of 15.7% from our 2023 General Fund Revenues of \$24,936,489.

As you will find on the chart below, Property taxes are the largest source of increased income going into the General Fund budget. One item on this that may not be clear is while it shows a 26.1% increase in property taxes, that is not the actual percentage of increase of our total property taxes. The total levy increase is 19.3%. The reason for this is that our property tax levy does not just fund the General Fund. It also funds the Equipment Acquisition Fund, the Economic Development Authority (EDA), and our Mt. Pleasant Cemetery operations. What the increase in property taxes refers to in the General Fund Revenue Chart is the increase of property taxes we have going specifically into our General Fund in comparison to 2023. Again, our total property tax levy will be going up by 19.3% in 2024. Based on this, we would see an increase in our tax rate of 14.6%. As we have discussed, most of this increase is due to the implementation of our Building Improvement Program, with 2024 being the second of four years of tax levy increase needed to support this program.

One additional thing to point out is in our Building Permit revenues. As mentioned previously, while we have seen actual permit revenues in 2021 and 2022 be over \$1.5 million and in 2023 be close to \$2.8 million, we do think that there will be some slowdown in building for 2024. We are budgeting \$1.1 million for 2024. It should be noted that there are many projects that are in the process of building now and will require inspections in 2024 although they pulled their permits in 2023. We are going to be designating some of this 2023 permit revenue for 2024 since the work for these facilities will continue into this next year.

Finally, the other main source of income in our General Fund is our 5% Electric Payment for Right of Way usage and the operational transfer of an additional 5% from the Electric Fund, and our Gas Franchise Fees. These are budgeted to be over \$5,264,000 because of continued growth of electric/utility use in our community. Finally, we have our Administrative Charges to our different internal funds to provide administrative services to these funds, so they do not have to provide these services themselves. That fee is scheduled to be \$5,093,000 in 2024.

The chart below shows a summary of revenues for the 2024 budget year:

General Fund Revenues					
	2022	2023	2024		
	Actual	Budget	Budget	Increase	%Increase
Property Tax	\$8,467,504	\$10,590,388	\$13,358,797	\$2,768,409	26.1%
Elec/Gas Franchise Fees	4,742,904	5,361,000	5,264,000	(\$97,000)	-1.8%
Other Franchise Fees	307,061	305,000	314,150	\$9,150	3.0%
License and Permits	2,041,733	1,035,098	1,135,098	\$100,000	9.7%
Other Revenues	3,316,994	2,841,703	3,683,728	\$842,025	29.6%
Admin Charges to Funds	4,495,266	4,803,300	5,093,000	\$289,700	6.0%
Total Revenue	<u>\$23,371,462</u>	<u>\$24,936,489</u>	<u>\$28,848,773</u>	<u>\$3,912,284</u>	<u>15.7%</u>

An analysis of Major Programs in our General Fund Expenditures:

Besides the funding of our general governmental services, the General Fund includes three major initiatives, including:

- Capital Asset Maintenance Program (CAMP)
- Staffing Gap Program/Building Maintenance Program
- Building Improvement Plan

I will talk in greater detail about each one individually below.

1. Capital Asset Maintenance Program (CAMP)

As we build and bring on new assets into our community, a critical function we have as a local government unit is to plan for the proper maintenance and replacement of these assets, so we keep them in good working order. Just as we would individually with our own home, the City has the responsibility to be good stewards of our resources and make sure our assets are as good for future generations as they are for us now. If we do not do this, these costs will be passed on to future generations who will have to invest more to replace the assets that are lost. This is truly an issue of equity from one generation to the next, making sure we each take on responsibility in asset maintenance.

As was discussed previously, between 2014-2017, the City worked to create our Capital Asset Maintenance Program (CAMP) to fund the replacement of major items in our General Fund. During this time, we raised an additional \$1 million in revenue, which has since stayed in our budget to fully fund this program on an annual basis. The types of activities that this program funds include replacing playgrounds, repaving trails, resurfacing roads, rehabbing parking lots, as well as other items that keep assets used by everyone in the community in good condition.

With the CAMP fully funded, 2024 will bring several rehabilitation projects to the table, including:

- \$500,000: Street Sealcoat/Overlay
- \$60,000: Trail Resurfacing (3 miles)
- \$225,000: Lion's Park Playground Replacement
- \$225,000: Retaining Wall Replacement at intersection of Bavaria/Innsbruck Drives
- \$150,000: Expansion of Lion's Park Pickleball Courts (\$75,000 from Park Development Fund)

In addition to these items, we are also moving the dollars we had budgeted in 2023 for work to be completed on rehabbing City Square Park to 2024, which was budgeted at \$500,000.

2. Staffing Gap Analysis/Building Maintenance

As mentioned previously, based on the results of our Staffing Analysis in 2017/18, we did determine that we were 16 employees short of meeting our current service levels needs. We also determined that we had a missing component in our current organization of proper resources and staffing dedicated to Building Maintenance. This was especially important with our aging facilities. The gap identified was \$2 million, with \$1.5 million being attributed towards tax levy resources and \$500,000 being attributed toward Enterprise Fund resources.

In addition to this, during the 2022 budget process, we did discuss one component of this program that we felt was not properly addressed initially, which was the Staffing levels in our Police Department with Sworn Officers. It was determined that we were three Police Officers short, and to address this, one Officer would be added each of the remaining three years of implementing our Staffing Program. This added an additional \$336,000 to the overall program.

As we discussed last year, 2024 is the last of four years for implementing our Staffing and Building Maintenance Plan. To fund this last year of the plan, \$612,000 of additional resources need to be added in 2024, with \$487,000 coming from additional tax levy and \$125,000 coming from Enterprise Fund Resources. Below is a list of the positions/building maintenance assets added in 2020, 2022 and 2023 (we took a break in 2021 because of COVID), along with the proposed list of new positions for 2024.

2020 Staffing Study Implementation Plan:

- Building Maintenance Foreman
- Building Maintenance Worker
- Building Maintenance Worker
- Water/Sewer Maintenance Worker
- Allocation to Building Maintenance Budget: \$125,000

2022 Staffing Study Implementation Plan:

- HR Generalist
- Assistant City Engineer
- Building Maintenance Worker (4th of 5)
- Additional Police Officer (#28)
- Allocation to Building Maintenance Budget: \$125,000

2023 Staffing Study Implementation Plan:

- City Planner (2nd)
- Economic Development Coordinator
- Water/Sewer Maintenance Worker
- Park Maintenance Worker
- Additional Police Officer (#29)
- Allocation to Building Maintenance Budget: \$125,000

2024 Staffing Study Implementation Plan:

- Building Maintenance Worker (5th)
- Storm Water Maintenance Worker
- Street Maintenance Worker
- Water/Sewer Maintenance Worker
- Payroll Support Specialist
- Patrol Officer (#30)
- Allocation to Building Maintenance Budget: \$125,000

3. Building Improvement Program

Since the City Council officially established it as a priority goal in 2021, reinvesting back into our Core Assets has been a focus of activity that the City has been working on over the past three years. This work and discussions have revolved specifically around the significant needs we have for improvements in our General Fund facilities, including:

- Public Safety (Police and Fire)
- Municipal Service Building (Public Works, Water/Sewer, Storm Water, Electric and Mechanics)
- New Library (The City owns the building, and Carver County operates the library)
- Remodeled City Hall

As we have discussed throughout this process, each of these facilities are over 30 years old (Fire Station is 28 years old in 2024), with little reinvestment being put back into these buildings over that time. These buildings have also not increased in size to accommodate new employees added as the community has grown, and they have not kept up from a space perspective to store all our equipment. Finally, these City facilities have not kept up with security measures that are now critical in public facilities to keep our employees and visitors safe.

To address this issue, the City hired architects from Leo A Daly and the construction management firm RJM Construction to complete the following tasks:

- Identify the square footage needs of every General Fund Department
- Develop a Concept Plan to address each of the department's needs
- Develop conceptual pricing to accomplish implementing these building recommendations

The findings of this study were presented to the Council in May of 2022, along with recommendations for how to fund each of these facility needs. The total estimated costs to address the needs of each of these facilities is currently \$121,500,000, which would create an annual debt service need of a little over \$6.86 million per year, with \$4.5 million attributed to General Fund costs, and \$2.36 million attributed to costs of our Enterprise Funds (i.e., Electric, Water/Sewer, Storm).

As we have discussed during this process, one of the things that makes this issue difficult to address is both the fact that the original facilities were funded using one-time dollars, and our tax levy has historically been very low, giving us few resources to reinvest back into these facilities as the needs have arisen. This means that to address this issue, we need to create new resources unless we are willing to cut back on our existing services levels, which have also been traditionally leanly funded.

To address the funding of this program, but to not see the impact of this all come at once, Staff presented a recommendation to Council in 2022 to increase the funding over a four-year period, with the tax levy needing to increase by \$1.125 million each year over a four-year period. Spreading this cost out over several years would also recognize that we would not have the organizational capacity to work on each of these facilities at once, only having the organizational capacity to address one facility at a time.

With this plan, all four buildings would be completed by late 2030, with the priority going to our Public Safety facility, since it has the greatest immediate needs, and then our Municipal Services Building. The new Library would be the third building to be addressed, as we would need to move the library out of City Hall to pick up the needed space in City Hall to meet its current and future needs. The last piece of the project would be the remodeling of City Hall to pick up the spaces vacated by the library and the Police

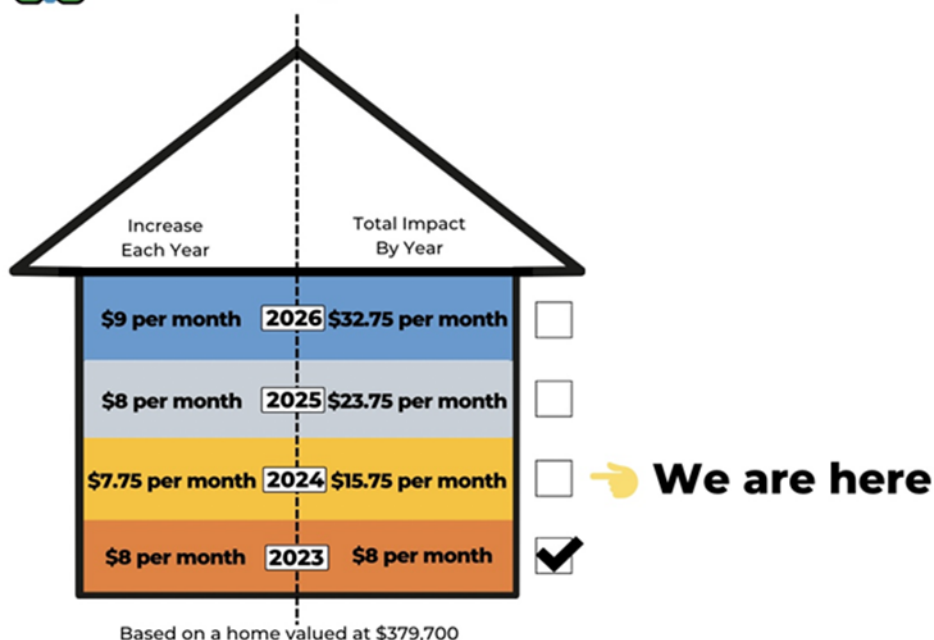
Department to address our current space needs. The following is the schedule that would be anticipated for each of the facilities in our current Building Improvement Plan:

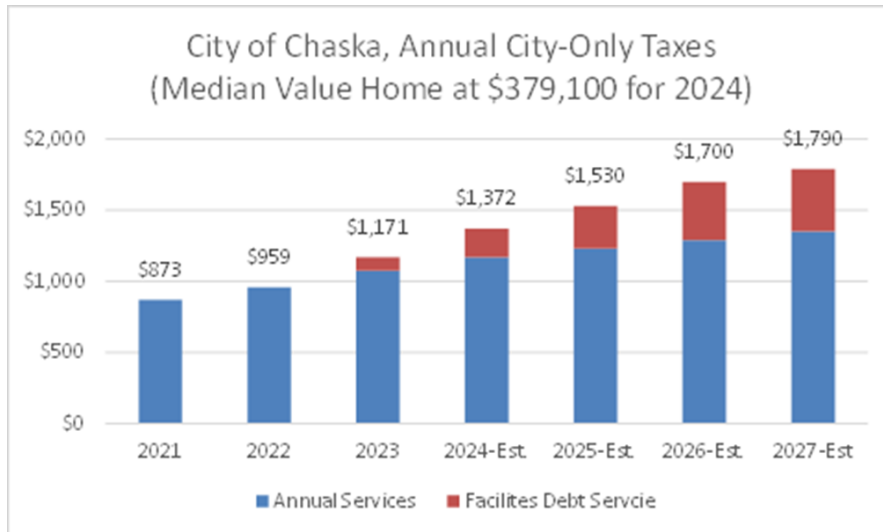
- Public Safety Building: Start building in 2024-Complete in Fall of 2025
- Municipal Services Building: Start building in 2026-Complete in Fall of 2027
- Library: Start Building in 2028-Complete in Fall of 2029
- City Hall Remodel: Start and Complete in 2030

As the Council is aware, a significant amount of public outreach has been done to educate our residents not only on the need, but also the impact they could expect on taxes if we were to move forward with this plan. The plan started in last year's budget (2023) with an \$8 monthly impact to the median-valued home. For 2024, the median valued home can expect an additional \$7.75 per month. For 2025, the program would add an additional \$8 per month, and for 2026 the program would add an additional \$9 per month to the Median Valued Home. At the end of four years, the monthly impact on a median-valued home would be \$32.75 per month, or \$393 per year. We would anticipate that this would put us about in the middle of the 84 Metropolitan Municipalities for tax levy per capita impact when the program is completed. Below are two charts we have been showing the public for the financial impact of the program:



Funding the Facilities





As mentioned previously, the Public Safety facility would be the first building to be addressed in this plan, with the plans currently being completed and expected to have final approval in our Planning process in December. We would anticipate starting construction on this building in the Spring of 2024, with it being completed in the fall of 2025. We expect to get back bids to consider for this project in February.

Property Taxes:

For 2024, to accomplish establishing our base-line budget, address implementing the fourth and final year of the Staffing Gap plan implementation, fully funding the CAMP, and continuing with the second year of the Building Improvement Program, the total tax levy needed is \$18,154,194. This levy represents our entire levy, which includes General Fund, Equipment Acquisition Fund, Cemetery Fund, Tax Abatement Fund, and the EDA. This represents an increase of 19.31% from the 2023 total tax levy.

This levy increase would be made up of 8.40% to support the baseline levy (5.16% for inflation and 3.24% for new growth in the community), in addition to \$487,000 that is needed for the last year of our Staffing Study implementation. Finally, an additional \$1.125 million tax levy would be added for the second year of the Building Improvement Program. It should be noted that a portion of our total levy goes towards our General Fund Budget, with the remaining going towards our Equipment Acquisition Fund and debt service for our current Downtown Street Reconstruction Program.

It should also be noted that out of this total tax levy amount, \$409,956 represents a levy for tax abatement assistance provided in the past for economic development activity. This additional amount represents the 12th year of tax abatement that was provided to the West Creek Corporate Center Development for development of infrastructure to support this new industrial park, along with some other tax abatement projects including

the 212 Medical Center Addition and the Chaska Creek Medical Building. While we are required to officially levy this assistance, the City is a “pass-through” for these funds, with the same amount coming in from this project that goes out for the tax abatement assistance. It does not influence other taxpayers in the community.

Within this total levy amount, the Chaska Economic Development Authority also has a \$212,801 levy. Last year this levy was \$196,308. The amount levied for 2024 in the EDA Fund is included in the total tax levy amount of \$18,154,194.

In summary, the total levy will include:

- Continuation of dollars to support the Downtown Street Reconstruction Program Debt Service
- \$17,531,797 being levied to support General Fund Operations, a portion of Street Reconstruction Debt Service, Mt. Pleasant Cemetery, and existing Equipment Acquisition Fund needs
- \$487,000 of additional levy (included in the total above) to support the fourth and final year of implementation on our Staffing Gap program
- \$1,125,000 (included in the total above) to support the second year of the Building Improvement Program (included in total above)
- \$1,000,000 for our CAMP (included in total above)
- \$212,801 being levied in the Economic Development Authority Fund for operations
- \$409,596 in tax abatement that is generated from the new West Creek Corporate Center Development, 212 Medical Center and Exactec.

The following table summarizes Chaska’s actual tax levies (General Levy, EDA, Tax Abatement and Mount Pleasant Cemetery for 2021, 2022 and 2023, along with next year’s 2024 levy:

	2021	2022	2023	2024	Increase	%
General/Equipment Acquisition/EDA/Tax Abatement	\$ 11,406,925	\$ 12,666,429	\$ 15,210,147	\$ 18,148,194	\$ 2,938,047	19.32%
Mt Pleasant	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	0.00%
Total Operating and Special Levy	\$ 11,412,925	\$ 12,672,429	\$ 15,216,147	\$ 18,154,194	\$ 2,938,047	19.31%

Impact of Tax Levy on Property Owners

To understand the impact of the tax levy on individual taxpayers, three factors must be analyzed:

- Market Value Changes
- Any changes in the Tax Capacity Formulas Established by the State
- The City’s Tax Levy

Overall, Chaska's market value, excluding tax-exempt property, increased by \$351,323,500 to \$4,584,515,400-an overall increase of 8.18%. The largest percentage increase that we saw in 2023 was in apartment properties, with a 10.47% overall increase. 0.49% of that came from construction of new apartment units in the community, with the other 9.98% coming from increasing values in existing residential units. That is likely why we saw the construction of over 600 rental units in Chaska over the past 12 months.

The other major area of increase we saw was in Commercial/Industrial properties, with a 10.14% increase in market values. 3.81% of that growth came from new construction, meaning that 6.33% of the increase was experienced in existing Commercial/Industrial buildings. This increase in existing C/I property values is likely what led to the construction of more buildings in Chaska over the past 12 months as there was more demand for these units.

Residential properties saw less of an increase in 2023, with there being a 6.21% increase, and Undeveloped Agricultural land saw a 12.02% decrease, meaning that there is likely less demand at this point for purchase of undeveloped properties.

Below is a summary of the Market Values for taxes payable 2024 (assessed 2023) as established by the County Assessor's office:

City of Chaska 2023 Assessments					
	Residential	Commercial/Industrial	Apartment	Ag	Total
2023 EMV	\$3,500,587,900	\$695,005,100	\$310,560,500	\$78,361,900	\$4,584,515,400
2022 EMV	\$3,295,947,000	\$631,025,600	\$281,134,600	\$89,064,200	\$4,297,171,400
Total Value Change	\$204,640,900	\$63,979,500	\$29,425,900	-\$10,702,300	\$351,323,500
New Construction	\$113,946,200	\$24,029,200	\$1,377,300	\$0	\$139,352,700
Market Change	\$90,694,700	\$39,950,300	\$28,048,600	-\$10,702,300	\$211,970,800
% New Construction	3.46%	3.81%	0.49%	0.00%	3.24%
% Market Change	2.75%	6.33%	9.98%	-12.02%	4.93%
2023 Total % Change	6.21%	10.14%	10.47%	-12.02%	8.18%

Using the 2023 market values and the classification formulas established by the State, the County Auditor has calculated Chaska's 2023 (for taxes payable 2024) gross tax capacity to be \$53,264,767, an increase of 7.64%. To calculate the net tax capacity used for determining Chaska's tax rate, a reduction must be made for captured tax increment and fiscal disparity contributions. Our current captured TIF value is \$2,597,955 with Chaska's fiscal disparities contribution for 2024 being \$4,825,430 resulting in a net tax capacity of \$45,841,382, or an increase of 5.44%.

	2023	2024	Increase	%
Gross Tax Capacity	\$49,483,043	\$53,264,767	\$3,781,724	7.64%
TIF	\$1,851,247	\$2,597,955	\$746,708	40.34%
Fiscal Disparities	\$4,155,642	\$4,825,430	\$669,788	16.12%
Other				
Net Tax Capacity	\$43,476,154	\$45,841,382	\$2,365,228	5.44%

Based on these estimates, Carver County has estimated Chaska's 2024 General Fund tax rate to be 36.199%. This is an increase of 14.60% from 2023, where we had a tax rate of 31.588%. With the median value of home going up from \$370,700 to \$379,100 in the community, this would bring the median-valued home's City taxes from \$1,171 in 2023 to \$1,372 in 2024, or an increase of approximately \$16.75 per month or \$201 for the year. As always, the actual amount of impact is completely dependent on the actual market value change experienced on that property over the past year.

As we have discussed in previous years, Chaska has been one the lowest tax levies per capita of all Metropolitan cities for several years. As we move forward to implement the Building Improvement Program, this will impact Chaska's place in these rankings, but it will still be a good value within the entire Twin Cities Metropolitan Area. As we look at 2024, if you assumed that all other Cities have a 5% increase in their tax levies, Chaska would go from ranking 56th lowest out of 84 total cities down to 55th lowest. It should be noted that at least in Carver County, all cities have a proposed levy over 5% meaning that our ranking would likely be better than what is represented below.

Rank	City	2023 Levy	2024 Projected Levy	Population	Tax Levy Per Capita
1	Golden Valley	31,087,048	32,641,400	22,034	\$1,481
2	Oak Park Heights	6,337,260	6,654,123	4,776	\$1,393
3	Wayzata	5,879,345	6,173,312	4,437	\$1,391
4	Mendota Heights	11,947,424	12,544,795	11,658	\$1,076
5	Columbus	4,233,069	4,444,722	4,172	\$1,065
6	Minneapolis	442,754,385	464,892,105	436,934	\$1,064
7	Hopkins	18,766,224	19,704,535	18,608	\$1,059
8	Excelsior	2,331,074	2,447,628	2,335	\$1,048
9	Orono	8,387,000	8,806,350	8,447	\$1,043
10	St. Anthony Village	8,478,011	8,901,912	9,060	\$983

53	Prior Lake	16,863,956	17,707,154	27,855	\$ 636
54	Carver	3,851,980	4,044,579	6,371	\$ 635
55	Chaska	17,744,598	17,744,598	28,170	\$ 630
56	Lino Lakes	12,893,915	13,538,611	21,658	\$ 625
57	Maple Grove	41,203,200	43,263,360	71,230	\$ 607

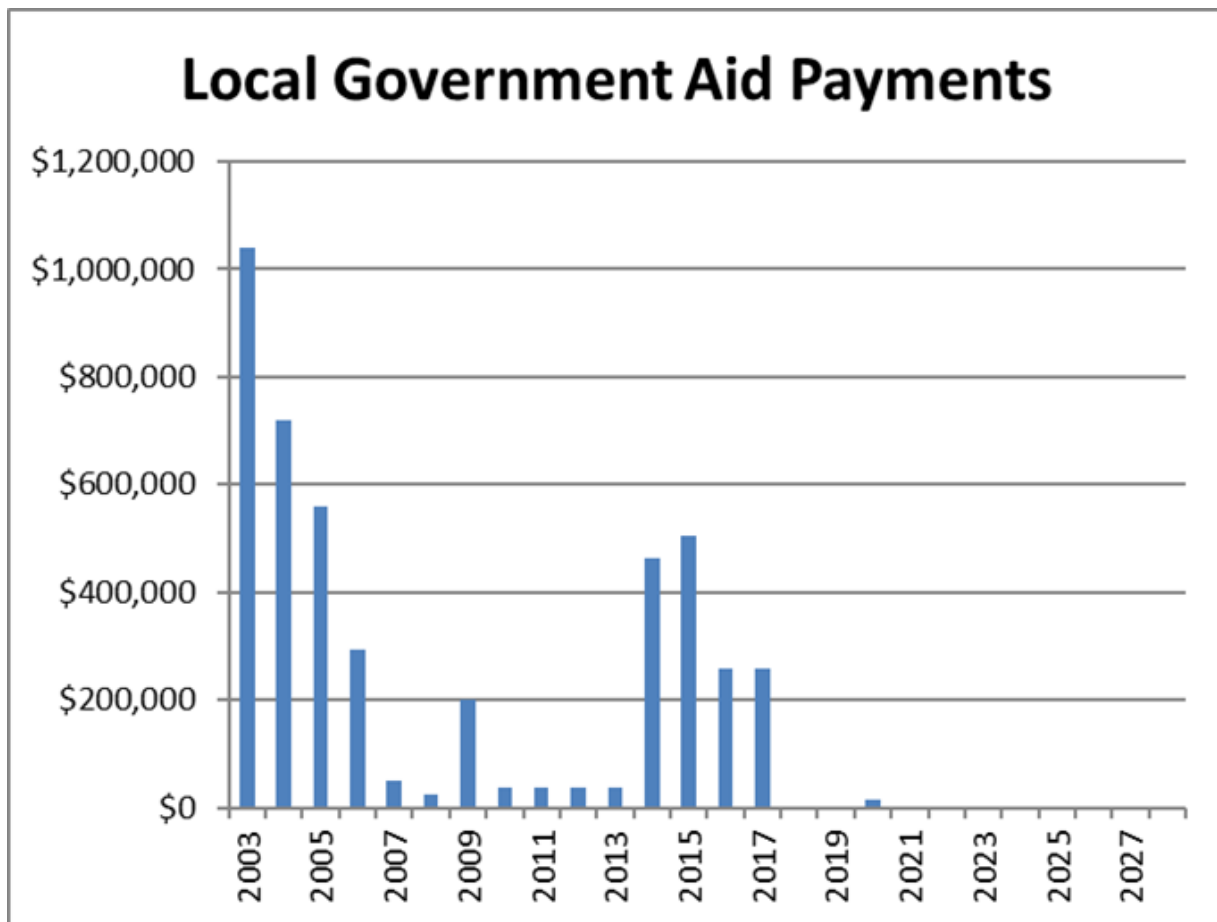
76	Mounds View	\$6,479,782	\$6,803,771	12,965	\$	525
77	Arden Hills	\$4,718,680	\$4,954,614	9,682	\$	512
78	Vadnais Heights	\$6,461,264	\$6,784,327	13,270	\$	511
79	St. Paul Park	\$2,654,073	\$2,786,777	5,498	\$	507
80	Falcon Heights	\$2,474,298	\$2,598,013	5,379	\$	483
81	Anoka	\$8,295,505	\$8,710,280	18,127	\$	481
82	Lauderdale	\$1,010,172	\$1,060,681	2,221	\$	478
83	North Oaks	\$2,182,645	\$2,291,777	5,195	\$	441
84	White Bear Lake	\$9,955,000	\$10,452,750	24,689	\$	423

Intergovernmental Revenues:

One significant change we experienced starting in 2018 and has continued into 2024 is the reduction of our Local Government Aid by approximately \$250,000, bringing us down to nearly \$0. We expect this will continue at this level into the future. This change is due to the State's LGA formula, the increase in market values we have seen in the community over the last few years, and the decertification of our large TIF District #4 in 2014, which reincorporated a large taxable market value back into the community in that following year.

In 2003, the City of Chaska received approximately \$1 million in LGA from the State on an annual basis. When this went away, this was a very significant hit to the City's revenues, representing approximately 10% of our overall revenues. The loss of nearly \$1 million in revenue, which we did not levy locally to replace it, was a significant reason why we started to get behind in properly staffing of our services and have had a difficult time catching back up ever since.

In 2014, the City did receive an allocation of LGA in the amount of \$462,000, with it going to just over \$500,000 in 2015 and \$550,000 in 2016. In 2017, we once again saw this amount reduced to just under \$250,000. With it now officially certified at \$0, we do not expect we will see this revenue source again soon. Below is a chart of our experience of local government aid, and what we expect to see in LGA over the next five-year period.



While we will not see any LGA from the State to support our General Fund Services, there are two new sources of income that the State created that directly impact cities.

First, the State created a one-time allocation of dollars to cities to support Public Safety activities. These are dollars that we will only receive once but are not dollars that we are required to utilize in any defined period. The Public Safety Aid the City of Chaska will receive equates to approximately \$1.2 million. For our 2024 budget, we have planned to utilize \$396,000. \$350,000 of this will go towards expediting the hiring of positions we already had budgeted to start in both Police and Fire in 2024, but now will allow them to be brought on sooner. By expediting these positions by a few months, that will allow us to be able to free up time from one Fire personnel and one Police personnel to be able to focus their efforts on helping guide the construction of our Public Safety Facility while not having to worry that their normal job duties are being completed. The other \$46,000 is being planned for the purchase of two Search and Rescue Drones, that we have been planning for some time to add, for use by both our Police and Fire Departments.

The other form of State Aid that we received, and will come on an annual basis, is from the Metro Sales Tax that was just implemented. While a portion of the Metro Sales Tax will go towards transit activities, the portion that will come to cities will go to support the

building of more affordable housing within the entire Twin Cities Metropolitan Area. For the City of Chaska, we will receive \$258,000 in 2024, with that amount then going up to \$375,000 in 2025 and every year thereafter. For 2024, we plan to utilize our allocation of dollars to do a market study to look at where we officially stand for affordable housing units in our community and to develop strategies for how to create additional units in our community to meet our ultimate goal of having 30% of our units be affordable when the community is fully built.

Licenses and Permits

From 2008-2011, Chaska and the rest of the metropolitan area experienced a dramatic slowdown in not only residential development, but development in all sectors of the market. As a result of the downturn, building permit revenues dropped significantly. Up through 2005, this revenue source was over \$1 million per year, and in 2010 brought in approximately \$500,000. In mid-2011, we did start to see this change as some larger Commercial/Industrial development activity did start to occur, and we ended 2011 with over \$1 million in permit revenue. While we continued to see good activity during 2012 and saw positive movement since 2013, the consistency and predictability of this revenue stream has continued to be volatile and can be somewhat difficult to project from year to year.

With the downturn in the economy in early 2020 due to the pandemic, we did see the permit revenue we expected to see be reduced significantly. While we continued to see relatively steady single-family residential development, we did see a big downturn in Commercial/Industrial activity, with only a few projects moving forward. In early July of 2020, we did amend our General Fund budget when we started to understand the impact it would have on our budgeted revenues, especially on building permits. As part of that action, we did adjust our budget numbers down to \$600,000, a reduction of approximately \$400,000 from what we had budgeted at the beginning of the year.

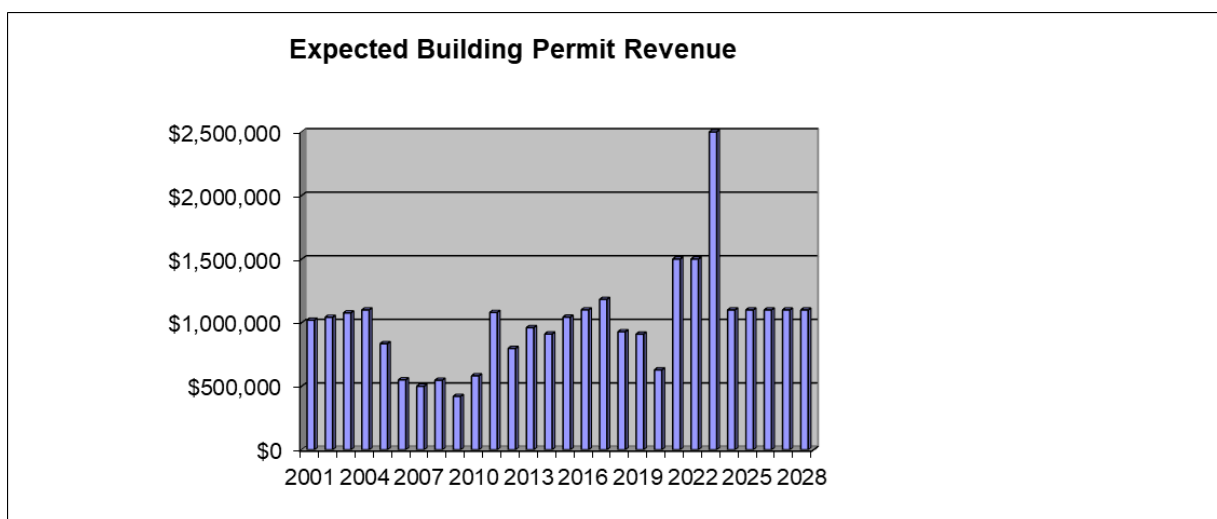
While we continued being conservative in our budgeting for 2021 and 2022, budgeting for approximately \$1 million over the course of each year, we did see a much larger than anticipated growth in residential activity, as well as growth in the Commercial/Industrial Market. Although we budgeted just under \$900,000 in 2021, we ended the year with close to \$1.5 million in activity. In 2022, while we budgeted \$1.1 million in permit revenue, we ended up with approximately \$1.5 million of activity in that year as well.

In 2023, we have seen several projects move forward with construction including Costco, the residential development next to Costco, the apartment building at Hazeltine Plaza, the Industrial Building on the old Chaska Building Center Site, and continued work on two Apartment buildings in the Clover Ridge Neighborhood. We also saw a significant amount of single-family home development occurring throughout the year. While we had budgeted for \$1.1 million in permit revenue because we had anticipated some slowdown

during the year, we will actually have permit revenue closer to \$2.8 million for the entire year-almost 3 times more than what we budgeted.

For 2024, we do anticipate that we will see a slowdown and see a more typical level of growth compared to the past three years of strong development we have experienced. For that reason, we are budgeting \$1,035,000 million in building permits for 2024.

Under our current building projections, our staff levels will be enough to cover the anticipated workload and be able to turn around building permits in a timely fashion.



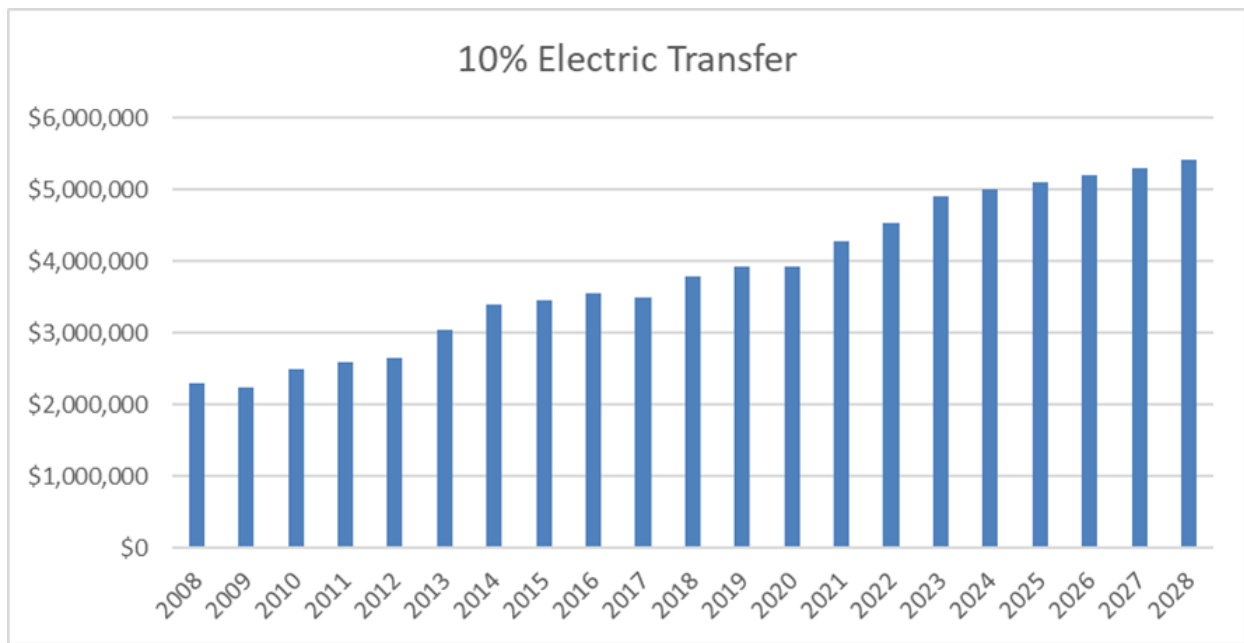
Electric Fund Transfers

The City has a formal policy of charging ourselves a Right of Way usage fee, which is equivalent to 5% of the total electric rate of our electric utility. In addition, we do an operational transfer from our Electric Fund to the General Fund to help support General Fund services, which is an objective of the Electric Fund. For 2024, the total amount of Right of Way fee transfer and operational transfer is budgeted to be just over \$5.3 million.

We have seen an a dramatic increase in this portion of our revenue over the past several years, which has represented both an increase in usage by our existing customers, but also reflects the positive impacts we are seeing through the addition of large economic development projects such as Data Centers, additional commercial uses in town, and the recent expansions we have seen with existing businesses in our original Industrial Parks on the north end of the community. We continue to expect to increase in 2024 as we start to see the loads come on from large projects we have added in the community over the past year, including three apartment buildings, new industrial and the addition onto the 212 Medical Center.

Over time we will see a significant amount of industrial growth occur in territory that now belongs to Minnesota Valley Electric Cooperative. While that currently is in their territory,

the right for them to maintain these future users in their service territory ends in 2040. At that time the City of Chaska would then move to acquire this territory, something that State Statute allows us to do. So, while these users will not initially be in our territory, they eventually will be, which will allow us to increase the amount of support from our Electric Utility into our General Fund significantly at that time.



Charges for Services

Charges for services are those revenues that support the City derived from charges to individual users for services, other governmental agencies, or inter-fund charges for administrative services. These would include payroll, finance, administration, and Human Resources costs to our Enterprise Funds (i.e. Electric, Sewer, Water, Storm Water, etc.). For 2024, charges for services are programmed to be \$5,093,000 as compared to \$4,803,000 in 2023, or an increase of \$290,000. This increase in charges for services is occurring to help us keep up with the actual cost of service the General Fund is providing to our other Enterprise Funds. This includes all our Administrative Services, Human Resources and Administration. In 2020, we also added a contribution from the Enterprise Funds to the overall Building Maintenance Division Budget, which started at \$125,000 in 2020. This amount is planned to increase to \$500,000 in 2024 as we are implementing the fourth and final phase of our Staffing/Building Maintenance Study implementation. It should also be noted that there is an additional \$509,000 that will be brought in from the Utility Funds to support the second year of the Building Improvement Program, bringing the total to \$1,018,000 over 2023 and 2024. Our Utility Funds need to support their fair share of the overall program and what they will be using. After four years of the program, the Utility Funds would need to support \$2.36 million of the total \$6.86 million annual

debt service needed to support this program. We plan to add \$509,000 each of the four years of this program's implementation.

General Fund Expenditures

General Fund operating expenditures are forecast to be \$28,848,773 in 2024, which is an increase of 15.69% over the 2023 Operating Budget of \$24,935,638.

In preparing the 2024 budget the following general assumptions were used for the operating budget:

- *Utilize budgeting objectives developed*
- *Increase in the tax levy by 3.24% due to new growth and 5% for inflation*
- *Move to implement the fourth and final year of our Staffing Gap Study, adding \$487,000 to the total tax levy, and an additional \$125,000 from the Enterprise Funds to support the fourth year of the plan*
- *Implement the second year of the Building Improvement Program, adding \$1.125 million to the tax levy, and \$509,000 from the Utility Funds to support the second phase of funding this program*
- *Continue with the implementation of our CAMP, with \$1 million allocated to improvements to our existing General Fund Assets in the City*
- *Personnel salaries up 3%, with employer benefit contribution increase of 6% in 2024*
- *Assume continuation of our Street Reconstruction Program and debt service payments associated with it*
- *Continue contract with City of Carver for shared recreational services, bringing in approximately \$79,881 to support our recreational services*
- *Continue with \$12,000 expense in 2023 for "Scholarships" to support large community activities utilizing our Event Center (\$1,000 per month)*
- *Fully fund the Equipment Replacement Schedule for 2024*
- *Continue building up our General Fund reserves (budget \$300,000)*
- *All other items in budget to remain unchanged*

Based on this, and the other changes that were listed above, the level of expenditures we are recommending to the budget would allow us to meet our budget and service objectives set for the 2024 budget process, while also providing a good value for our residents who receive our services in the community.

Department	2022 Actual	2023 Budget	2024 Budget	Increase	%Increase	Notes
Council	\$168,882	\$191,078	\$199,486	\$8,408	4.40%	
Communication	\$48,732	\$155,139	\$354,330	\$199,191	128.40%	Moved Comm. Coord and Comm. Eng. Coord here from Admin
Administration	\$944,729	\$1,122,615	\$1,049,096	-\$73,519	-6.55%	
Human Resources	\$451,973	\$462,885	\$492,336	\$29,451	6.36%	
Elections	\$38,890	\$13,906	\$40,783	\$26,877	193.28%	2024 is an election year-additional expenses for this
Admin Serv-Finance	\$1,795,943	\$1,860,432	\$2,022,258	\$161,826	8.70%	Addition of Payroll Specialist-Staffing Program
Admin Serv-IS	\$1,273,463	\$1,282,276	\$1,318,518	\$36,242	2.83%	
Legal	\$248,097	\$120,000	\$140,000	\$20,000	16.67%	
Community Dev.	\$563,119	\$417,903	\$590,700	\$172,797	41.35%	Full wage for Planner and Zoning Study Implement from grant
Engineering	\$576,263	\$635,955	\$657,531	\$21,576	3.39%	
City Hall Bldg	\$219,034	\$216,612	\$235,505	\$18,893	8.72%	
Building Maint Div	\$619,849	\$761,846	\$967,283	\$205,437	26.97%	Final add of dollars for maint buildings from Staffing Program
Police	\$6,030,828	\$6,176,456	\$6,791,993	\$615,537	9.97%	Addition of Patrol Officer #30 as part of Staffing Program
Fire	\$2,328,090	\$2,550,484	\$2,929,751	\$379,267	14.87%	Addition of Fire Chief #4-Operations Chief--Growth Position
Building Inspection	\$929,197	\$821,511	\$1,030,044	\$208,533	25.38%	Built in Full Wage of Inspector funded through grant last year
Public Works Admin	\$403,409	\$424,883	\$459,911	\$35,028	8.24%	
Streets	\$1,915,641	\$1,935,240	\$2,056,646	\$121,406	6.27%	Addition of Street Maintenance Worker-Staffing Program
Snow Removal	\$341,014	\$284,555	\$322,861	\$38,306	13.46%	Addition of Street Maintenance Worker-Staffing Program
MSB Building	\$213,000	\$211,196	\$261,792	\$50,596	23.96%	Addition of Fleet Maint. Software and Building Repairs
Park Maintenance	\$1,471,379	\$1,281,432	\$1,506,325	\$224,893	17.55%	Seen increases in fertilizer, fuel and utilities for park shelters
ISD 112 Maint	\$28,252	\$37,940	\$38,199	\$259	0.68%	
Tree Control	\$53,671	\$64,968	\$85,293	\$20,325	31.28%	Increased efforts because of Emerald Ash Borer Disease
Parks Admin	\$895,047	\$722,923	\$771,513	\$48,590	6.72%	
Parks Youth	\$221,955	\$345,156	\$383,820	\$38,664	11.20%	Shifting of true Park and Rec. dollars from CCC to General Fund
Park Senior	\$195,680	\$207,565	\$226,278	\$18,713	9.02%	Move Part-Time Senior Programmer to Full Time
Parks Adult	\$79,665	\$79,779	\$87,210	\$7,431	9.31%	Shifting of true Park and Rec. dollars from CCC to General Fund
Firemen's Park	\$104,309	\$123,425	\$122,053	-\$1,372	-1.11%	
Parks Skating Rink	\$7,900	\$12,481	\$12,612	\$131	1.05%	
Unallocated	\$614,025	\$2,414,997	\$3,694,646	\$1,279,649	52.99%	These are additional dollars for the Building Improve Program
Total	\$ 22,782,036	\$ 24,935,638	\$ 28,848,773	\$3,913,135	15.69%	

Specific Department 2024 Activities

Administration

For 2024, the Administration Department plans to remain unchanged for Staffing levels. In 2023, we did add the Community Engagement Manager Position in the Administration Department, as well as the Economic Development Coordinator. Both were new positions to the organization. For the 2024 budget, one change that we did make was to move the Community Engagement Manager and Communications

Coordinator positions out of Administration and into the Communications Department. This has no change in our budgeted expenses but moves the positions into a department that better fits what their day-to-day duties entail.

Administrative Services

For 2024, the Administrative Services Department has one new position budgeted as part of the Staffing Gap Plan. This would be the addition of a Payroll Support Specialist. With the City having over 160 full-time employees, and more than 300 employees when we include our part-time employees, it has made it difficult for one individual to be able to complete all the duties of a payroll cycle by themselves. This would also allow us to be able to have a trained backup in place should one of the payroll positions be out for any reason. Other than this, there are no planned changes for 2024.

Community Development

For 2024, we do not have any new positions planned for this department. Over the past year, we did add a second planner position that was part of the Staffing Gap plan. This has helped us spread the load of planning activities between two people and allowed us to start focusing on more proactive projects such as completing the overhaul of our Planning and Zoning ordinances-something that we identified as a priority over the past year and which we have received grant dollars from the Met Council to complete.

Police

As we are implementing the final year of our Staffing Gap plan, the Police Department does have the addition of Officer #30. With the addition of this officer, we will have addressed the shortage of officers that we had identified as part of our Staffing Gap analysis.

In addition to this new Officer, we will also be utilizing a portion of our Public Safety Aid from the State to acquire 2 Search and Rescue Drones. We have had the need for drones in the past, especially when searching for people in our woods and ravine system. In those cases, we have had to call on other agencies to help us with those searches. With these drones we will be certifying people on Staff in the Police, Fire and Communications Department to be able to pilot these drones, which will make these a tool that is useful for more than just the Police Department.

Fire Department

For 2024, the position that we have scheduled to start is Fire Chief #4 which is an Operations Chief. With the number of calls that we take as a department, and the training demands that we have, we felt we needed to separate the Operations responsibilities

from the Training responsibilities. With the addition of this position, this will allow someone to focus on the day-to-day operations of the department, with the Training Chief then being able to focus solely on making sure that we properly train our fire personnel in the department. This will also allow our Fire Chief #1 to be able to step back from the day-to-day operations and focus on more of the strategic direction of the department.

Public Works

For the Public Works Department, there are two positions that are being added as part of the Staffing Gap plan in 2024. The first position is a Building Maintenance Worker, which would bring our total staffing in this division up to five individuals. The second position that we have slated for the Public Works Department is the addition of a Street Maintenance Worker. With the addition of mileage of roads within the community, this position is needed both for the winter maintenance of roads with snow but to also work on general maintenance during the summer months. These positions will both add to our ability to complete the added work we have had in the community both with aging facilities and with the demands of new development.

Recreation

Although functionally, the Recreation Department, Community Center (CCC) and new Curling/Event Center are in essence combined, Recreation Administration and Programming are budgeted as separate General Fund activities. Having them functionally work together does create efficiencies. In 2024, we plan to continue to have our Park and Recreation Director, our Recreation Manager, our Recreation Coordinator, the Recreation/Special Events Coordinator, and Athletics Supervisor all funded fully out of the General Fund, with a portion of other support positions allocated to the General Fund. We are also budgeting dollars in the General Fund this year to pay for use of the Community Center when General Fund Recreational Programs are held in that facility. As we discussed during the Community Center Budget process, moving the General Fund Park and Recreation activities out of the Community Center Fund and into the General Fund where they belong is critical if we are going to have the Community Center be able to be financially sustainable. The Community Center cannot continue to subsidize General Fund Parks and Recreation activities and expect to be financially solvent.

As mentioned previously, we also are planning to relieve the Community Center of the \$200,000 of Administrative Fee charged to it annually to recognize the significant negative impacts COVID has continued to have on that facility, and to recognize the large capital improvements we have had to address in this facility as the facility has aged. While we will still see the Administrative Fee come in from the CCC into the General Fund, it will now be supported by a transfer of funds from the Utility Department into our CCC Fund.

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
101	101-General Fund									
00	Unassigned									
0000	Unassigned									
10100000	General Fund									
TOTAL REVENUE		-15,826,354	-16,692,122	-18,144,485	-14,569,786	-20,941,872	-24,303,981	16.05%	-26,016,471	7.05%
TOTAL EXPENSE		480,000	635,000	499,055	1,980,000	1,980,000	3,114,000	57.27%	4,162,000	33.65%
Total	General Fund	-15,346,354	-16,057,122	-17,645,430	-12,589,786	-18,961,872	-21,189,981	11.75%	-21,854,471	3.14%
Total	Unassigned	-15,346,354	-16,057,122	-17,645,430	-12,589,786	-18,961,872	-21,189,981	11.75%	-21,854,471	3.14%
Total	Unassigned	-15,346,354	-16,057,122	-17,645,430	-12,589,786	-18,961,872	-21,189,981	11.75%	-21,854,471	3.14%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
10	General Government									
1110	Council									
10111100	Council									
TOTAL REVENUE		-1,771	-1,750	-1,150	-2,000	0	0	0.00%	0	0.00%
TOTAL EXPENSE		199,757	166,337	169,882	128,381	191,078	199,486	4.40%	201,944	1.23%
Total	Council	197,986	164,587	168,732	126,381	191,078	199,486	4.40%	201,944	1.23%
Total	Council	197,986	164,587	168,732	126,381	191,078	199,486	4.40%	201,944	1.23%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1150	Communication									
10111500	Communication									
	TOTAL REVENUE	-328,119	-315,496	-314,227	-153,465	-309,000	-429,150	38.88%	-443,575	3.36%
	TOTAL EXPENSE	106,021	63,776	48,732	155,139	73,447	354,330	382.43%	367,407	3.69%
Total	Communication	-222,098	-251,720	-265,496	1,673	-235,553	-74,820	68.24%	-76,167	-1.80%
Total	Communication	-222,098	-251,720	-265,496	1,673	-235,553	-74,820	68.24%	-76,167	-1.80%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1210	Administration									
10112100	Administration									
	TOTAL REVENUE	-86,652	-86,962	-84,491	-118,150	-131,460	-87,298	-33.59%	-88,173	1.00%
	TOTAL EXPENSE	794,154	859,305	944,729	808,747	1,122,615	1,049,096	-6.55%	1,089,049	3.81%
Total	Administration	707,502	772,343	860,237	690,597	991,155	961,798	-2.96%	1,000,876	4.06%
Total	Administration	707,502	772,343	860,237	690,597	991,155	961,798	-2.96%	1,000,876	4.06%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1220	Human Resources									
10112200	Human Resources									
TOTAL REVENUE		-1,433	-104	-90	0	0	0	0.00%	0	0.00%
TOTAL EXPENSE		271,592	354,787	451,973	421,389	462,885	492,336	6.36%	505,188	2.61%
Total	Human Resources	270,159	354,683	451,883	421,389	462,885	492,336	6.36%	505,188	2.61%
Total	Human Resources	270,159	354,683	451,883	421,389	462,885	492,336	6.36%	505,188	2.61%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1420	Elections									
10114200	Elections									
	TOTAL REVENUE	-21,441	-133	-20	0	0	0	0.00%	0	0.00%
	TOTAL EXPENSE	61,512	10,902	38,890	15,547	13,906	40,783	193.28%	15,960	-60.87%
Total	Elections	40,071	10,769	38,870	15,547	13,906	40,783	193.28%	15,960	-60.87%
Total	Elections	40,071	10,769	38,870	15,547	13,906	40,783	193.28%	15,960	-60.87%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1510	Administrative Services									
10115100	AS:Finance									
	TOTAL REVENUE	-15,942	-19,099	-52,936	-21,864	-32,660	-33,313	2.00%	-33,979	2.00%
	TOTAL EXPENSE	1,670,820	1,655,938	1,795,943	1,644,942	1,860,432	2,022,258	8.70%	2,183,724	7.98%
Total	AS:Finance	1,654,878	1,636,839	1,743,007	1,623,078	1,827,772	1,988,945	8.82%	2,149,745	8.08%
Total	Administrative Services	1,654,878	1,636,839	1,743,007	1,623,078	1,827,772	1,988,945	8.82%	2,149,745	8.08%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1580	Information Technology									
10115800	AS:IT									
	TOTAL REVENUE	-505,207	-520,150	-535,800	-562,605	-562,600	-590,800	5.01%	-596,900	1.03%
	TOTAL EXPENSE	1,202,917	1,137,010	1,273,463	1,112,908	1,282,276	1,318,518	2.83%	1,353,005	2.62%
Total	AS:IT	697,710	616,860	737,663	550,303	719,676	727,718	1.12%	756,105	3.90%
Total	Information Technology	697,710	616,860	737,663	550,303	719,676	727,718	1.12%	756,105	3.90%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1585	Information Services-Pass Thru									
10115850	AS: Information Tech PassThru									
	TOTAL REVENUE	-110,011	-31,420	-30,543	-64,773	-45,900	-45,900	0.00%	-45,900	0.00%
	TOTAL EXPENSE	40,651	31,420	30,640	56,779	45,900	45,900	0.00%	45,900	0.00%
Total	AS: Information Tech PassThru	-69,360	0	97	-7,994	0	0	0.00%	0	0.00%
Total	Information Services-Pass Thru	-69,360	0	97	-7,994	0	0	0.00%	0	0.00%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1610	Legal									
10116100	Legal									
TOTAL EXPENSE		141,281	140,165	248,097	111,117	120,000	140,000	16.67%	141,000	0.71%
Total	Legal	141,281	140,165	248,097	111,117	120,000	140,000	16.67%	141,000	0.71%
Total	Legal	141,281	140,165	248,097	111,117	120,000	140,000	16.67%	141,000	0.71%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1710	Community Development									
10117100	Community Development									
TOTAL REVENUE		-139,430	-143,108	-143,220	-41,694	-40,800	-99,116	142.93%	-42,448	-57.17%
TOTAL EXPENSE		325,030	329,092	563,119	403,690	417,903	590,700	41.35%	548,231	-7.19%
Total	Community Development	185,600	185,984	419,899	361,996	377,103	491,584	-30.36%	505,783	-2.89%
Total	Community Development	185,600	185,984	419,899	361,996	377,103	491,584	-30.36%	505,783	-2.89%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1810	Engineering									
10118100	Engineering									
	TOTAL REVENUE	-105,913	-136,195	-230,561	-115,351	-111,000	-112,300	1.17%	-95,616	-14.86%
	TOTAL EXPENSE	467,689	541,933	576,263	583,955	635,216	657,531	3.51%	679,013	3.27%
Total	Engineering	361,776	405,739	345,702	468,604	524,216	545,231	4.01%	583,397	7.00%
Total	Engineering	361,776	405,739	345,702	468,604	524,216	545,231	4.01%	583,397	7.00%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1910	Govt Bldgs - 1 City Hall Plaza									
10119100	Govt Bldgs - 1 City Hall Plaza									
	TOTAL REVENUE	-3,659	-10,444	-3,501	-3,250	-3,570	-3,641	1.99%	-3,714	2.00%
	TOTAL EXPENSE	220,284	241,868	219,034	190,001	216,612	235,505	8.72%	240,183	1.99%
Total	Govt Bldgs - 1 City Hall Plaza	216,625	231,424	215,532	186,751	213,042	231,864	8.83%	236,469	1.99%
Total	Govt Bldgs - 1 City Hall Plaza	216,625	231,424	215,532	186,751	213,042	231,864	8.83%	236,469	1.99%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
1930	Building Maintenance									
10119300	Building Maintenance									
TOTAL REVENUE		-125,000	-127,845	-70,621	-72,013	-70,300	-143,600	104.27%	-145,200	1.11%
TOTAL EXPENSE		254,346	478,586	619,849	569,947	761,846	967,283	26.97%	991,721	2.53%
Total	Building Maintenance	129,346	350,741	549,228	497,934	691,546	823,683	19.11%	846,521	2.77%
Total	Building Maintenance	129,346	350,741	549,228	497,934	691,546	823,683	19.11%	846,521	2.77%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
6900	Unallocated									
10169000	Unallocated									
TOTAL EXPENSE		2,100	-2,857	309	7,239	267,991	316,837	18.23%	340,000	7.31%
Total	Unallocated	2,100	-2,857	309	7,239	267,991	316,837	18.23%	340,000	7.31%
Total	Unallocated	2,100	-2,857	309	7,239	267,991	316,837	18.23%	340,000	7.31%
Total	General Government	4,313,576	4,615,558	5,513,762	5,054,616	6,164,817	6,885,445	11.69%	7,206,820	4.67%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
20	Public Safety									
2110	211 or 2110 Police									
10121100	Police									
TOTAL REVENUE		-348,519	-479,812	-439,689	-542,745	-493,627	-551,538	11.73%	-564,207	2.30%
TOTAL EXPENSE		4,836,613	5,169,592	6,030,828	5,564,507	6,176,456	6,791,993	9.97%	7,138,436	5.10%
Total	Police	4,488,094	4,689,780	5,591,139	5,021,762	5,682,829	6,240,455	-9.81%	6,574,229	-5.35%
Total	211 or 2110 Police	4,488,094	4,689,780	5,591,139	5,021,762	5,682,829	6,240,455	-9.81%	6,574,229	-5.35%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
2140	Crime Prevention Program									
10121400	Crime Prevention Program									
TOTAL REVENUE		0	-12,000	-1,000	0	0	0	0.00%	0	0.00%
TOTAL EXPENSE		170	752	828	772	356	600	68.54%	600	0.00%
Total	Crime Prevention Program	170	-11,248	-172	772	356	600	68.54%	600	0.00%
Total	Crime Prevention Program	170	-11,248	-172	772	356	600	68.54%	600	0.00%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
2210	Fire									
10122100	Fire									
	TOTAL REVENUE	-323,419	-465,206	-367,492	-450,775	-341,919	-424,606	24.18%	-438,168	3.19%
	TOTAL EXPENSE	2,182,768	2,301,671	2,328,090	2,348,029	2,550,484	2,929,751	14.87%	3,069,809	4.78%
Total	Fire	1,859,349	1,836,465	1,960,597	1,897,254	2,208,565	2,505,145	13.43%	2,631,641	5.05%
Total	Fire	1,859,349	1,836,465	1,960,597	1,897,254	2,208,565	2,505,145	13.43%	2,631,641	5.05%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
2410	Building Inspections									
10124100	Building Inspections									
	TOTAL REVENUE	-714,080	-1,617,663	-2,058,396	-2,771,845	-1,039,178	-1,139,178	9.62%	-1,039,178	-8.78%
	TOTAL EXPENSE	681,165	804,848	929,197	961,208	821,511	1,030,044	25.38%	1,068,300	3.71%
Total	Building Inspections	-32,914	-812,815	-1,129,199	-1,810,637	-217,667	-109,134	49.86%	29,122	126.68%
Total	Building Inspections	-32,914	-812,815	-1,129,199	-1,810,637	-217,667	-109,134	49.86%	29,122	126.68%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
2910	Civil Defense									
10129100	Civil Defense									
	TOTAL EXPENSE	11,653	5,320	5,322	774	5,814	5,843	0.50%	5,872	0.50%
Total	Civil Defense	11,653	5,320	5,322	774	5,814	5,843	0.50%	5,872	0.50%
Total	Civil Defense	11,653	5,320	5,322	774	5,814	5,843	0.50%	5,872	0.50%
Total	Public Safety	6,326,352	5,707,503	6,427,687	5,109,925	7,679,897	8,642,909	-12.54%	9,241,464	-6.93%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
30	Public Works									
3110	311 or 3110 PW Administration									
10131100	PW Administration									
TOTAL REVENUE		-15,683	-96,286	-7,669	0	-25,000	-25,500	2.00%	-26,010	2.00%
TOTAL EXPENSE		435,971	411,684	403,409	365,159	424,883	459,911	8.24%	475,181	3.32%
Total	PW Administration	420,287	315,398	395,740	365,159	399,883	434,411	8.63%	449,171	3.40%
Total	311 or 3110 PW Administration	420,287	315,398	395,740	365,159	399,883	434,411	8.63%	449,171	3.40%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
3120	312 or 3120 Street									
10131200	Street									
	TOTAL REVENUE	-124,373	-159,714	-122,649	-122,122	-121,530	-122,000	0.39%	-122,000	0.00%
	TOTAL EXPENSE	1,717,805	1,742,161	1,915,641	1,606,864	1,935,240	2,056,646	6.27%	2,188,648	6.42%
Total	Street	1,593,432	1,582,447	1,792,992	1,484,742	1,813,710	1,934,646	-6.67%	2,066,648	-6.82%
Total	312 or 3120 Street	1,593,432	1,582,447	1,792,992	1,484,742	1,813,710	1,934,646	-6.67%	2,066,648	-6.82%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
3130	313 or 3130 Snow Removal									
10131300	Snow Removal									
	TOTAL REVENUE	-2,810	-12,008	-4,881	-1,742	-5,100	-5,202	2.00%	-5,306	2.00%
	TOTAL EXPENSE	229,009	331,313	341,014	406,047	284,555	322,861	13.46%	324,044	0.37%
Total	Snow Removal	226,199	319,304	336,134	404,305	279,455	317,659	13.67%	318,738	0.34%
Total	313 or 3130 Snow Removal	226,199	319,304	336,134	404,305	279,455	317,659	13.67%	318,738	0.34%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
3140	314 or 3140 Sign Machine									
10131400	Sign Machine									
	TOTAL REVENUE	-1,047	-2,101	-6,647	-6,393	-1,000	-1,000	0.00%	-1,000	0.00%
	TOTAL EXPENSE	3,607	4,005	5,387	9,901	7,000	19,535	179.07%	12,095	-38.08%
Total	Sign Machine	2,561	1,904	-1,260	3,508	6,000	18,535	208.92%	11,095	-40.14%
Total	314 or 3140 Sign Machine	2,561	1,904	-1,260	3,508	6,000	18,535	208.92%	11,095	-40.14%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
3310	Municipal Services Building									
10133100	Municipal Services Building									
	TOTAL REVENUE	-136	0	0	0	-2,040	-2,081	2.01%	-2,123	2.00%
	TOTAL EXPENSE	171,307	220,768	213,000	175,934	211,196	261,792	23.96%	281,466	7.52%
Total	Municipal Services Building	171,172	220,768	213,000	175,934	209,156	259,711	24.17%	279,343	7.56%
Total	Municipal Services Building	171,172	220,768	213,000	175,934	209,156	259,711	24.17%	279,343	7.56%

2 Year Budget Report
Compared to Actuals

PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
3510	Park Maintenance									
10135100	Park Maintenance									
TOTAL REVENUE		0	-836	0	0	0	0	0.00%	0	0.00%
TOTAL EXPENSE		675,566	770,938	0	0	0	0	0.00%	0	0.00%
Total	Park Maintenance	675,566	770,102	0	0	0	0	0.00%	0	0.00%
Total	Park Maintenance	675,566	770,102	0	0	0	0	0.00%	0	0.00%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
3610	Tree Contol									
10136100	Tree Contol									
	TOTAL REVENUE	-15,529	-40,797	-34,257	-39,724	-27,769	-48,485	74.60%	-48,735	0.52%
	TOTAL EXPENSE	16,398	55,426	53,671	65,646	64,968	85,293	31.28%	85,619	0.38%
Total	Tree Contol	869	14,629	19,414	25,922	37,199	36,808	-1.05%	36,885	0.21%
Total	Tree Contol	869	14,629	19,414	25,922	37,199	36,808	-1.05%	36,885	0.21%
Total	Public Works	3,090,086	3,224,552	2,756,020	2,459,569	2,745,403	3,001,770	9.34%	3,161,880	5.33%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
50	Parks & Recreation									
5110	511 or 5110 PRA Admin									
10151100	P&R Administration									
TOTAL REVENUE		-63,209	-129,320	-87,492	-93,198	-85,300	-89,606	5.05%	-92,138	2.83%
TOTAL EXPENSE		529,924	536,522	895,047	612,596	722,923	771,513	6.72%	830,988	7.71%
Total	P&R Administration	466,714	407,201	807,555	519,398	637,623	681,907	6.95%	738,850	8.35%
Total	511 or 5110 PRA Admin	466,714	407,201	807,555	519,398	637,623	681,907	6.95%	738,850	8.35%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5120	Park Special Events									
10151200	P&R Community Events									
TOTAL REVENUE		0	-3,727	-17,142	-21,250	-14,274	-16,200	13.49%	-16,524	2.00%
TOTAL EXPENSE		0	61,739	67,108	180,659	169,550	170,995	0.85%	176,140	3.01%
Total	P&R Community Events	0	58,012	49,966	159,409	155,276	154,795	-0.31%	159,616	3.11%
Total	Park Special Events	0	58,012	49,966	159,409	155,276	154,795	-0.31%	159,616	3.11%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5210	521 or 5210 Youth									
10152100	P&R Preschool/Youth Programs									
	TOTAL REVENUE	-8,973	-20,724	-262,981	-274,724	-252,440	-265,000	4.98%	-270,300	2.00%
	TOTAL EXPENSE	178,545	186,487	221,955	347,910	345,156	383,820	11.20%	500,593	30.42%
Total	P&R Preschool/Youth Programs	169,572	165,763	-41,027	73,186	92,716	118,820	28.15%	230,293	93.82%
Total	521 or 5210 Youth	169,572	165,763	-41,027	73,186	92,716	118,820	28.15%	230,293	93.82%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5215	521 or 5215 Teen									
10152150	P&R Teen Programs									
	TOTAL REVENUE	0	-1,930	-12,599	-6,721	-17,000	-17,340	2.00%	-17,687	2.00%
	TOTAL EXPENSE	0	1,242	1,394	3,676	9,596	9,692	1.00%	9,823	1.35%
Total	P&R Teen Programs	0	-689	-11,205	-3,045	-7,404	-7,648	-3.30%	-7,864	-2.83%
Total	521 or 5215 Teen	0	-689	-11,205	-3,045	-7,404	-7,648	-3.30%	-7,864	-2.83%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5220	522 or 5220 Senior									
10152200	P&R Senior Programs									
	TOTAL REVENUE	0	-1,220	-41,839	-44,839	-33,000	-43,000	30.30%	-43,800	1.86%
	TOTAL EXPENSE	0	1,388	195,680	191,229	207,565	226,278	9.02%	267,876	18.38%
Total	P&R Senior Programs	0	168	153,841	146,390	174,565	183,278	4.99%	224,076	22.26%
Total	522 or 5220 Senior	0	168	153,841	146,390	174,565	183,278	4.99%	224,076	22.26%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5230	523 or 5230 Adult									
10152300	P&R Adult Programs									
	TOTAL REVENUE	-7,608	-25,342	-33,682	-29,777	-34,000	-34,680	2.00%	-35,374	2.00%
	TOTAL EXPENSE	64,138	56,917	79,665	68,235	79,779	87,210	9.31%	90,213	3.44%
Total	P&R Adult Programs	56,530	31,575	45,982	38,458	45,779	52,530	14.75%	54,839	4.40%
Total	523 or 5230 Adult	56,530	31,575	45,982	38,458	45,779	52,530	14.75%	54,839	4.40%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5240	524 or 5240 Firemens Park									
10152400	P&R Firemens Park									
	TOTAL REVENUE	-161	-64,907	-74,343	-70,531	-81,940	-84,303	2.88%	-85,789	1.76%
	TOTAL EXPENSE	62,685	108,926	104,309	113,485	123,425	122,053	-1.11%	125,700	2.99%
Total	P&R Firemens Park	62,524	44,018	29,966	42,955	41,485	37,750	-9.00%	39,911	5.73%
Total	524 or 5240 Firemens Park	62,524	44,018	29,966	42,955	41,485	37,750	-9.00%	39,911	5.73%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5270	527 or 5270 Skating Rinks									
10152700	P&R Skating Rinks									
	TOTAL EXPENSE	10,054	1,071	7,900	4,588	12,481	12,612	1.05%	13,107	3.93%
Total	P&R Skating Rinks	10,054	1,071	7,900	4,588	12,481	12,612	1.05%	13,107	3.93%
Total	527 or 5270 Skating Rinks	10,054	1,071	7,900	4,588	12,481	12,612	1.05%	13,107	3.93%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5280	528 or 5280 All Ages									
10152800	P&R All Ages Programs									
TOTAL REVENUE		0	-733	-8,731	-8,454	-6,000	-8,000	33.33%	-8,160	2.00%
TOTAL EXPENSE		0	6,151	2,985	7,651	11,221	11,244	0.20%	11,381	1.22%
Total	P&R All Ages Programs	0	5,418	-5,746	-804	5,221	3,244	37.87%	3,221	0.72%
Total	528 or 5280 All Ages	0	5,418	-5,746	-804	5,221	3,244	37.87%	3,221	0.72%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5510	Park Maintenance									
10155100	Park Maintenance									
TOTAL REVENUE		0	-13,840	-68,208	-32,009	-1,326	-14,973	1029.19%	-14,983	0.07%
TOTAL EXPENSE		0	79,220	1,471,379	1,367,415	1,281,432	1,506,325	17.55%	1,533,924	1.83%
Total	Park Maintenance	0	65,381	1,403,171	1,335,407	1,280,106	1,491,352	16.50%	1,518,941	1.85%
Total	Park Maintenance	0	65,381	1,403,171	1,335,407	1,280,106	1,491,352	16.50%	1,518,941	1.85%

2 Year Budget Report Compared to Actuals



PROJECTION: 24101 - 2024 Budget - 101 General Fund

		2020	2021	2022	2023	2023	2024 PROJ	2023-2024	2025 PROJ	2024-2025
ACCOUNTS FOR:		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	LEVEL 5	% CHANGE	LEVEL 5	% CHANGE
5520	ISD112 Grounds Maint									
10155200	ISD112 Grounds Maint									
TOTAL REVENUE		0	0	-110,120	-78,369	-104,884	-106,982	2.00%	-109,122	2.00%
TOTAL EXPENSE		0	0	28,252	23,865	37,940	38,199	0.68%	38,606	1.07%
Total	ISD112 Grounds Maint	0	0	-81,868	-54,503	-66,944	-68,783	-2.75%	-70,516	-2.52%
Total	ISD112 Grounds Maint	0	0	-81,868	-54,503	-66,944	-68,783	-2.75%	-70,516	-2.52%
Total	Parks & Recreation	765,394	777,919	2,358,536	2,261,437	2,370,904	2,659,857	12.19%	2,904,474	9.20%
Total	101-General Fund	-850,945	-1,731,592	-589,426	2,295,761	-851	0	-100.00%	660,168	0.00%
TOTAL REVENUE		-18,896,478	-21,232,994	-23,371,462	-20,320,169	-24,936,489	-28,848,773	15.69%	-30,452,578	5.56%
TOTAL EXPENSE		18,045,533	19,501,402	22,782,036	22,615,930	24,935,638	28,848,773	15.69%	31,112,746	7.85%
Net Total		-850,945	-1,731,592	-589,426	2,295,761	-851	0	-100.00%	660,168	0.00%

REQUEST FOR ACTION CHASKA CITY COUNCIL December 4, 2023

Subject: **Adopt Resolution 2023-92 Authorizing Issuance and Awarding Sale of G.O. Bonds, Series 2023A**

Prepared By: Noel Graczyk

Background

Prepared by

Noel Graczyk, Administrative Services Director
Erica Mattice, Finance Division Director

Overview

Baker Tilly Municipal Advisors, LLC (BTMA), Municipal Advisor to the City, and City staff together have structured General Obligation (G.O.) bonds for issuance by the City. This proposed Series 2023A bonds combine two permitted authorizations for issuance. The first is public improvement bonds related to the 2022 Street Reconstruction Project. The second is equipment certificates for equipment as purchased by the City. This series of bonds is supported by both pledged property tax levies and pledged special assessments.

Attached is a draft form of the proposed sale resolution as prepared by Dorsey and Whitney, LLP., Bond Counsel to the City. This proposed resolution will be completed in final form and provided for consideration by the City Council after bids are received on Monday, December 4, 2023. The following is a discussion of the proposed bonds.

\$10,895,000 G.O. Bonds, Series 2023A

The total estimated PAR amount at \$10,895,000 is issued under two permitted Statutory authorization for issuance. This series issues \$9,510,000 in bonds for the 2022 Street Reconstruction Project in accordance with issuance authority provided by Minnesota Statutes, Chapter 429. Debt service on this bond will be paid from pledged special assessments and tax levies that support street reconstruction as part of the Downtown Street Reconstruction Program.

This series also provides \$1,385,000 in bonds for equipment purchased over the period from 2022-2025 in accordance with issuance authority provided by Minnesota Statutes, Chapter 475. Debt service on this portion of the bond will be repaid from pledged tax levies as well as annual contributions from enterprise funds (Water, Sewer, Storm Water and Golf) for equipment purchases using funds from this series of bonds. These contributions from enterprise funds will be used to reduce future tax levies for repayment of the bonds.

G.O. Pledge

Issuance of this series of bonds includes a General Obligation (G.O.) pledge of the full faith and taxing authority of the City of Chaska to ensure repayment of debt service on these

bonds. Proposed tax levies for repayment are consistent with the Downtown Street Reconstruction Program as well as with planned equipment purchases as included in the adopted 2021–2023 Budgets. Anticipated equipment purchases and associated tax levies for 2024 and 2025 are included as identified in the proposed 2024 Budget and the 2024-2028 Financial Forecast.

Update

On Thursday, November 16, 2023, S&P Global Ratings assigned a AA rating with a Stable outlook to Series 2023A. This rating also affirmed the AA rating on G.O. bonds issued and outstanding by the City. A copy of the RatingDirect report issued by S&P Global is attached.

On Friday, November 17, 2023, the City issued a Preliminary Official Statement (POS) for a competitive sale of Series 2023A. This primary offering document is referenced as part of the proposed sale resolution and represents disclosures made by the City. A copy of the POS is attached.

Competitive Bids for Series 2023A bonds are due by 10:00 A.M. Central Time on Monday, December 4, 2023. Final recommendations as to the PAR amount of the bonds and the winning bidder will be present at the Council meeting. Ms. Chris Hogan, Director at BTMA, will be at the meeting to review results from the sale of Series 2023A.

Recommendation

Staff recommends adoption of the proposed final form of sale resolution for issuance of Series 2023A.

CITY COUNCIL ACTION REQUESTED

Motion to adopt Resolution No. 2023-92 authorizing issuance and awarding sale of \$_____ General Obligation Bonds, Series 2023A

CERTIFICATION OF MINUTES RELATING TO
\$10,065,000 GENERAL OBLIGATION BONDS, SERIES 2023A

Issuer: City of Chaska, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held on December 4, 2023, at 7:00 p.m. at the Chaska City Hall.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2023-92

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE,
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE
PAYMENT OF \$10,065,000 GENERAL OBLIGATION BONDS,
SERIES 2023A

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

WITNESS my hand officially as such recording officer this ____ day of December, 2023.

City Administrator

It was reported that nine (9) proposals for the purchase of \$10,065,000 General Obligation Bonds, Series 2023A were received prior to 10:00 A.M., Central Time, on Monday, December 4, 2023, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Baker Tilly Municipal Advisors, LLC, municipal advisor to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

[See Attached]

\$10,895,000*
City of Chaska, Minnesota
General Obligation Bonds, Series 2023A
S&P Rating: AA

Sale Date: December 4, 2023

BBi: 3.49%
Average Maturity: 11.119 Years

Bidder	TIC
Robert W. Baird & Co. Inc.	3.5091%
FHN Financial Capital Markets	3.5205%
BOK Financial Securities, Inc.	3.5252%
J.P. Morgan Securities LLC	3.5522%
TD Securities (USA) LLC	3.5581%
Mesirow Financial, Inc.	3.5821%
Piper Sandler & Co.	3.5857%
Hilltop Securities Inc.	3.6095%
Keybank Capital Markets	3.6985%

Winning Bidder Information	Maturity	Interest Rate	Reoffering Yield	Reoffering Price
ROBERT W. BAIRD & CO. INC.	2/01/2025	5.00%	2.98%	102.151%
C.L. King & Associates, Inc.	2/01/2026	5.00%	2.86%	104.312%
Colliers Securities LLC	2/01/2027	5.00%	2.78%	106.530%
Edward Jones	2/01/2028	5.00%	2.72%	108.769%
Davenport & Company LLC	2/01/2029	5.00%	2.70%	110.870%
Stifel, Nicolaus & Company, Incorporated	2/01/2030	5.00%	2.74%	112.597%
Northland Securities, Inc.	2/01/2031	5.00%	2.72%	114.612%
Bernardi Securities, Inc.	2/01/2032	5.00%	2.73%	116.378%
Crews & Associates, Inc.	2/01/2033	5.00%	2.79%	117.636%
Sierra Pacific Securities, LLC	2/01/2034	5.00%	2.75%	117.988%
Carty & Company, Inc.	2/01/2035	5.00%	2.83%	117.285%
BNY Mellon Capital Markets, LLC	2/01/2036	5.00%	2.98%	115.981%
Midlegate Securities Ltd.	2/01/2037	5.00%	3.10%	114.950%
The Baker Group	2/01/2038	5.00%	3.20%	114.099%
Alliance Global Partners	2/01/2039	4.00%	3.60%	103.075%
Isaak Bond Investments	2/01/2040	4.00%	3.65%	102.684%
Celadon Financial Group, LLC	2/01/2041	4.00%	3.70%	102.295%
Oppenheimer & Co. Inc.	2/01/2042	3.75%	3.80%	99.347%
Midland Securities Limited	2/01/2043	3.75%	3.88%	98.255%
FMS Bonds, Inc.				
First Southern Securities, LLC				
Commerce Bank, N.A.				
Dinosaur Securities, LLC				
First Bankers' Banc Securities Inc.				
Mountainside Securities LLC				
Valdés & Moreno				
Seaport Global Securities LLC				

Purchase Price: \$11,841,264.40*
Net Interest Cost: \$4,460,342.58*
TIC: 3.5091%*

* Subsequent to bid opening, the par amount decreased to \$10,065,000.00; and the price, net interest cost, and true interest cost have changed to \$10,940,846.75, \$4,124,799.19, and 3.5098%, respectively.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly US, 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. © 2023 Baker Tilly Municipal Advisors, LLC

Councilmember _____ introduced the following resolution and moved its adoption, which motion was seconded by Councilmember _____:

RESOLUTION NO. 2023-92

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$10,065,000 GENERAL OBLIGATION BONDS, SERIES 2023A

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

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization.

By resolution adopted on November 6, 2023, this Council hereby determined it to be in the best interests of the City to issue its General Obligation Bonds, Series 2023A (the “Bonds”), in the principal amount of approximately \$10,895,000 pursuant to Minnesota Statutes, Chapters 429 and 475 and Section 412.301, to finance (i) various street improvement projects within the City (the “Improvements”); (ii) the acquisition of various items of capital equipment (the “Equipment”); and (iii) to pay costs of issuance of the Bonds (the “Project”).

The portion of the Bonds (\$1,250,000) that is being issued pursuant to Minnesota Statutes, Chapters 429 and 475 (the “Improvement Bonds”) will be used to finance the Improvements.

The portion of the Bonds (\$8,815,000) that is being issued pursuant to Minnesota Statutes, Section 412.301 and Chapter 475 (the “Equipment Bonds”) will be used to finance the Equipment. The amount of the Equipment Bonds does not exceeds 0.25 percent (\$10,798,743) of the estimated market value of taxable property in the City (\$4,319,497,500).

Maturity schedules for the Improvement Bonds and the Equipment Bonds are attached hereto as EXHIBIT A.

1.02. Sale.

Pursuant to the Notice of Sale and the Preliminary Official Statement prepared on behalf of the City by Baker Tilly Municipal Advisors, LLC, municipal advisor to the City (the “Municipal Advisor”), sealed or electronic proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Robert W. Baird & Co. Inc., in Milwaukee, Wisconsin (the “Purchaser”), and its associates, to purchase the Bonds in the principal amount of \$10,065,000, at a price of \$10,940,846.75 plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.03. Award.

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

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

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

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of December 28, 2023, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2025	\$335,000	5.000%	2036	\$605,000	5.000%
2026	370,000	5.000	2037	640,000	5.000
2027	390,000	5.000	2038	670,000	5.000
2028	415,000	5.000	2039	580,000	4.000
2029	430,000	5.000	2040	600,000	4.000
2030	455,000	5.000	2041	625,000	4.000
2031	475,000	5.000	2042	650,000	3.750
2032	500,000	5.000	2043	675,000	3.750
2033	525,000	5.000			
2034	550,000	5.000			
2035	575,000	5.000			

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

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of

authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2024, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month preceding such Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing on February 1, 2034 and in later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of \$5,000, on February 1, 2033, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

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

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

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of

ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Representation Letter” shall mean the Representation Letter pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

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

its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

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

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

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

Section 3. USE OF PROCEEDS; PROJECT FUND.

3.01. Project Fund

There is hereby created a special bookkeeping fund to be designated as the General Obligation Bonds, Series 2023A Project Fund (the "Project Fund"), to be held and administered by the City Administrator separate and apart from all other funds of the City. Within the Project Fund are established the following accounts:

(a) Improvements Account. The Improvements Account shall be credited with \$1,399,056.49, representing the estimated costs of the Improvements (\$1,388,055.00) and the costs of issuance of the Improvement Bonds (\$11,001.49) from the proceeds from the Improvement Bonds. The City Administrator shall maintain the Improvements Account until payment of all costs and expenses incurred in connection with the construction of the Improvements have been paid.

(b) Equipment Account. The Equipment Account shall be credited with \$9,536,582.51, representing the estimated costs of the Equipment (\$9,459,000.00) and costs of issuance of the Equipment Bonds (\$77,582.51) from the proceeds of the Equipment Bonds. The City Administrator shall maintain the Equipment Account until all costs and expenses incurred by the City in connection with the acquisition of the Equipment have been paid.

From the Project Fund there shall be paid all costs and expenses related to the construction and acquisition of the Project. After payment of all such costs and expenses, the Project Fund shall be terminated. All funds on hand in the Project Fund when terminated shall be credited to the Bond Fund described in Section 4 hereof, unless and except as such proceeds may be transferred to some other fund or account as to which the City has received from bond counsel an opinion that such other transfer is permitted by applicable laws and does not impair the exemption of interest

on the Bonds from federal income taxes. In no event shall funds remain in the Project Fund later than December 28, 2026.

SECTION 4. GENERAL OBLIGATION BONDS, SERIES 2023A BOND FUND. The Bonds shall be payable from a separate General Obligation Bonds, Series 2023A Bond Fund (the “Bond Fund”) of the City, which shall be created and maintained on the books of the City as a separate debt redemption fund until the Bonds, and all interest thereon, are fully paid. Within the Debt Service Account (described below) within the Bond Fund are established the following subaccounts:

- (a) Improvements Subaccount. There shall be credited to the Improvements subaccount the following:
 - (i) proceeds of the Improvement Bonds in the amount of \$4,768.95, representing a rounding amount.
 - (ii) the amounts specified in Section 3 above, after payment of all costs of the Improvements;
 - (iii) special assessments levied and collected in accordance with Section 5 of this Resolution;
 - (iv) taxes levied and collected in accordance with Section 7 of this Resolution and allocable to the Improvement Bonds; and
 - (v) any other funds appropriated by this Council for the payment of the Improvement Bonds.
- (b) Equipment Subaccount. There shall be credited to the Equipment Subaccount the following:
 - (i) proceeds of the Equipment Bonds in the amount of \$438.80, representing a rounding amount.
 - (ii) the amounts specified in Section 3 above, after payment of all costs of the Equipment;
 - (iii) taxes levied and collected in accordance with Section 7 of this Resolution and allocable to the Equipment Bonds; and
 - (iv) any other funds appropriated by the Council for the payment of the Equipment Bonds.

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

the amount needed to pay principal and interest on the Bonds on the next succeeding principal and interest payment date.

There are hereby established two accounts in the Bond Fund, designated as the “Debt Service Account” and the “Surplus Account.” There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount of \$5,207.75 (as described in Sections 4(a)(i) and 4(b)(i) above). Thereafter, during each bond year (each twelve month period commencing on February 2 and ending on the following February 1, a “Bond Year”), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the applicable subaccount within the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

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

SECTION 5. SPECIAL ASSESSMENTS. The City hereby covenants and agrees that, for the payment of the costs of the Improvements, the City has done or will do and perform all acts and things necessary for the final and valid levy of special assessments in the principal amount of \$277,611, which is not less than 20% of the cost of the Improvements. The principal of and interest on such special assessments are estimated to be levied and collected in the years and amounts shown on EXHIBIT C attached hereto. The principal of the assessments shall be made payable in annual installments, with interest as established by this Council in accordance with law on unpaid installments thereof from time to time remaining unpaid. In the event any special assessment shall at any time be held invalid with respect to any lot or tract of land, due to any error, defect or irregularity in any action or proceeding taken or to be taken by the City or by this Council or by any of the officers or employees of the City, either in the making of such special assessment or in the performance of any condition precedent thereto, the City hereby covenants and agrees that it will forthwith do all such further things and take all such further proceedings as shall be required by law to make such special assessment a valid and binding lien upon said property.

SECTION 6. RESERVED.

SECTION 7. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in

Section 4, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the City, the taxes to be levied and collected in the following years and amounts:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
-------------------	-------------------------	---------------

See attached schedules

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

SECTION 8. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 9. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

9.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable

Treasury Regulations (the “Regulations”), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Project Fund will be expended solely for the payment of the costs of the Project. The Project is and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Project, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds to be considered “private activity bonds” or “private loan bonds” pursuant to Section 141 of the Code.

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

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

9.04. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Project which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

9.05. Qualified Tax-Exempt Obligations. The Bonds are NOT designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

9.06. Continuing Disclosure. a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time

to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

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

- (1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2023, the following financial information and operating data in respect of the City (the “Disclosure Information”):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement in under the headings: “Appendix I – General and Financial Information Concerning the City of Chaska, Minnesota – City Property Values;” “– City Indebtedness;” and “– City Tax Rates, Levies and Collections.”

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

- (2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a “Material Fact,” as hereinafter defined):
 - (A) principal and interest payment delinquencies;
 - (B) non-payment related defaults, if material;
 - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) substitution of credit or liquidity providers, or their failure to perform;
 - (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
 - (G) modifications to rights of Bond holders, if material;
 - (H) Bond calls, if material and tender offers;
 - (I) defeasances;
 - (J) release, substitution, or sale of property securing repayment of the Bonds if material;
 - (K) rating changes;
 - (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
 - (M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the

obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

- (3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

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

(c) Manner of Disclosure.

- (1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted

at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

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

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

SECTION 10. CERTIFICATION OF PROCEEDINGS.

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

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

10.03. Official Statement. The Preliminary Official Statement relating to the Bonds, prepared and distributed by the Municipal Advisor, is hereby approved. The Municipal Advisor is hereby authorized on behalf of the City to prepare and distribute to the Purchaser within seven business days from the date hereof, a Final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

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

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

and the following voted against the same:

whereupon the Resolution was declared duly passed and adopted.

EXHIBIT A

Maturity Schedules

<u>Year</u>		<u>Improvement Bonds</u>		<u>Equipment Bonds</u>		<u>Total</u>
2025		\$ 80,000		\$ 255,000		\$ 335,000
2026		65,000		305,000		370,000
2027		70,000		320,000		390,000
2028		75,000		340,000		415,000
2029		75,000		355,000		430,000
2030		80,000		375,000		455,000
2031		85,000		390,000		475,000
2032		90,000		410,000		500,000
2033		95,000		430,000		525,000
2034		95,000		455,000		550,000
2035		100,000		475,000		575,000
2036		105,000		500,000		605,000
2037		115,000		525,000		640,000
2038		120,000		550,000		670,000
2039		--		580,000		580,000
2040		--		600,000		600,000
2041		--		625,000		625,000
2042		--		650,000		650,000
2043		--		675,000		675,000
TOTAL		\$1,250,000		\$ 8,815,000		\$10,065,000

EXHIBIT B

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF CARVER

CITY OF CHASKA

GENERAL OBLIGATION BONDS, SERIES 2023A

R-_____ \$_____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
____%	February 1, 20__	December 28, 2023	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF CHASKA, State of Minnesota (the “City”) acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2024 (each such date, an “Interest Payment Date”), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank Trust Company, National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the “Registrar”) or other agreed-upon means of payment by the Registrar or its designated successor. For the prompt and full payment of such principal and interest as the same respectively come due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue (the “Bonds”) in the aggregate principal amount of \$10,065,000 issued pursuant to a resolution adopted by the City Council on December 4, 2023 (the “Resolution”), to finance various street improvement projects within the City, the acquisition of various items of capital equipment, and to fund the costs of issuance of the Bonds. This Bond issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapters 429 and 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are

hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, of single maturities.

Bonds maturing on February 1, 2034 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of \$5,000, on February 1, 2033, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

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

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

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

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the bonds ad valorem taxes levied on all taxable property in the City and special assessments upon property specially benefited by the local improvements financed with the Bonds, which taxes and assessments are estimated to be collectible in years and amounts

sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such assessments and taxes to its General Obligation Bonds, Series 2023A Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the projects financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

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

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

CITY OF CHASKA, MINNESOTA

(facsimile signature – City Administrator)

(facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

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

Date of Authentication: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Registrar

By _____
Authorized Representative

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

(Cust) (Minor)

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

(State)

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

ASSIGNMENT

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

Dated:

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

Signature Guaranteed:

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

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF
ASSIGNEE:

EXHIBIT C

Special Assessments and Tax Levies

Assessment Income

Date	Principal	Coupon	Interest	Total P+I
12/31/2023	11,236.00	5.500%	16,540.99	27,776.99
12/31/2024	13,127.00	5.500%	14,650.62	27,777.62
12/31/2025	13,849.00	5.500%	13,928.64	27,777.64
12/31/2026	14,610.00	5.500%	13,166.94	27,776.94
12/31/2027	15,414.00	5.500%	12,363.40	27,777.40
12/31/2028	16,262.00	5.500%	11,515.62	27,777.62
12/31/2029	17,156.00	5.500%	10,621.22	27,777.22
12/31/2030	18,100.00	5.500%	9,677.64	27,777.64
12/31/2031	19,095.00	5.500%	8,682.14	27,777.14
12/31/2032	20,145.00	5.500%	7,631.92	27,776.92
12/31/2033	21,253.00	5.500%	6,523.94	27,776.94
12/31/2034	22,422.00	5.500%	5,355.02	27,777.02
12/31/2035	23,656.00	5.500%	4,121.82	27,777.82
12/31/2036	24,957.00	5.500%	2,820.74	27,777.74
12/31/2037	26,329.00	5.500%	1,448.10	27,777.10
Total	\$277,611.00	-	\$139,048.75	\$416,659.75

SIGNIFICANT DATES

Date Filed	11/30/2022
First Collection Year.....	12/31/2023

Post Sale Tax Levies Schedule

Payment Date	Principal	Coupon	Interest	Total P+I	105% Overlevy	Assessment Income	Levy Amount	Levy/ Collection Year
02/01/2025	335,000.00	5.000%	511,595.94	846,595.94	888,925.73	55,554.61	833,371.12	2023/2024
02/01/2026	370,000.00	5.000%	451,887.50	821,887.50	862,981.88	27,777.64	835,204.24	2024/2025
02/01/2027	390,000.00	5.000%	433,387.50	823,387.50	864,556.88	27,776.94	836,779.94	2025/2026
02/01/2028	415,000.00	5.000%	413,887.50	828,887.50	870,331.88	27,777.40	842,554.48	2026/2027
02/01/2029	430,000.00	5.000%	393,137.50	823,137.50	864,294.38	27,777.62	836,516.76	2027/2028
02/01/2030	455,000.00	5.000%	371,637.50	826,637.50	867,969.38	27,777.22	840,192.16	2028/2029
02/01/2031	475,000.00	5.000%	348,887.50	823,887.50	865,081.88	27,777.64	837,304.24	2029/2030
02/01/2032	500,000.00	5.000%	325,137.50	825,137.50	866,394.38	27,777.14	838,617.24	2030/2031
02/01/2033	525,000.00	5.000%	300,137.50	825,137.50	866,394.38	27,776.92	838,617.46	2031/2032
02/01/2034	550,000.00	5.000%	273,887.50	823,887.50	865,081.88	27,776.94	837,304.94	2032/2033
02/01/2035	575,000.00	5.000%	246,387.50	821,387.50	862,456.88	27,777.02	834,679.86	2033/2034
02/01/2036	605,000.00	5.000%	217,637.50	822,637.50	863,769.38	27,777.82	835,991.56	2034/2035
02/01/2037	640,000.00	5.000%	187,387.50	827,387.50	868,756.88	27,777.74	840,979.14	2035/2036
02/01/2038	670,000.00	5.000%	155,387.50	825,387.50	866,656.88	27,777.10	838,879.78	2036/2037
02/01/2039	580,000.00	4.000%	121,887.50	701,887.50	736,981.88	-	736,981.88	2037/2038
02/01/2040	600,000.00	4.000%	98,687.50	698,687.50	733,621.88	-	733,621.88	2038/2039
02/01/2041	625,000.00	4.000%	74,687.50	699,687.50	734,671.88	-	734,671.88	2039/2040
02/01/2042	650,000.00	3.750%	49,687.50	699,687.50	734,671.88	-	734,671.88	2040/2041
02/01/2043	675,000.00	3.750%	25,312.50	700,312.50	735,328.13	-	735,328.13	2041/2042
Total	\$10,065,000.00	-	\$5,000,645.94	\$15,065,645.94	\$15,818,928.23	\$416,659.75	\$15,402,268.48	-

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

The undersigned, being the duly qualified and acting County Auditor of Carver County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on December 4, 2023, by the City Council of Chaska, Minnesota, setting forth the form and details of an issue of \$10,065,000 General Obligation Bonds, Series 2023A dated the date of issuance thereof.

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

WITNESS my hand and official seal on the _____ day of December, 2023.

Carver County Auditor

(SEAL)

RatingsDirect®

Summary:

Chaska, Minnesota; Appropriations; General Obligation

Primary Credit Analyst:

Emma Drilias, Madison (1) 312-233-7132; emma.drilias@spglobal.com

Secondary Contact:

Jessica Olejak, Chicago + 1 (312) 233 7068; jessica.olejak@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Related Research

Summary:

Chaska, Minnesota; Appropriations; General Obligation

Credit Profile		
US\$10.895 mil GO bnds ser 2023A dtd 12/28/2023 due 02/01/2043		
Long Term Rating	AA/Stable	New
Chaska GO		
Long Term Rating	AA/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AA' long-term rating to the City of Chaska, Minn.'s anticipated \$10.895 million series 2023A general obligation (GO) bonds.
- S&P Global Ratings also affirmed its 'AA' rating on the city's existing GO debt and its 'AA-' rating on the city's lease revenue debt subject to appropriation.
- The outlook is stable.

Security

Chaska's unlimited ad-valorem tax GO pledge secures the series 2023A bonds. The city also pledges special assessments levied against benefited properties to repay a portion of the bonds. Much of Chaska's GO debt outstanding is also secured by additional revenue pledges, including special assessments, utility revenues, and state transportation aid, but we rate all debt based on the city's GO pledge.

Series 2023A bond proceeds will reimburse Chaska for costs incurred for equipment purchases and project costs associated with the city's 2022 downtown street and utility reconstruction project.

The existing lease-revenue bonds are secured the city's pledge of rental payments, subject to annual appropriation. In addition, the 2020E lease-revenue bonds are secured by the Economic Development Authority of Chaska's pledge of rental payments received from Chaska, subject to annual appropriation. We rate the existing lease-revenue bonds one notch lower than the GO debt due to appropriation risk.

Credit overview

Chaska's location southwest of the Twin Cities, with substantial developable land, has contributed to the city's growth into an affluent residential community. Chaska is planning for extensive development in its southwest area, with more than 400 acres of planned office and commercial space, and projections of a population increase of up to 10,000 over the next decade. The city is a frequent issuer of debt to accommodate its growth plans, contributing to our assessment of Chaska's overall weak debt and contingent liability profile. Management reports the city will soon embark on a 10-year plan to update four city facilities, with a current total project cost of \$112 million. The city plans to issue \$55 million in new debt to finance phase I of those facility improvements, as well as routine capital needs, within the next

year. Therefore, we expect Chaska's debt profile will remain weak and a limiting credit factor.

After several years of general fund balance draws, Chaska has restored its available reserves above the level we consider very strong following three general fund surpluses paired with a \$300,000 budgeted annual reserve increase. Despite its improved general fund position, the city's overall financial profile remains somewhat pressured by persistent negative balances in several nonmajor governmental and enterprise funds including the economic development authority, tax increment, community center, curling, and sewer and golf funds. We also note the city has several privately placed debt agreements, and frequently uses lines of credit for large infrastructure projects and is then reimbursed with bond issuances. We view the terms of all outstanding agreements as standard. Based on our view of the city's strong management policies and practices, paired with its very strong and growing tax base, we believe that the rating will remain stable over the two-year outlook horizon.

The 'AA' rating reflects our assessment of the following factors:

- Very strong economy, supported by numerous economic development projects including revitalization of its downtown, as well as commercial, industrial, and multifamily housing projects supporting Chaska's 26% growth in total market value over the past two years;
- Improved budgetary flexibility to very strong following three years of general fund surpluses paired with the city's commitment to budget for a \$300,000 increase to the general fund balance under a fund balance stabilization arrangement;
- Good financial policies and practices under our Financial Management Assessment methodology, with a formal five-year capital improvement plan, a basic five-year forecast for operations, with an informal fund balance policy of 35% of expenditures in the general fund balance, although the city is not expected to meet this target in the upcoming year, with a strong institutional framework score; and
- High debt burden that we anticipate will increase considerably based on the city's plans to issue up to \$55 million of new debt over the two-year horizon. In addition, Chaska's pension plan contributions fell below our minimum funding progress metric in fiscal 2022, with a current fixed-rate contribution practices that are not expected to materially reduce unfunded liabilities in the near term. (For more information, see "Pension Spotlight: Minnesota," published Aug. 10, 2023.)

Environmental, social, and governance

We view Chaska's environmental, social, and governance factors as neutral in our credit analysis. We also note the city has implemented policies and practices to help mitigate its exposure to cyber-security risks.

Outlook

The stable outlook reflects our expectation that Chaska will maintain balanced general fund budgetary performance, while continuing to build on its available reserves over the two-year outlook horizon. It also reflects the city's strong management conditions, paired with its participation in the Twin Cities metropolitan statistical area, which has a moderating effect on fluctuations to the local economy.

Downside scenario

We could lower the rating if financial performance weakens, leading to a draw on available reserves, or if negative balances outside of the general fund pressure the city's liquidity. A lower rating is also possible if the city's debt profile materially increases to levels no longer comparable with that of peers at the current rating.

Upside scenario

Although unlikely, we could raise the rating with material improvement in available reserves paired with significant moderation to the debt profile.

Chaska, Minnesota--key credit metrics				
	Most recent	Historical information		
		2022	2021	2020
Very strong economy				
Projected per capita EBI % of U.S.	135			
Market value per capita (\$)	160,165			
Population (no.)		28,263	27,928	27,315
County unemployment rate(%)		2.2		
Market value (\$000)	4,526,746	4,077,915	3,605,125	3,341,986
Ten largest taxpayers % of taxable value	7.4			
Adequate budgetary performance				
Operating fund result % of expenditures		2.8	5.4	0.1
Total governmental fund result % of expenditures		5.2	(4.4)	4.6
Very strong budgetary flexibility				
Available reserves % of operating expenditures		15.6	14.7	9.9
Total available reserves (\$000)		3,534	2,976	1,880
Very strong liquidity				
Total government cash % of governmental fund expenditures		64	72	65
Total government cash % of governmental fund debt service		513	522	284
Strong management				
Financial Management Assessment	Good			
Weak debt & long-term liabilities				
Debt service % of governmental fund expenditures		12.4	13.8	22.8
Net direct debt % of governmental fund revenue	226			
Overall net debt % of market value	3.6			
Direct debt 10-year amortization (%)	78			
Required pension contribution % of governmental fund expenditures		3.9		
OPEB actual contribution % of governmental fund expenditures		0		
Strong institutional framework				
EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.				

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022
- 2022 Update Of Institutional Framework For U.S. Local Governments

Ratings Detail (As Of November 16, 2023)		
Chaska taxable GO bnds		
Long Term Rating	AA/Stable	Affirmed
Chaska taxable GO bnds ser 2019D due 02/01/2040		
Long Term Rating	AA/Stable	Affirmed
Chaska APPROP		
Long Term Rating	AA-/Stable	Affirmed
Chaska GO		
Long Term Rating	AA/Stable	Affirmed
Chaska GO		
Long Term Rating	AA/Stable	Affirmed
Chaska GO		
Long Term Rating	AA/Stable	Affirmed
Chaska GO		
Long Term Rating	AA/Stable	Affirmed
Chaska GO		
Long Term Rating	AA/Stable	Affirmed
Chaska GO		
Long Term Rating	AA/Stable	Affirmed
Chaska GO bnds		
Long Term Rating	AA/Stable	Affirmed
Chaska GO imp rfdg bnds ser 2019E due 02/01/2033		
Long Term Rating	AA/Stable	Affirmed
Chaska GO state aid street bnds ser 2021A due 04/01/2041		
Long Term Rating	AA/Stable	Affirmed
Chaska GO util rev bnds		
Long Term Rating	AA/Stable	Affirmed
Carver County Community Development Agency, Minnesota		
Chaska, Minnesota		
Carver Cnty Comnty Dev Agy (Chaska) governmental rfdg bnds (unltd tax GO) (Chaska) ser 2020B due 01/01/2040		
Long Term Rating	AA/Stable	Affirmed
Chaska Economic Development Authority, Minnesota		
Chaska, Minnesota		
Chaska Econ Dev Auth taxable full-term installment purchase rev bnds ser 2020B due 12/01/2040		
Long Term Rating	AA/Stable	Affirmed

Ratings Detail (As Of November 16, 2023) (cont.)

Chaska Econ Dev Auth (Chaska) taxable full-term installment purchase rev bnds

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Chaska Econ Dev Auth (Chaska) APPROP

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Chaska Econ Dev Auth (Chaska) APPROP

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Chaska Econ Dev Auth (Chaska) APPROP

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Chaska Econ Dev Auth (Chaska) APPROP

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Chaska Econ Dev Auth (Chaska) APPROP

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

**NEW ISSUE
NOT BANK QUALIFIED
BOOK ENTRY ONLY**

S&P RATING: AA

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions. See "TAX CONSIDERATIONS" herein.

**CITY OF CHASKA, MINNESOTA
\$10,895,000* General Obligation Bonds, Series 2023A
(the "Bonds")**

Dated Date	Date of Delivery (anticipated to be December 28, 2023)
Sale Date	Monday, December 4, 2023 until 10:00 A.M., Central Time
Consideration of Award	City Council meeting commencing at 7:00 P.M., Central Time on Monday, December 4, 2023.
Security	The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City pledges special assessments against benefited properties for repayment of a portion of the Bonds. See "Authority and Security" herein.
Authorization	The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, and Section 412.301, as amended. See "Authority and Security" herein.
Purpose	The proceeds of the Bonds will be used to (i) finance various street improvement projects within the City, (ii) finance the acquisition of various items of capital equipment; and (iii) pay the costs associated with the issuance of the Bonds.
Principal and Interest Payments	Principal will be paid annually on February 1, beginning February 1, 2025. Interest will be payable semiannually on February 1 and August 1, beginning August 1, 2024.
Redemption Provisions	The City may elect on February 1, 2033, and on any day thereafter, to redeem Bonds due on or after February 1, 2034 at a price of par plus accrued interest. The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.
Book Entry	The Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See Appendix B - "Book Entry".
Denominations	The Bonds are being issued in the denomination of \$5,000 or integral multiples thereof.
Registrar and Paying Agent	U.S. Bank Trust Company, National Association, located in Saint Paul, Minnesota ("Registrar" and "Paying Agent").
Bidding Information	Interested bidders should review the Terms of Proposal for additional instructions. See Appendix G herein.

MATURITY SCHEDULE
(Base CUSIP(1) _____)

<u>Maturity</u> <u>(February 1)</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2025	\$365,000				
2026	\$405,000				
2027	\$425,000				
2028	\$445,000				
2029	\$470,000				
2030	\$490,000				
2031	\$520,000				
2032	\$545,000				
2033	\$570,000				
2034	\$600,000				
2035	\$620,000				
2036	\$650,000				
2037	\$685,000				
2038	\$715,000				
2039	\$615,000				
2040	\$645,000				
2041	\$675,000				
2042	\$710,000				
2043	\$745,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Preliminary subject to change. The City reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Dorsey & Whitney LLP, Minneapolis, Minnesota, Bond Counsel. The Bonds are expected to be available for delivery to DTC, in New York, New York on or about December 28, 2023.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the City and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

CITY CONTACT INFORMATION

Additional information regarding the City may be obtained by contacting Noel Graczyk, Administrative Services Director, City of Chaska, One City Hall Plaza, Chaska, Minnesota 55318-1962, phone (952) 448-9200, email: ngraczyk@chaskamn.gov.

CITY OF CHASKA, MINNESOTA

CITY COUNCIL

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

CITY ADMINISTRATOR

Matthew Podhradsky

ADMINISTRATIVE SERVICES DIRECTOR

Noel Graczyk

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Dorsey & Whitney LLP
Minneapolis, Minnesota

REGISTRAR AND PAYING AGENT

U.S. Bank Trust Company, National Association
Saint Paul, Minnesota

UNDERWRITER

TABLE OF CONTENTS

	<u>Page</u>
PURPOSE OF THE ISSUE AND USE OF FUNDS.....	1
PURPOSE OF THE BONDS	1
SOURCES AND USES OF FUNDS.....	1
INVESTMENT OF FUNDS	1
DESCRIPTION OF THE BONDS	1
INTEREST CALCULATION.....	1
REGISTRATION AND EXCHANGE FEATURES.....	1
BOOK ENTRY	2
PROVISIONS FOR PAYMENT	2
NOTICE OF REDEMPTION	2
OPTIONAL REDEMPTION.....	2
[MANDATORY REDEMPTION.....	2
AUTHORITY AND SECURITY.....	3
AUTHORITY	3
SECURITY AND SOURCES OF PAYMENT	3
RATING	3
RISK FACTORS AND INVESTOR CONSIDERATIONS	4
MAINTENANCE OF RATING	4
SECONDARY MARKET	4
FUTURE CHANGES IN LAW.....	4
LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE BONDS.....	4
POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS	5
CYBERSECURITY.....	5
PURCHASER/UNDERWRITING	5
CONTINUING DISCLOSURE	5
FUTURE FINANCING	6
LITIGATION	6
LEGAL MATTERS.....	6
TAX CONSIDERATIONS.....	6
TAX-EXEMPT INTEREST	7
ORIGINAL ISSUE DISCOUNT	7
MARKET DISCOUNT	8
BOND PREMIUM	8
RELATED TAX CONSIDERATIONS	8
SALE OR OTHER DISPOSITION	9
INFORMATION REPORTING AND BACKUP WITHHOLDING	9
NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS	9
MUNICIPAL ADVISOR.....	9
MUNICIPAL ADVISOR REGISTRATION	10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	10
MISCELLANEOUS.....	10
CERTIFICATION	10
A. General Information of the City	
B. Book Entry	
C. Form of Bond Counsel Opinion	
D. Form of Continuing Disclosure Covenants	
E. Summary of Tax Levies, Payment Provisions, and Minnesota Real Property Valuation	
F. 2022 Annual Comprehensive Financial Report	
G. Bidding Information: Terms of Proposal and Proposal Form	

OFFICIAL STATEMENT

CITY OF CHASKA, MINNESOTA \$10,895,000* GENERAL OBLIGATION BONDS, SERIES 2023A

PURPOSE OF THE ISSUE AND USE OF FUNDS

PURPOSE OF THE BONDS

The proceeds of the Bonds will be used to (i) finance various street improvement projects within the City (the "Improvement Portion"), and (ii) finance the acquisition of various items of capital equipment (the "Equipment Portion" and together, the "Bonds") ; and (iii) pay the costs associated with the issuance of the Bonds.

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

	<u>Improvement Portion</u>	<u>Equipment Portion</u>
Sources of Funds:		
Principal Amount	\$ _____	\$ _____
[Net] Reoffering Premium	_____	_____
Total Sources of Funds	\$ _____	\$ _____
Uses of Funds:		
Deposit to Project Fund	\$ _____	\$ _____
Costs of Issuance(1)	_____	_____
Underwriter's Compensation	_____	_____
Total Uses of Funds	\$ _____	\$ _____

(1) Includes fees for bond counsel, municipal advisor, registrar/paying agent, rating, and other miscellaneous expenses.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of Bonds proceeds.

DESCRIPTION OF THE BONDS

INTEREST CALCULATION

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2024. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

REGISTRATION AND EXCHANGE FEATURES

Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

*Preliminary; subject to change.

BOOK ENTRY

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book entry only form. See Appendix B - "Book Entry".

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants.

NOTICE OF REDEMPTION

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

OPTIONAL REDEMPTION

The City may elect on February 1, 2033, and on any day thereafter, to redeem Bonds due on or after February 1, 2034. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

[MANDATORY REDEMPTION

The Term Bonds maturing on _____ [and _____] (the "Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

<u>Year</u>	<u>[] Term Bonds</u> <u>Amount</u>
[first year]	\$ _____
[second/last year]*	\$ _____

<u>Year</u>	<u>[] Term Bonds</u> <u>Amount</u>
[first year]	\$ _____
[second/last year]*	\$ _____

<u>Year</u>	<u>[] Term Bonds</u> <u>Amount</u>
[first year]	\$ _____

[second/last year]* \$_____

* *Final Maturity.*

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the City shall determine.]

AUTHORITY AND SECURITY

AUTHORITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, and 475, and Section 412.301.

SECURITY AND SOURCES OF PAYMENT

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

Improvement Portion

The City pledges special assessments against benefited properties for repayment of a portion of the Improvement Portion of the Bonds. Special assessments in the principal amount of \$285,224 were filed in November 2022. Of this amount, the City has received prepayments of \$7,613. The remaining amount of \$277,611 will be collected over a term of 15 years with level payments of principal and interest. Interest on the unpaid balance will be charged at an interest rate of 5.50%.

The City will also levy taxes for repayment of a portion of the Improvement Portion of the Bonds, and will make its first levy in 2023 for collection in 2024. Each year's collection of taxes and special assessments, if collected in full, will be sufficient to pay 105% of the debt service due on the Improvement Portion of the Bonds in each year.

Equipment Portion

The City will levy taxes for repayment of the Equipment Portion of the Bonds, and will make its first levy in 2023 for collection in 2024. Each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the debt service due on the Equipment Portion of the Bonds in each year.

Minnesota Statutes, Section 412.301, as amended, specifies that the City may issue certificates of indebtedness to purchase capital equipment without referendum and without being subject to a petition for a referendum if the total amount of the issue does not exceed $\frac{1}{4}$ of 1% of the estimated market value of the City. Based on the City's 2022/23 estimated market value of \$4,319,497,500, this represents a maximum issue size of approximately \$10,798,743. The principal amount of the Equipment Portion of the Bonds in the amount of \$9,510,000 is within that limitation and is therefore not subject to petition.

RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York has assigned a rating of "AA" to the Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The City has not applied to any other rating service for a rating on the Bonds.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain investment considerations are set forth below.

MAINTENANCE OF RATING

The Bonds have been rated as to their creditworthiness by S&P. While the City does not anticipate any material changes in the future, no assurance can be given that the Bonds will maintain their original rating. If the rating on the Bonds decreases or is withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Rating" herein.

SECONDARY MARKET

While the purchaser of the Bonds may expect, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

FUTURE CHANGES IN LAW

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Minnesota legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The City cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the City.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE BONDS

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, the owners of the Bonds may have to enforce available remedies.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Resolution on behalf of the owners of the Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment of debt service on any of its outstanding debt obligations.

CYBERSECURITY

The City relies on computer networks, data storage, collection, and transmission to conduct the operations of the City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the City, its information technology, data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The City acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the City could have a material impact on the City. Further, as cybersecurity threats evolve, the City will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

PURCHASER/UNDERWRITING

The Bonds are being purchased by _____ (the "Underwriter") [and its syndicate] at a purchase price of \$_____, which is the par amount of the Bonds of \$_____, less the Underwriter's discount of \$_____, plus the [net] original issue premium/discount of \$_____, plus accrued interest \$_____.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Bonds.

CONTINUING DISCLOSURE

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

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

The City has adopted specific disclosure policies and procedures to further ensure ongoing compliance with its continuing disclosure obligations. A failure by the City to comply with the Disclosure Covenants will not constitute an event of default on the Bonds (although holders will have any available remedy at law or

in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

FUTURE FINANCING

As of the date of this Official Statement, the City anticipates issuing the following debt obligations in calendar year 2024:

Approximately \$5,000,000 of general obligation bonds to provide long-term financing for a road reconstruction project, originally financed by the City's General Obligation Temporary State Aid Street Bonds, Series 2022A.

Approximately \$2,500,000 of general obligation utility revenue bonds to finance various water and sewer utility projects related to the construction of new deep wells and improvements related to the Southwest Chaska Area Development and Creek Road projects.

In addition to the above, the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") anticipates approximately \$48,000,000 of lease revenue bonds to finance the construction of a new Public Safety Building and the first financing of the City's Facility Program, a multi-year financing of four City buildings that are estimated to be constructed and financed over the next six years. These bonds will be special, limited obligations of the Authority payable from rental payments to be received by the Authority from the City pursuant to a lease agreement. The City's obligation under such lease agreement will be subject to annual appropriation.

The City periodically evaluates market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

LITIGATION

The City has submitted notice to Mueller Company regarding non-compliance of the City's Advanced Metering Infrastructure contract. If not resolved, this could lead to the City entering into arbitration against Mueller Company. The above will not affect the validity of the Bonds or the City's ability to meet its financial obligations.

LEGAL MATTERS

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

TAX CONSIDERATIONS

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

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

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the application of the alternative minimum tax imposed on noncorporate taxpayers and applicable corporations (as defined in Section 59(k) of the Code) or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Minnesota income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as “capital assets” (generally, property held for investment).

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

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

TAX-EXEMPT INTEREST

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Code, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

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

ORIGINAL ISSUE DISCOUNT

Bonds may be issued with original issue discount (“OID”). A Bond will be treated as issued with OID (a “Discount Bond”) if its “stated redemption price at maturity” (*i.e.*, the sum of all amounts payable on the Bond other than payments of qualified stated interest) exceeds its issue price. OID that accrues to a holder of a Discount Bond is excluded from federal gross income and from Minnesota taxable net income of

individuals, estates, and trusts to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder's federal and Minnesota tax bases. OID is taxable under the Minnesota franchise tax on corporations and financial institutions.

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

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

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

MARKET DISCOUNT

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

BOND PREMIUM

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

RELATED TAX CONSIDERATIONS

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

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

purchase of the Bonds. The Bonds are not “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Income or loss on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations.

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

SALE OR OTHER DISPOSITION

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

INFORMATION REPORTING AND BACKUP WITHHOLDING

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

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the “Municipal Advisor” or “BTMA”). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP (“BTUS”), an accounting firm and has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not verified and will not independently verify the completeness and accuracy of the information contained in the Official Statement. The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

MUNICIPAL ADVISOR REGISTRATION

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms.

Baker Tilly Wealth Management, LLC ("BTWM"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser under the Federal Investment Advisers Act of 1940. Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"). Baker Tilly Financial, LLC ("BTF"), is a wholly owned subsidiary of BTUS, registered with the SEC as an investment advisor.

BTUS, BTWM and subsidiaries of BTUS may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

GENERAL INFORMATION OF THE CITY

CITY PROPERTY VALUES

Trend of Values(1)

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio(2)	Economic Market Value(3)	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2022/23	\$4,319,497,500	95.4%	\$4,526,746,397	\$41,852,700	\$4,211,936,000	\$48,098,965
2021/22	3,536,714,700	86.7	4,077,914,727	64,033,600	3,413,565,400	39,734,514
2020/21	3,368,610,400	93.6	3,605,124,559	67,796,600	3,241,220,600	37,633,807
2019/20	3,281,441,700	98.2	3,341,985,928	68,005,600	3,146,456,700	36,527,116
2018/19	3,007,913,300	93.3	3,226,995,665	75,920,831	2,877,351,100	33,313,863

(1) For a description of the Minnesota property tax system, see Appendix E.

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

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

Source: Carver County, Minnesota, September 2023, except as otherwise noted.

2022/23 Adjusted Taxable Net Tax Capacity: \$48,098,965(1)

Real Estate:		
Residential Homestead	\$29,187,644	59.0%
Commercial/Industrial and Public Utility	11,667,392	23.6
Residential Non-Homestead	7,343,054	14.8
Agricultural, Commercial & Residential, and Seasonal/Recreational	702,432	1.4
Personal Property	<u>599,048</u>	<u>1.2</u>
2022/23 Net Tax Capacity	\$49,499,570	100.0%
Less: Captured Tax Increment	(1,850,631)	
Less: Fiscal Disparity Contribution	(4,155,626)	
Plus: Fiscal Disparity Distribution	<u>4,605,652</u>	
2022/23 Adjusted Taxable Net Tax Capacity	\$48,098,965	

(1) Excludes mobile home valuation of \$151,874.

Ten of the Largest Taxpayers in the City

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2022/23 Net Tax Capacity</u>
United Healthcare Services Inc.	Commercial	\$ 505,728
Centerpoint Energy	Utility	456,162
Aurora Investment LLC	Commercial/Agricultural	437,417
Flexential LLC(1)	Commercial	358,818
Chaska Heights Senior Living LLC	Rental/Residential	322,426
Arrow Hazeltine Shores LLC	Rental/Residential	310,555
Ridgebrook Investments LLLP	Rental/Residential	303,824
Aurora-Chaska Medical LLC	Commercial	292,384
SB Chaska Partners LLC	Rental Residential	289,733
Northern Star Co	Agricultural/Commercial/Residential	<u>281,998</u>
Total		\$3,559,045(2)

(1) Formerly Via West Inc.

(2) Represents 7.4% of the City's 2022/23 adjusted taxable net tax capacity.

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin(1)

Legal Debt Limit (3% of 2022/23 Estimated Market Value)	\$129,584,925
Less: Outstanding Debt Subject to Limit	<u>(38,935,000)</u>

Legal Debt Margin as of December 28, 2023	\$ 90,649,925
---	---------------

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

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

General Obligation Debt Supported Solely by Taxes(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
12-30-14	\$2,705,000	Equipment Certificates	2-1-2024	\$ 340,000
11-29-17	1,960,000	Equipment Certificates	2-1-2027	990,000
11-06-19	1,240,000	Equipment Certificates	2-1-2029	895,000
12-28-23	9,510,000	Equipment Certificates (the Equipment Portion)	2-1-2043	<u>9,510,000</u>
Total				\$11,735,000

(1) These issues are subject to the legal debt limit.

General Obligation Special Assessment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
08-15-12	\$2,430,000	Improvements	2-1-2028	\$ 855,000
08-15-12	3,295,000	Improvement Refunding	2-1-2027	850,000
12-30-14	3,080,000	Improvements	2-1-2030	1,570,000
08-19-15	5,940,000	Improvements	2-1-2031	3,710,000
11-29-17	6,875,000	Improvements	2-1-2038	6,060,000
11-29-17	1,790,000	Taxable Improvements	2-1-2033	1,150,000
12-27-17	995,000	Improvements Refunding	2-1-2029	620,000
11-06-19	4,440,000	Improvements	2-1-2039	3,810,000
12-04-19	1,250,000	Taxable Improvements	2-1-2035	1,020,000
12-04-19	1,740,000	Improvements Refunding	2-1-2033	1,160,000
09-02-20	1,725,000	Improvements	2-1-2037	1,600,000
09-02-20	2,205,000	Taxable Improvements Refunding	12-1-2034	1,720,000
12-28-23	1,385,000	Improvements (the Improvement Portion)	2-1-2038	<u>1,385,000</u>
Total				\$25,510,000

General Obligation Tax Increment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
12-27-17	\$ 460,000	Taxable Tax Increment Refunding	2-1-2031	\$ 320,000
12-04-19	2,600,000	Taxable Tax Increment	2-1-2040	<u>2,560,000</u>
Total				\$2,880,000

General Obligation Tax Abatement Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
11-29-17	\$245,000	Taxable Tax Abatement	2-1-2039	\$205,000
09-02-20	375,000	Taxable Tax Abatement Refunding	12-1-2023	<u>295,000</u>
Total				\$500,000

General Obligation State-Aid Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
01-14-21	\$ 4,940,000	State Aid Street	4-1-2041	\$ 4,590,000

General Obligation Utility Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
08-15-12	\$ 1,380,000	Water/Sewer Revenue Refunding	2-1-2027	\$ 335,000
12-30-15	5,170,000	Utility Revenue	2-1-2036	3,655,000
11-29-17	735,000	Utility Revenue	2-1-2038	615,000
11-06-19	2,135,000	Utility Revenue	2-1-2035	1,780,000
12-04-19	780,000	Taxable Utility Revenue	2-1-2030	570,000
09-02-20	1,215,000	Utility Revenue	2-1-2031	1,035,000
09-02-20	7,845,000	Taxable Utility Revenue Refunding	12-1-2032	<u>6,560,000</u>
Total				\$14,550,000

General Obligation Housing Revenue Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
10-07-20	\$2,200,000	Governmental Refunding (Brickyard)	1-1-2040	\$2,000,000

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

Lease Obligations(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
04-15-15	\$12,855,000	Taxable Lease Revenue	2-1-2035	\$ 7,180,000
04-15-15	9,000,000	Lease Revenue	2-1-2035	7,735,000
12-30-15	3,410,000	Taxable Lease Revenue	2-1-2031	2,040,000
12-30-15	1,085,000	Lease Revenue	2-1-2026	360,000
12-27-17	1,880,000	Senior Center Addition Refunding	12-1-2027	830,000
09-02-20	2,310,000	Lease Revenue Refunding	12-1-2033	<u>1,910,000</u>
Total				\$20,055,000

(1) Issued by the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") and payable from annual appropriation lease payments made by the City to the Authority. These issues are subject to the legal debt limit.

Installment Purchase Revenue Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
03-9-20	\$6,285,000	Taxable Full-Term Installment Purchase Revenue	12-1-2040	\$5,740,000
07-8-20	1,530,000	Taxable Full-Term Installment Purchase Revenue	12-1-2040	<u>1,405,000</u>
Total				\$7,145,000

(1) Issued by the Authority and payable from annual installment payments made by the City to the Authority. These issues are subject to the legal debt limit.

Electric Revenue Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
09-06-17	\$7,220,000	Electric Revenue	10-1-2037	\$5,575,000
12-29-20	1,830,000	Electric Revenue Refunding	10-1-2031	<u>1,405,000</u>
Total				\$6,980,000

(1) Issued by the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") and payable from annual appropriation lease payments made by the City to the Authority.

MMPA Revenue Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-28-23</u>
10-01-15	\$21,760,000	Electric Revenue Refunding (MMPA)	10-1-2030	\$12,010,000

(1) Issued by the City but payable from payments made by the Minnesota Municipal Power Agency to the City pursuant to an agency contract and not from the operation of the electric system of the City (i.e., not secured on a parity with the City's outstanding electric revenue debt).

Estimated Calendar Year Debt Service Payments

<u>Year</u>	<u>G.O. . Debt Supported Solely by Taxes</u>		<u>G.O. Special Assessment Debt</u>	
	<u>Principal</u>	<u>Principal & Interest(1)</u>	<u>Principal</u>	<u>Principal & Interest(2)</u>
2023 (at 12-28)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$ 700,000	\$ 1,062,749	\$ 2,480,000	\$ 3,275,415
2025	655,000	1,177,877	2,605,000	3,335,722
2026	730,000	1,218,252	2,675,000	3,310,950
2027	765,000	1,215,877	2,780,000	3,318,130
2028	525,000	943,627	2,645,000	3,084,444
2029	555,000	947,477	2,560,000	2,913,505
2030	400,000	769,452	2,250,000	2,523,428
2031	425,000	773,827	2,030,000	2,225,018
2032	445,000	772,077	1,465,000	1,601,958
2033	465,000	769,327	1,505,000	1,600,343
2034	490,000	771,898	805,000	868,258
2035	510,000	769,771	630,000	673,741
2036	535,000	771,144	380,000	409,301
2037	560,000	770,679	390,000	407,399
2038	585,000	768,479	265,000	271,214
2039	615,000	769,372	45,000	45,563
2040	645,000	768,340		
2041	675,000	765,502		
2042	710,000	765,699		
2043	<u>745,000</u>	<u>763,886</u>		
Total	\$11,735,000(3)	\$17,335,312	\$25,510,000 (4)	\$29,864,389

(1) Includes estimated debt service on the Equipment Portion of the Bonds

(2) Includes estimated debt service on the Improvement Portion of the Bonds

(3) 48.3% of this debt will be retired within ten years.

(4) 90.1% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

<u>Year</u>	<u>G.O. Tax Increment Debt</u>		<u>G.O. Tax Abatement Debt</u>	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest</u>
2023 (at 12-28)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$ 115,000	\$ 199,520	\$ 35,000	\$ 44,575
2025	120,000	200,995	35,000	44,228
2026	125,000	202,220	40,000	48,828
2027	125,000	198,283	40,000	48,343
2028	135,000	204,195	45,000	52,773
2029	145,000	210,008	45,000	52,093
2030	150,000	210,843	45,000	51,368
2031	155,000	211,550	55,000	60,514
2032	125,000	177,610	55,000	59,466
2033	130,000	179,040	15,000	18,364
2034	130,000	175,270	15,000	17,846
2035	140,000	181,220	15,000	17,329
2036	145,000	181,945	15,000	16,811
2037	155,000	187,406	15,000	16,294
2038	165,000	192,526	15,000	15,776
2039	175,000	197,341	15,000	15,259
2040	<u>645,000</u>	<u>654,836</u>		
Total	\$2,880,000(1)	\$3,764,808	\$500,000(2)	\$579,867

<u>Year</u>	<u>G.O. State Aid Debt</u>		<u>G.O. Utility Revenue Debt</u>	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest</u>
2023 (at 12-28)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$200,000	\$299,485	\$ 1,325,000	\$ 1,638,966
2025	205,000	296,385	1,360,000	1,649,114
2026	215,000	297,985	1,405,000	1,667,246
2027	220,000	294,285	1,435,000	1,668,286
2028	230,000	295,285	1,375,000	1,576,579
2029	240,000	295,885	1,440,000	1,609,475
2030	250,000	296,085	1,475,000	1,611,969
2031	260,000	299,785	1,420,000	1,525,201
2032	260,000	297,185	1,310,000	1,387,628
2033	265,000	299,560	525,000	576,463
2034	270,000	301,615	535,000	571,659
2035	270,000	298,375	460,000	482,272
2036	275,000	299,830	385,000	394,256
2037	280,000	300,945	50,000	52,313
2038	280,000	296,745	50,000	50,781
2039	285,000	297,225		
2040	290,000	297,480		
2041	<u>295,000</u>	<u>297,508</u>		
Total	\$4,590,000(3)	\$5,361,648	\$14,550,000(4)	\$16,462,208

(1) 46.0% of this debt will be retired within ten years.

(2) 82.0% of this debt will be retired within ten years.

(3) 51.1% of this debt will be retired within ten years.

(4) 89.8% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

<u>Year</u>	<u>G.O. Housing Revenue Debt</u>		<u>Lease Obligations</u>	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest</u>
2023 (at 12-28)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$ 105,000	\$ 137,496	\$ 1,775,000	\$ 2,545,551
2025	105,000	137,076	1,855,000	2,561,575
2026	105,000	135,790	1,810,000	2,447,820
2027	110,000	138,640	1,745,000	2,315,337
2028	110,000	136,440	1,585,000	2,086,520
2029	110,000	134,240	1,645,000	2,081,227
2030	115,000	137,450	1,715,000	2,082,902
2031	115,000	136,070	1,790,000	2,085,688
2032	115,000	134,690	1,555,000	1,781,766
2033	120,000	138,100	1,620,000	1,781,590
2034	120,000	136,300	1,450,000	1,543,190
2035	120,000	134,200	1,510,000	1,541,480
2036	125,000	136,750		
2037	125,000	134,250		
2038	130,000	136,700		
2039	135,000	139,050		
2040	<u>135,000</u>	<u>136,350</u>		
Total	\$2,000,000(1)	\$2,319,592	\$20,055,000(2)	\$24,854,646

<u>Year</u>	<u>Installment Purchase Revenue Debt</u>		<u>Electric Revenue Debt</u>	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest</u>
2023 (at 12-28)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$ 345,000	\$ 537,977	\$ 475,000	\$ 709,175
2025	350,000	536,651	485,000	700,175
2026	355,000	534,628	505,000	700,775
2027	365,000	537,220	525,000	700,575
2028	370,000	534,294	550,000	704,575
2029	380,000	535,933	565,000	704,050
2030	395,000	542,133	585,000	705,250
2031	400,000	537,338	610,000	710,750
2032	410,000	536,050	415,000	495,400
2033	425,000	539,485	425,000	492,950
2034	435,000	537,492	440,000	495,200
2035	450,000	540,221	455,000	497,000
2036	465,000	542,522	465,000	493,350
2037	480,000	542,896	480,000	494,400
2038	495,000	542,792		
2039	505,000	537,226		
2040	<u>520,000</u>	<u>536,352</u>		
Total	\$7,145,000(3)	\$9,151,210	\$6,980,000(4)	\$8,603,625

(1) 55.5% of this debt will be retired within ten years.

(2) 85.2% of this debt will be retired within ten years.

(3) 53.1% of this debt will be retired within ten years.

(4) 73.6% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

<u>Year</u>	<u>MMPA Revenue Debt</u>	
	<u>Principal</u>	<u>Principal & Interest</u>
2023 (at 12-28)	(Paid)	(Paid)
2024	\$ 1,475,000	\$ 2,075,500
2025	1,550,000	2,076,750
2026	1,625,000	2,074,250
2027	1,715,000	2,083,000
2028	1,795,000	2,077,250
2029	1,885,000	2,077,500
2030	<u>1,965,000</u>	<u>2,063,250</u>
Total	\$12,010,000	\$14,527,500

Other Debt Obligations

Leases

The City has entered into various capital leases for Fitness Equipment. Information can be found in the City's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022 for additional information.

Temporary Debt

In September 2022, the City issued \$25,300,000 General Obligation Temporary State Aid Street Bonds, Series 2022A (the "Series 2022A Bonds") in the form of a draw down line of credit. The proceeds of the Series 2022A Bonds were used to pay for the costs of state aid street improvement projects within the City. Interest on the Series 2022A Bonds will be paid quarterly. The proceeds of the Series 2022A Bonds will be disbursed to the City on a cost reimbursement basis, and shall not exceed the principal amount of \$25,300,000. The Series 2022A Bonds will mature on December 31, 2024.

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 of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the Revenue Bonds. Accordingly, the Revenue Bonds are not reported as liabilities in the accompanying financial statements.

Overlapping Debt

<u>Taxing Unit(1)</u>	<u>2022/23 Adjusted Taxable Net Tax Capacity</u>	<u>Est. G.O. Debt As of 12-28-23(2)</u>	<u>Debt Applicable to Tax Capacity in City</u>	
			<u>Percent</u>	<u>Amount</u>
Carver County	\$221,610,364	\$25,045,000	21.7%	\$ 5,434,765
I.S.D. No. 112				
(Eastern Carver County)	129,896,908	135,594,000	37.0	50,169,780
Metropolitan Council	5,878,108,871	8,405,000(3)	0.8	<u>67,240</u>
Total				\$55,671,785

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

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

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

Debt Ratios(1)

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
2022/23 Estimated Market Value (\$4,319,497,500)	1.68%	2.97%
Per Capita (28,262 – 2022 U.S. Census Estimate)	\$2,562	\$4,532

(1) Excludes general obligation utility revenue debt, , general obligation housing revenue debt, electric revenue debt, MMPA revenue debt, and other debt obligations. Includes lease obligations and installment purchase revenue debt.

CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in the City of Chaska

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	
					<u>Total</u>	<u>For Debt Only</u>
Carver County	36.488%	35.180%	34.634%	34.170%	29.267%	1.448%
City of Chaska	27.678	28.425	30.068	31.625	31.185	0.000
I.S.D. No. 112						
(Eastern Carver County)(1)	33.631	33.006	32.327	31.220	27.747	14.018
Special Districts(2)	<u>6.422</u>	<u>4.973</u>	<u>5.014</u>	<u>4.846</u>	<u>4.688</u>	<u>1.063</u>
Total	104.219%	101.584%	102.043%	101.861%	92.887%	16.529%

(1) In addition, Independent School District No. 112 (Easter Carver County) has a 2022/23 market value tax rate of 0.18991% spread across the market value of property in support of an excess operating levy.

(2) Special districts include Metropolitan Council, Metropolitan Transit District, Mosquito Control, the Lower Minnesota River Watershed District #1, the Carver County Rail Authority, the Carver County Community Development Agency, and the Chaska Economic Development Authority.

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

Tax Levies and Collections

Levy/Collect	Net Levy(1)	Collected During Collection Year		Collected and/or Abated as of 5-20-23	
		Amount	Percent	Amount	Percent
2022/23	\$15,018,004	(In Process of Collection)			
2021/22	12,499,979	\$12,476,239	99.8%	\$12,488,065	99.9%
2020/21	11,213,750	11,183,052	99.7	11,211,543	99.9
2019/20	10,395,909	10,373,422	99.8	10,394,202	99.9
2018/19	9,173,406	9,146,499	99.7	9,173,406	100.0

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

FUNDS ON HAND As of September 30, 2023

General	\$14,454,607(1)
Special Revenue	(821,717)(2)
Debt Service	8,065,259
Capital Project	9,626,469
Enterprise	17,302,178
Internal Service	<u>2,873,531</u>
Total Cash and Investments	\$51,500,327

(1) As of September 30, 2023, the City is holding \$8,084,794 as Costco/Developer escrow funds.

(2) The negative balance is due to timing of receipt of funds in the Authority's Fund.

INVESTMENTS

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

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- General obligations rated "A" or better.
- Revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- Banker's acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories.

- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The City’s investments are managed to attain a market rate of return while protecting capital. The City has the following mix of investment types as of September 30, 2023: 6.47% in First American Treasury Obligations, 46.04% in mutual funds and money markets, 38.68% in U.S. Government Agencies, 6.95% in State and Local Bonds, and 1.86% in Negotiable CDs. The Administrative Services Director (Treasurer) and City Administrator are charged with the responsibility of conducting investment transactions.

GENERAL INFORMATION CONCERNING THE CITY

The City is the county seat of Carver County, and is located approximately 18 miles southwest of Minneapolis and is part of the Minneapolis-Saint Paul metropolitan area. The City encompasses an area of approximately 18 square miles (11,520 acres).

Population

The City’s population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2022 U.S. Census Estimate	28,262	1.6%
2020 U.S. Census	27,810	17.0
2010 U.S. Census	23,770	36.2
2000 U.S. Census	17,449	53.9
1990 U.S. Census	11,339	35.9
1980 U.S. Census	8,346	--

Sources: United States Census Bureau, <http://www.census.gov/>.

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

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2022/23	7,331	5,654	11,903	3,568
2021/22	7,555	5,416	11,932	3,360
2020/21	7,493	5,419	11,867	3,149
2019/20	7,372	5,424	11,589	2,930
2018/19	7,303	5,466	11,473	2,721

Source: Claritas, LLC.

Transportation

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

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Independent School District No. 112 (Eastern Carver County)	Public education	1,216
Entegris Inc.	Semiconductor processing	802
Lake Region Manufacturing Co., Inc.	Catheter components	740
Carver County	County government	568
Apex International, MFG	Home-care product manufacturer	400
Old National Bank	Banking services	400
Beckman-Coulter, Inc.	Diagnostic reagents	381
TEL-FSI, Inc	Semi-centrifugal products	290
Import Specialties, Inc.	Automotive services	250
City of Chaska	City government	171

Note: Previously reported information was obtained through a telephone survey of individual employers. Any differences may be attributable to the change in the source of this information, as provided below.

Source: Information obtained from D&B Hoovers, <https://app.dnbhoovers.com/>. This does not purport to be a comprehensive list.

Labor Force Data

	<u>Annual Average</u>				<u>August 2023</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Labor Force:					
Carver County	59,566	60,002	58,099	59,251	60,328
MSA	2,031,286	2,046,245	1,976,196	2,009,049	2,039,333
State of Minnesota	3,108,681	3,134,160	3,039,322	3,077,500	3,119,622
Unemployment Rate (%):					
Carver County	2.8%	5.2%	3.0%	2.2%	3.0%
MSA	3.0	6.5	3.8	2.6	3.2
State of Minnesota	3.3	6.3	3.8	2.7	3.2

Source: Minnesota Department of Employment and Economic Development, <https://apps.deed.state.mn.us/lmi/laus>. 2023 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

City of Chaska

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$343,613	\$1,158,627	\$79,386
2021/22	291,283	1,152,443	80,163
2020/21	270,283	1,097,052	76,545
2019/20	305,490	1,069,092	78,299
2018/19	293,460	954,752	68,736

Carver County

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$1,414,686	\$5,063,203	\$91,382
2021/22	1,245,104	5,095,911	91,347
2020/21	1,194,759	4,593,426	83,278
2019/20	1,347,523	4,501,253	84,734
2018/19	1,271,040	4,219,638	77,524

The 2022/23 Median Household EBI for the State of Minnesota was \$71,569. The 2022/23 Median Household EBI for the United States was \$64,600.

Source: Claritas, LLC.

Permits Issued by the City

	<u>New Single Family Residential</u>		<u>New Commercial/Industrial</u>		<u>Total Value(1) (All Permits)</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2023 (to 9-30)	160	\$58,251,400	86	\$134,487,348	\$200,077,699
2022	180	57,411,144	67	85,702,856	164,120,361
2021	214	71,543,619	43	13,041,285	120,301,623
2020	113	28,362,364	38	8,370,259	51,398,828
2019	122	32,288,490	34	7,237,100	46,553,957
2018	79	36,288,936	49	14,207,139	57,621,735
2017	103	24,339,375	43	69,145,998	105,409,067
2016	144	40,503,141	38	14,769,385	70,331,176
2015	137	53,330,048	42	25,564,786	87,170,651
2014	138	35,216,150	51	11,117,620	58,015,527

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

Source: City of Chaska

Recent Development

As per the Metropolitan Council Community Profile of the City, in 2022 there were approximately 7,230 single-family homes, 708 single-family attached townhomes, 44 multi-family homes (consisting of two, three, and four units), 2,423 multi-family homes (consisting of five or more units), and 682 manufactured homes located within the City. In 2022, over 12 months, there were 26 single-family townhomes, and 151 new detached single-family homes constructed. The average value of a new home has decreased by 4.54%, from \$353,980 in 2021 to \$337,905 as of December 31, 2022.

The status of single-family lot availability as of September 30, 2023 is as follows:

<u>Subdivision Name</u>	<u>Available Lots</u>	<u>Total Lots</u>	<u>Permits Issued to Date</u>
<i>Single Family</i>			
Chaska Bluffs 2 nd	10	17	7
Clover Field 7 th	1	11	10
Club West Seventh Addition	2	42	40
Club West Eighth Addition	0	43	43
Club West Ninth Addition	1	13	12
Del Webb at Chaska	2	90	88
Del Webb at Chaska 2 nd	90	179	89
Ensconced Woods	25	29	4
Harvest West	2	72	70
Harvest West 2 nd	9	56	47
Harvest West 3 rd	40	91	51
Klein Brickyard Thirteenth Addition	6	20	14
Kusske Estates	2	2	0
Oak Creek	41	57	16
Reserve at Autumn Woods 1 st	45	86	41
Rivertown Heights	32	44	12
Savanna Estates 2 nd Addition	3	11	8
Savanna Estates 3 rd Addition	<u>3</u>	<u>26</u>	<u>23</u>
Single Family Subtotal	314	889	575
<i>Multiple Family</i>			
Pioneer Vista	<u>16</u>	<u>54</u>	<u>38</u>
Grand Total	<u>330</u>	<u>943</u>	<u>613</u>

Commercial and Industrial Development

The City continues its multi-year program to reconstruct streets in the historic downtown core as a part of its Downtown Master Plan. 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, and it is anticipated that construction will begin in 2024.

Other development activities include:

- *SW Chaska Master Plan.* The City has completed its SW Chaska Master Plan, which guides development and land use of an undeveloped two-plus square mile area in the southwest area of the City along Highway 212. While most of the area was originally determined to be residential, the new master plan allows for more corporate uses and allows residential development to be most consistent with current market conditions.
- *Highway 212 Interchange.* The City received \$10.5 million in State funds to create an interchange at County Highway 44 and Trunk Highway 212. Construction of the \$20.5 million interchange and improvements to County Highway 44 began in 2019 and was completed in 2020. The City and Carver County split the costs for the remaining \$10 million portion of the project. The interchange project improves access to neighborhoods in the southwest area of the City and facilitates industrial development in this area.

- *Chaska Building Center Site.* The City has been working to redevelop a former building center site on County Road 61 just east of downtown. The 12-acre site was previously home to dilapidated industrial buildings, which have since been demolished. To date, a portion of the site has been developed for affordable multi-family housing, another portion has been redeveloped into a cabinet milling facility for DDK Construction, Inc., and another portion was redeveloped into a 30,000 square-foot medical device manufacturer for Formacoat. The remaining four acres of the site is under construction as the Chaska Tech Center, which is intended to be a small-business catalyst site. Completion of this development is estimated to be in 2024.
- *Schram Brew Haus.* The City has facilitated the redevelopment of a former Carver County public works building on the west side of downtown on County Road 61 into a brewery and taproom called Schram Brew Haus. The City helped transfer ownership from Carver County to a development team who in turn renovated the building. This project returned the property to the tax rolls, established a productive use, and added an attraction in proximity to the City's historic downtown.

Industrial Parks

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

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

Education

Public Education

The following district serves the residents of the City:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2022/23(1) Enrollment</u>
I.S.D. No. 112 (Eastern Carver County)	City of Chaska	K-12	9,320

(1) 2023/24 enrollment figures are not yet available.

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

Non-Public Education

City residents are also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2022/23(1) Enrollment</u>
Jonathan Montessori	City of Chaska	PreK	11
St. John's Lutheran School	City of Chaska	K-8	197
Southwest Christian High School	City of Chaska	9-12	494

(1) 2023/24 enrollment figures are not yet available.

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

Post-Secondary Education

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

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The City was organized as a municipality in 1891 and became a statutory city in 1975. The City's governing body is the City Council, comprised of the Mayor and four Council members. The Mayor serves a two-year term of office; Council members are elected by ward to serve overlapping four-year terms.

The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Mark Windschitl	Mayor	December 31, 2024
Jon Grau	Council Member, First Ward	December 31, 2026
Taylor Hubbard	Council Member, Second Ward	December 31, 2024
McKayla Hatfield	Council Member, Third Ward	December 31, 2026
Mike Huang	Council Member, Fourth Ward	December 31, 2024

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

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

The City has 171 regular full-time employees, 324 part-time employees, and 43 paid on-call volunteer firefighters.

Municipal Services

The Water Utility System has approximately 7,985 municipal and 30 private connections served by four elevated water storage facilities and a ground storage tank with a combined capacity of 4.4 million gallons. In addition, there are six wells that have the capacity to pump 8,360 gallons per minute or approximately 13,400,000 gallons per day. In 2022, average demand was 3,196,109 gallons per day while peak demand reached 7,824,000 gallons per day. Total tap water hardness is 29 parts per million gallons of water. The water treatment plant has the capacity to treat 12.6 million gallons per day for iron and manganese removal to only trace levels.

The 2022 operating revenues of the water utility system were \$4,319,046 with an average annual charge per household and commercial connection at approximately \$543. In 2010, the City began billing water usage based on a rate structure with inclining steps. Rates for 2022 range from \$1.78 to \$4.74 per thousand gallons.

The Sewer Utility System has approximately 7,715 municipal and 27 private connections. Average demand in 2022 was 3,300,000 gallons per day while peak demand reached 4,120,000 gallons per day. All sewage treatment services are operated through Metropolitan Council Environmental Services.

The 2022 operating revenues of the sewer utility system were \$5,666,239 with an average annual charge per household and commercial connection at approximately \$734. The 2022 sewage use charge is \$4.79 per thousand gallons. The established rates and charges for both the water and sewer systems produce revenues sufficient to operate the systems and pay debt service on those general obligation bonds that are payable from these revenues.

The Electric Utility System has approximately 11,165 connections. The electric utility's mission is to provide reliable electric service to its customers at competitive rates while making a profit that will be used to reduce community property taxes. The City owns and operates its own electric distribution system, purchasing electricity from the Minnesota Municipal Power Agency ("MMPA"). MMPA is a joint venture on the part of the City with eleven other cities that have entered into agreements to purchase wholesale electric power.

Storm Water Utility System. All property within the City is charged a rate for storm water utility services based on land use. The 2022 operating revenues of the storm water utility system were \$1,954,589. The Resistance Equivalency Rate (RER) is \$10.98.

Fire and Rescue Department. The City currently has a 43-member volunteer fire and rescue department, with a full-time Fire Chief. The City has a fully-equipped fire station with one pumper, seven various size tankers, a 100-foot aerial truck/pumper, eight fire trucks equipped with motorized pumps, an emergency/rescue vehicle, and other miscellaneous firefighting and rescue equipment.

Police Department. The City operates its own police department with 29 licensed police officers, including a chief of police and one full-time community service officer. Dispatching and jail facilities are coordinated through the Carver County Sheriff's Department.

Park and Recreational Facilities. The City's municipal park system encompasses approximately 992 acres of land consisting of 29 active recreation areas connected by a greenway system running from the Minnesota River to the Minnesota Landscape Arboretum. Virtually every home in the City is located no more than a quarter mile from the park system and most are connected by internal greenways within subdivisions. The 29 recreational areas offer a variety of facilities and activities to City residents including picnic areas with tables and electricity, cooking grills, drinking water, restrooms and shelter buildings, swimming, fishing, general playground equipment, baseball/softball fields, tennis courts, volleyball and basketball courts, hockey/skating rinks and horseshoe courts. The parks vary in size from two acres to 100 acres.

Community Center. The City operates an approximately 200,000 square-foot community center consisting of two ice arenas, gymnasiums, indoor running track, exercise machines, aquatic pools, racquetball courts, community rooms, offices, stage and auditorium, fitness center and the Lodge for Active Older Adults. The Center had 2022 operating revenues of \$2,791,020.

Curling Arena and Event Center. The City operates a curling center with six lanes for curling and a restaurant, and an event center that seats 350 people is adjacent the arena. The Curling Arena and Event Center had operating revenues of \$1,403,440 in 2022.

Municipal Golf Courses. The City operates two golf courses: The Loop at Chaska Golf Course, a nine-hole barrier-free course; and the Chaska Town Course, an 18-hole course. The golf courses had 2022 operating revenues of \$0 and \$3,016,808, respectively. The Loop at Chaska Golf Course is closed for business while undergoing a large reconstruction project. The course is anticipated to open in Spring 2024.

Labor Contracts

The status of labor contracts in the City is as follows:

<u>Bargaining Unit</u>	<u>No. of Employees</u>	<u>Expiration Date of Current Contract</u>
Teamsters No. 320	51	December 31, 2023
LELS (Patrol)	19	December 31, 2023
Police Supervisors	<u>8</u>	December 31, 2023
Total all labor contracts	78	
Non-unionized employees	<u>93</u>	
Total full-time employees	171	
Total part-time employees	324	
Volunteer Fire Department paid on-call employees	<u>43</u>	
Total employees	<u>538</u>	

Employee Pensions

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF) and the Public Employees Correctional Fund (PECF), which are cost-sharing multiple-employer retirement plans. In addition, the City participates in the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Comprehensive Financial Report. The City's Annual Comprehensive Financial Report for fiscal year ended December 31, 2022, is included as Appendix F of this Official Statement.

Other Postemployment Benefits

The City has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City's OPEB liabilities and associated contributions are represented in the City's Annual Comprehensive Financial Report. The City's Annual Comprehensive Financial Report for fiscal year ended December 31, 2022, is included as Appendix F of this Official Statement.

Sources: City's Annual Comprehensive Financial Report

Federal Financial Assistance

As of the date of this Official Statement, the City has received \$2,081,049 of CARES Act Assistance and \$2,949,419 of American Rescue Plan Act (ARPA) Funds.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Property Taxes	\$9,999,388	\$6,450,837	\$7,715,569	\$8,430,302	\$9,238,259
Charges for Services	3,912,324	4,140,543	4,891,208	5,329,623	6,021,951
Transfers In	250,000	4,801,298	4,481,486	4,395,954	4,622,856
Licenses and Permits	928,825	910,342	943,410	1,836,260	2,284,612
Intergovernmental	687,796	795,598	639,162	969,470	737,306
Other Revenue	146,613	160,743	309,109	344,451	429,036
Fines and Forfeitures	109,319	64,114	33,400	37,649	40,684

Sources: City's Annual Comprehensive Financial Report

General Fund Budget Summary

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2023 Budget</u>
Revenues:			
Taxes	\$ 9,199,549	\$ 9,238,259	\$11,352,388
Licenses and Permits	1,347,626	2,284,612	1,276,676
Intergovernmental	737,447	737,306	757,857
Charges for Services	5,963,078	6,021,951	6,290,495
Fines and Forfeits	40,223	40,684	40,223
Special Assessment	0	0	0
Investment Earnings	22,000	29,663	25,000
Other Revenue	<u>177,866</u>	<u>429,036</u>	<u>189,850</u>
Total Revenues	\$17,487,789	\$18,781,511	\$19,932,489
Expenditures:			
General Government	\$ 6,993,616	\$ 6,978,926	\$ 7,472,107
Public Safety	8,783,815	9,245,521	9,438,221
Public Works	2,918,263	2,932,122	2,927,842
Parks, Recreation and Arts	2,784,695	3,073,035	3,001,919
Unallocated	0	0	0
Debt Service	<u>81,400</u>	<u>53,377</u>	<u>116,400</u>
Total Expenditures	\$21,561,789	\$22,282,981	\$22,956,489
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,074,000)	\$(3,501,470)	\$(3,024,000)
Other Financing Sources (Uses):			
Transfers In	\$ 4,779,000	\$ 4,622,856	\$ 5,004,000
Transfers Out	<u>(705,000)</u>	<u>(499,055)</u>	<u>(1,980,000)</u>
Total Other Financing Sources (Uses)	\$ 4,074,000	\$ 4,123,801	\$ 3,024,000
Net Change in Fund Balance	\$ 0	\$ 622,331	\$ 0
Beginning Fund Balance - January 1	\$ 3,030,924	\$ 3,030,924	\$ 3,653,255
Ending Fund Balance - December 31	\$ 3,030,924	\$ 3,653,255	\$ 3,653,255

Sources: City's Annual Comprehensive Financial Reports and 2023 Budget.

BOOK ENTRY

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

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

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

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

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

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

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

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

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

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

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

FORM OF BOND COUNSEL OPINION

City of Chaska, Minnesota

[Purchaser]
[City, State]

Re: \$[PAR] General Obligation Bonds, Series 2023A
 City of Chaska, Minnesota

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Chaska, Minnesota (the “City”), of the obligations described above, dated, as originally issued as of December [], 2023 (the “Bonds”). In that capacity, we have reviewed copies of certain proceedings taken by the City Council in the authorization, sale and issuance of the Bonds, including the form of the Bonds and certain other proceedings and documents furnished by the City and others. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits and certificates and on the basis of existing law, it is our opinion that:

1. The Bonds are valid and binding general obligations of the City, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from special assessments to be levied on property specially benefited by the improvements financed by the Bonds and ad valorem taxes duly levied on all taxable property in the City, which assessments and ad valorem taxes are expected to produce amounts sufficient to pay the principal and interest on the Bonds when due; but, if necessary for the payment of such principal and interest, additional ad valorem taxes are required by law to be levied on all taxable property in the City without limitation as to rate or amount.

3. Interest on the Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code.

4. Interest on the Bonds (a) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes and (b) is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates.

The opinions expressed in paragraphs 1 and 2 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors’ rights and the application of equitable principles, whether considered at law or in equity.

The opinions expressed in paragraphs 3 and 4 above are subject to the compliance by the City with certain requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. Noncompliance with these requirements could result in the inclusion of interest on the Bonds in gross income for federal income tax purposes and taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds.

Except as stated herein, we express no opinion regarding federal, state, or other tax consequences to the owner of the Bonds. We note, however, that interest on the Bonds may be taken into account in

determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and interest on the Bonds is included in net income of corporations and financial institutions for purposes of the Minnesota franchise tax.

In providing this opinion, we have relied upon representations of the City and its officers as to (i) the intended application of the proceeds of the Bonds, (ii) the nature, use, cost, and economic life of the facilities and equipment financed by the Bonds, and (iii) other matters relating to the exemption of the interest on the Bonds from federal income taxation.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may occur after the date hereof and which may be retroactive.

Dated this [] day of December, 2023.

Very truly yours,

(Forthcoming from bond counsel)

FORM OF CONTINUING DISCLOSURE COVENANTS

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

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

- (1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2023, the following financial information and operating data in respect of the City (the “Disclosure Information”):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most

recently available of the type contained in the Official Statement in under the headings: “Appendix I – General and Financial Information Concerning the City of Chaska, Minnesota – City Property Values;” “– City Indebtedness;” and “– City Tax Rates, Levies and Collections.”

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

- (2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a “Material Fact,” as hereinafter defined):
 - (A) principal and interest payment delinquencies;
 - (B) non-payment related defaults, if material;
 - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) substitution of credit or liquidity providers, or their failure to perform;
 - (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
 - (G) modifications to rights of Bond holders, if material;
 - (H) Bond calls, if material and tender offers;
 - (I) defeasances;
 - (J) release, substitution, or sale of property securing repayment of the Bonds if material;
 - (K) rating changes;
 - (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;

- (M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

- (3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

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

(c) Manner of Disclosure.

- (1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

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

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

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

PROPERTY VALUATIONS (CHAPTER 273, MINNESOTA STATUTES)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the Issuer's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

PROPERTY TAX PAYMENTS AND DELINQUENCIES (CHAPTERS 275, 276, 277, 279-282 AND 549, MINNESOTA STATUTES)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes

due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

PROPERTY TAX CREDITS (CHAPTER 273, MINNESOTA STATUTES)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

DEBT LIMITATIONS

All Minnesota municipalities (counties, cities, towns, and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.
8. Obligations to repay loans made under Minnesota Statutes, Section 216C.37.
9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.
10. Obligations issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
11. Obligations issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

**LEVIES FOR GENERAL OBLIGATION DEBT
(SECTIONS 475.61 AND 475.74, MINNESOTA STATUTES)**

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

**METROPOLITAN REVENUE DISTRIBUTION (CHAPTER 473F, MINNESOTA STATUTES)
“FISCAL DISPARITIES LAW”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities,” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO
NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

<u>Property Type</u>	<u>Local Tax Payable 2019-2023</u>
Residential Homestead (1a)	
Up to \$500,000	1.00%
Over \$500,000	1.25%
Residential Non-homestead	
Single Unit (4bb)	
Up to \$500,000	1.00%
Over \$500,000	1.25%
2-3 unit and undeveloped land (4b1)	1.25%
Market Rate Apartments	
Regular (4a)	1.25%
Low-Income (4d)	
Up to \$100,000 ⁽³⁾	0.75%
Over \$100,000 ⁽³⁾	0.25%
Commercial/Industrial/Public Utility (3a)	
Up to \$150,000	1.50% ⁽¹⁾
Over \$150,000	2.00% ⁽¹⁾
Electric Generation Machinery	2.00%
Commercial Seasonal Residential	
Homestead Resorts (1c)	
Up to \$600,000	0.50%
\$600,000 - \$2,300,000	1.00%
Over \$2,300,000	1.25% ⁽¹⁾
Seasonal Resorts (4c1)	
Up to \$500,000	1.00% ⁽¹⁾
Over \$500,000	1.25% ⁽¹⁾
Non-Commercial (4c12)	
Up to \$500,000	1.00% ⁽¹⁾⁽²⁾
Over \$500,000	1.25% ⁽¹⁾⁽²⁾
Disabled Homestead (1b)	
Up to \$50,000	0.45%
Agricultural Land & Buildings	
Homestead (2a)	
Up to \$500,000	1.00%
Over \$500,000	1.25%
Remainder of Farm	
Up to \$1,890,000 ⁽⁴⁾	0.50% ⁽²⁾
Over \$1,890,000 ⁽⁴⁾	1.00% ⁽²⁾
Non-homestead (2b)	1.00% ⁽²⁾

(1) State tax is applicable to these classifications.

(2) Exempt from referendum market value-based taxes.

(3) Legislative increases, payable 2023. Historical valuations are: Payable 2022 - \$100,000; Payable 2021 - \$174,000; Payable 2020 - \$150,000; and Payable 2019 - \$139,000.

(4) Legislative increases, payable 2023. Historical valuations are: Payable 2022 - \$1,890,000; Payable 2021 - \$1,890,000; Payable 2020 - \$1,880,000; and Payable 2019 - \$1,900,000.

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First \$76,000 – 0.40%; \$76,000 to \$500,000 – 1.00%; and over \$500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The following pages include the City's Annual Comprehensive Financial Report ("ACFR") for fiscal year ended December 31, 2022.

CITY OF CHASKA

STATE OF MINNESOTA



2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

Annual Comprehensive Financial Report

For the Fiscal Year Ended
December 31, 2022

Matthew Podhradsky, City Administrator

Report Prepared by
Administrative Services Department

Noel Graczyk, Administrative Services Director

SECTION I: INTRODUCTORY

Letter of Transmittal	1
GFOA Certificate of Achievement	8
Organization and Administrative Structure.....	9
Elected and Administrative Officials	10

SECTION II: FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	11
------------------------------------	----

MANAGEMENT'S DISCUSSION AND ANALYSIS	15
--	----

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position.....	32
Statement of Activities	33

Fund Financial Statements:

Balance Sheet - Governmental Funds	36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	39
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund	40
Statement of Net Position - Proprietary Funds.....	42
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	43
Statement of Cash Flows - Proprietary Funds.....	44
Notes to the Financial Statements.....	45

REQUIRED SUPPLEMENTARY INFORMATION:

PERA - General Employees Retirement Fund Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability	100
PERA - General Employees Retirement Fund Schedule of City Contributions	100
PERA - Public Employees Police and Fire Fund Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability	101

Table of Contents
Annual Comprehensive Financial Report

City of Chaska, Minnesota

For the Year Ended December 31, 2022

	Page
PERA - Public Employees Police and Fire Fund Schedule of City Contributions	101
CFDRAPP, Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	102
CFDRAPP, Schedule of City Contributions	103
Schedule of Changes in Total OPEB Liability and Related Ratios.....	104
Notes to Required Supplementary Information	105
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
GOVERNMENTAL FUNDS:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	113
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	117
Nonmajor Debt Service Funds:	
Combining Balance Sheet	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	122
Nonmajor Capital Project Funds:	
Combining Balance Sheet	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	128
Combining Balance Sheet – Tax Increment Funds	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Tax Increment Funds	132
Nonmajor Budgeted Special Revenue and Capital Project Funds:	
MOUNT PLEASANT MAINTENANCE & CARE SPECIAL REVENUE FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	135
CHASKA EDA SPECIAL REVENUE FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	136
EQUIPMENT ACQUISITION CAPITAL PROJECT FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	137

PROPRIETARY FUNDS:

Nonmajor Enterprise Funds:

Combining Statement of Net Position..... 140

Combining Statement of Revenues, Expenses and Changes in Net Position..... 141

Combining Statement of Cash Flows..... 142

SECTION III: STATISTICAL (UNAUDITED)

Net Position by Component 146

Changes in Net Position 148

Governmental Activities Tax Revenues by Source..... 149

Fund Balances of Governmental Funds 150

Changes in Fund Balances of Governmental Funds 152

General Governmental Tax Revenues by Source..... 155

Tax Capacity Value and Estimated Actual Value of Real and Personal Property 156

Property Tax Rates – Direct and Overlapping Governments..... 158

Principal Property Taxpayers 159

Property Tax Levies and Collections 160

Ratios of Outstanding Debt by Type..... 162

Ratios of General Bonded Debt Outstanding to Estimated Actual Taxable Value 164

Direct and Overlapping Governmental Activities Debt..... 165

Legal Debt Margin Information 166

Pledged Revenue Coverage..... 168

Demographic and Economic Statistics..... 170

Principal Employers 171

Full-Time Equivalent City Government Employees by Function / Program..... 172

Operating Indicators by Function / Program..... 174

Capital Asset Statistics by Function / Program..... 176



City of Chaska

June 22, 2023

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

The Annual Comprehensive Financial Report of the City of Chaska, Minnesota, for the year ended December 31, 2022, 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, 2022, 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, 2022, 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 independent auditor's report.

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. It encompasses 17.8 square miles and has an estimated population of 27,931. The City operates under a Statutory Plan A form of government where policymaking and legislative authorities are vested in the City Council. The City Council consists of a mayor and four council members and is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees. 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 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, a turbine generator, and a curling and event center.

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 focus of the City of Chaska is to enhance and maintain the high quality of life of its “shareholders”, the citizens of Chaska. Consistent with this focus, the City will strive to maintain its unique historical small-town image and sense of community while supporting well-planned, orderly growth. To achieve this focus, 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. The 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 project 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 appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

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	17,603	
2010	23,770	35.0%
2020	27,810	17.0%
2022	27,931	0.4%
2030 Projected	32,000	14.6%
2040 Projected	36,600	14.4%

**Source of Projected Population: Metropolitan Council*

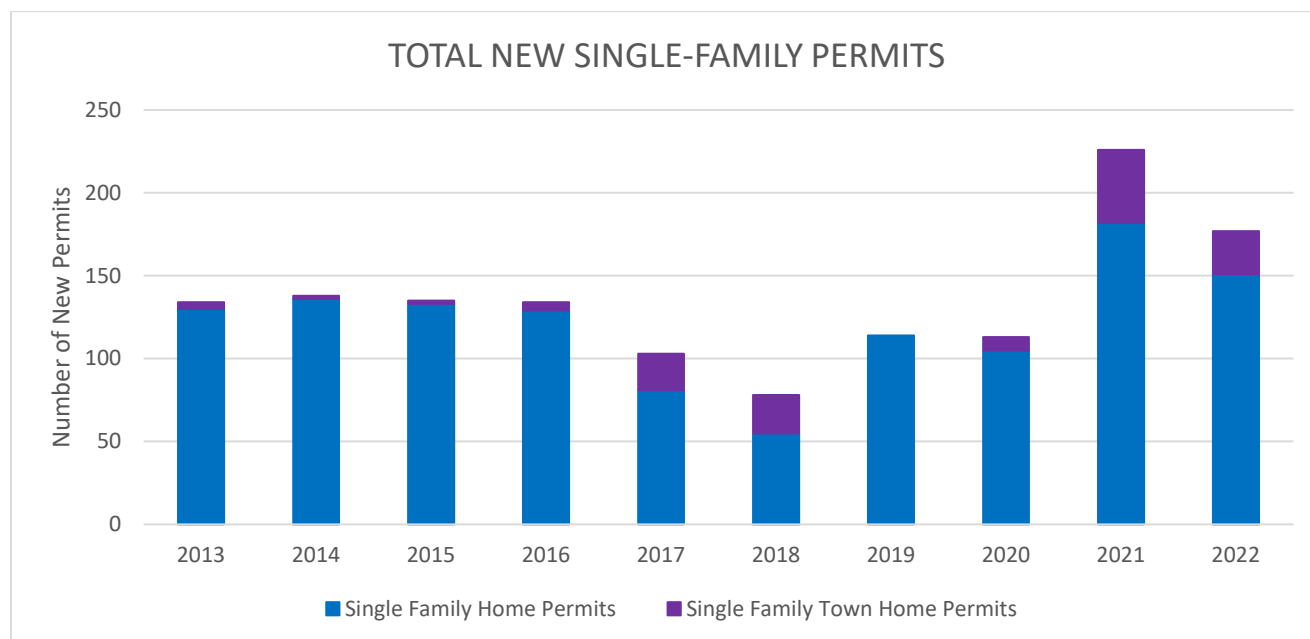
The increase in population between 2000 and 2010 is attributed to the addition of approximately 200 to 500 housing units (both single family and multifamily units) per year from 2002 through 2005, as well as the addition of a significant amount of commercial development in the community. This commercial development included both small boutique stores 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, TEL-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.

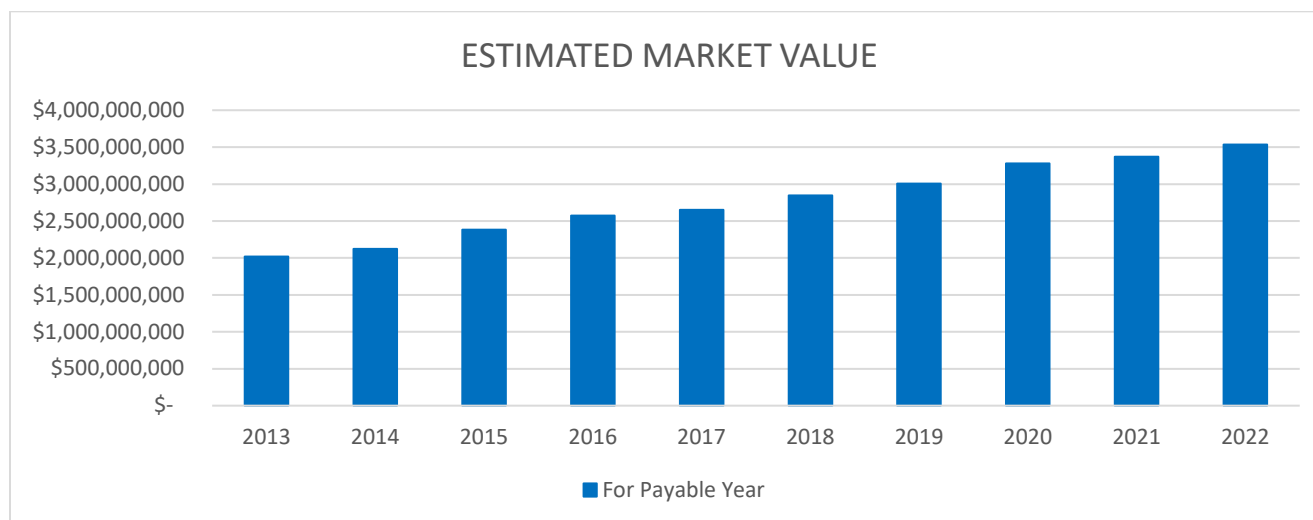
As with other communities across the country, the City saw a drop in new housing development beginning in 2007. The number of new single family permits rebounded beginning in 2012. Between 2013 and 2021 the City averaged 130 new single family permits annually. With 177 new single-family permits in 2022, the city has seen new construction continue above the 10-year average for a second consecutive year.

City of Chaska, Minnesota

For the Year Ended December 31, 2022



With the rebound in housing, market value in the City has also continued to increase.



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, TEL-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

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

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 opened 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 provided funding for the remaining \$11 million. Construction began in 2019 and was substantially completed in 2020.

In 2021, the City began working on a joint State, County, and City cooperative project to reconstruct Minnesota State Highway 41 and Carver County Road 61 through Chaska's historic downtown area. This \$31 million reconstruction project is expected to take approximately 3 years, with substantial work to be done in 2023. The City, acting as the lead on the project, issued \$25.3 million of Temporary State Aid Street Bonds in 2022 to support project funding for the share of the project that is to be reimbursed to the City by the State of Minnesota Department of Transportation and Carver County. The City intends to issue permanent bonds when the line of credit expires in 2024. Due to project delays, the official start of construction did not occur until Spring of 2023.

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 2022 budget and five-year forecast were both developed based on the following objectives:

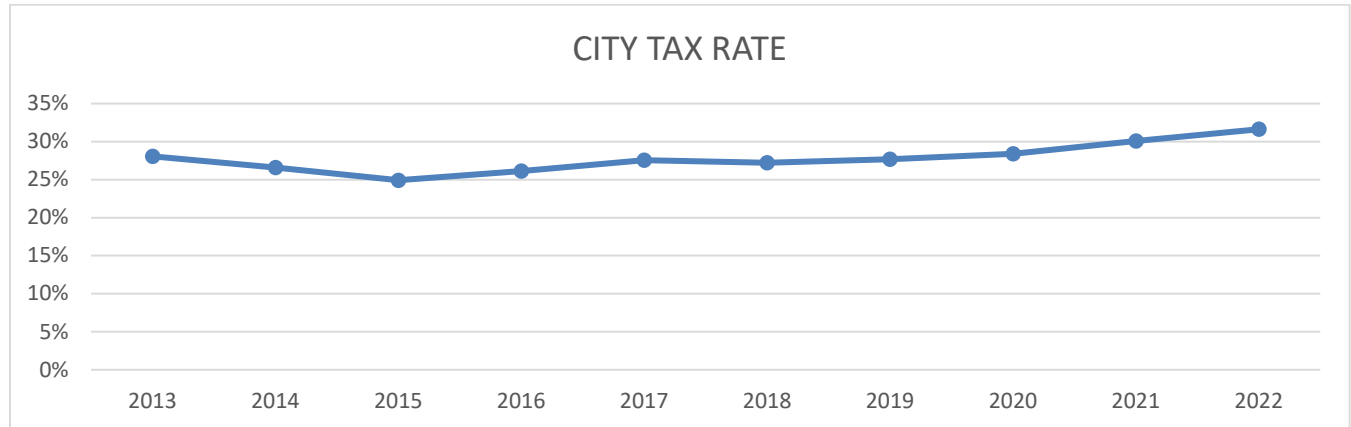
1. Support budget programs that help Chaska strengthen its mission of being "The Best Small Town in Minnesota"
2. Maintain existing high-quality service levels, funding new programs only after the existing, necessary programs are funded
3. Limit tax levy growth to capture only new growth and inflation
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 the adopted street reconstruction program
8. Develop a budget plan that is sustainable from a resource perspective to support the service levels residents expect

City of Chaska, Minnesota

For the Year Ended December 31, 2022

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 2022 – 2026 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 decreased after the Great Recession in 2008 – 2009 due to declines in market values. Market values have recovered, allowing the City to implement a capital asset maintenance program while keeping property tax rates relatively constant. The tax rate is 31.6 percent in 2022.



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 towards 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 2023 or early 2024.

Another major initiative for the City is the continuing capital asset maintenance plan. Key to this plan is \$1 million of levy annually dedicated to reinvest in 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 Annual Comprehensive Financial Report for fiscal year ended December 31, 2021.

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 Annual Comprehensive Financial Report whose contents conform to program standards. An Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

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 Nelson, Controller; Erin Barnum, Accounting Supervisor; and Matt Burt, Accountant II. Their 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



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

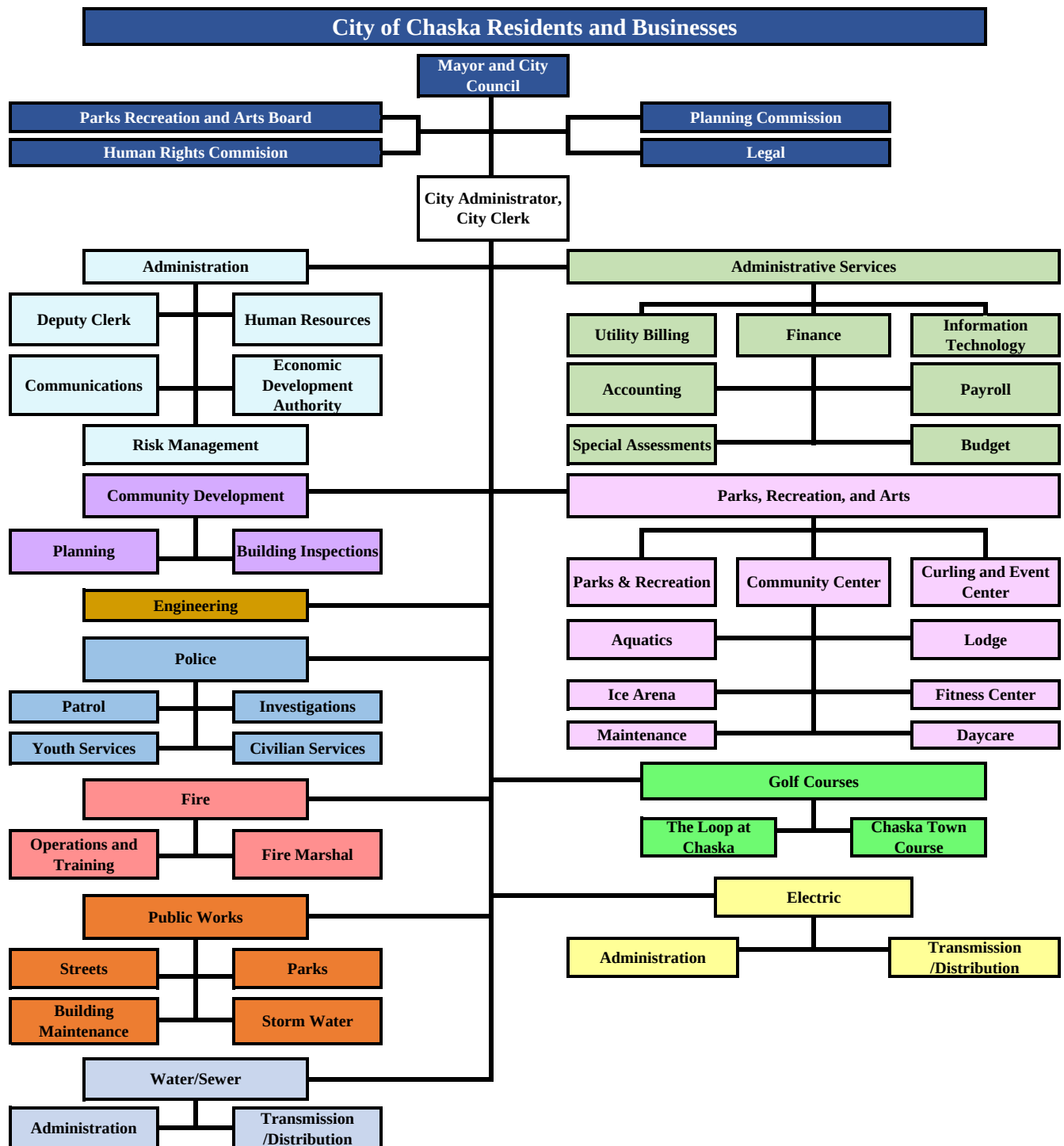
**City of Chaska
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrell

Executive Director/CEO



Elected Officials

Name	Title	Term Expires
Mark Windschitl	Mayor	December 31, 2024
Jon Grau	Council Member, Ward 1	December 31, 2026
Taylor Hubbard	Council Member, Ward 2	December 31, 2024
McKayla Hatfield	Council Member, Ward 3	December 31, 2026
Mike Huang	Council Member, Ward 4	December 31, 2024

Administrative Officials

City Staff:	
City Administrator/City Clerk	Matt Podhradsky
Assistant City Administrator	Elise Durbin
Administrator Services Director, Treasurer	Noel Graczyk
Community Development Director	Nate Kabat
City Engineer	Matt Clark
Chief of Police	Ryan Seibert
Fire Chief	Stephen Kraus
Public Works Director	Brian Jung
Director of Parks and Recreation	Marshall Grange
Electric Director	Pete Wyffels
Water and Sewer Director	Matt Haefner
Golf Professional	John Kellin
Executive Director of Chaska Economic Development Authority (EDA)	Matt Podhradsky

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Chaska, Minnesota

OPINIONS

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above 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, 2022, and 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.

BASIS FOR OPINIONS

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 to the basic financial statements, in fiscal year 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

(continued)

RESPONSIBILITIES OF MANAGEMENT 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(continued)

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 is the responsibility of management and, 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.

SUPPLEMENTARY 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 combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or if the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, 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 22, 2023

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, 2022. 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 \$223,609,663 (*net position*). Of that amount, \$33,916,585 is restricted for specific purposes (*restricted net position*) and \$197,727,756 represents the net investment in capital assets.
- The City's governmental funds reported combined ending fund balances of \$24,019,151. This is an increase of \$2,487,295 from the prior year.
- At the end of the current fiscal year, the General fund had a fund balance of \$3,653,255. Although not legally restricted, the City has committed \$1,277,890 in fund balance, with \$977,890 committed for compensated absences and \$300,000 in a stabilization arrangement. The City has assigned \$474,561 for compensated absences and has \$119,345 in non-spendable fund balance, leaving \$1,781,459 in unassigned fund balance.
- Total bonds and premium payable decreased \$4,720,935 during the year. At the end of the year, the City reported \$117,319,672 in bonds and premium payable.
- As described in Note 1 of the notes to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the fiscal year ended December 31, 2022. This standard changed the way lease transactions are reported by the City, but did not result in a restatement of net position in the current year.

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, The Loop at Chaska, 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, 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, The Loop at Chaska, 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 \$223,609,663 at the close of 2022.

By far, the largest portion of the City's net position (88.4%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, right to use leased assets, and infrastructure), reduced by the outstanding balance of any long-term debt used to acquire those assets and the outstanding balance of any capital related payables, such as contracts and retainage payable. The City uses capital assets, including leased assets, to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

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 \$33,916,585. After restrictions, the City is reporting an unrestricted net position deficit of \$8,034,678 an increase of \$742,417 from the prior year.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 59,751,765	\$ 43,180,731	\$ 45,820,136	\$ 44,339,509	\$ 105,571,901	\$ 87,520,240
Capital Assets	198,671,549	191,717,328	85,538,546	80,651,941	284,210,095	272,369,269
Total Assets	<u>\$ 258,423,314</u>	<u>\$ 234,898,059</u>	<u>\$ 131,358,682</u>	<u>\$ 124,991,450</u>	<u>\$ 389,781,996</u>	<u>\$ 359,889,509</u>
Deferred Outflows of Resources						
Pension Plan Deferments	\$ 11,529,413	\$ 7,425,190	\$ 1,891,662	\$ 2,428,772	\$ 13,421,075	\$ 9,853,962
OPEB Plan Deferments	23,697	50,618	10,385	21,109	34,082	71,727
Total Deferred Outflows of Resources	<u>\$ 11,553,110</u>	<u>\$ 7,475,808</u>	<u>\$ 1,902,047</u>	<u>\$ 2,449,881</u>	<u>\$ 13,455,157</u>	<u>\$ 9,925,689</u>
Total Assets and Deferred Outflows	<u>\$ 269,976,424</u>	<u>\$ 242,373,867</u>	<u>\$ 133,260,729</u>	<u>\$ 127,441,331</u>	<u>\$ 403,237,153</u>	<u>\$ 369,815,198</u>
Liabilities						
Other Liabilities	\$ 20,828,929	\$ 8,692,780	\$ 6,502,604	\$ 5,587,195	\$ 27,331,533	\$ 14,279,975
Noncurrent Liabilities	82,124,988	68,890,316	64,161,458	65,851,177	146,286,446	134,741,493
Total Liabilities	<u>\$ 102,953,917</u>	<u>\$ 77,583,096</u>	<u>\$ 70,664,062</u>	<u>\$ 71,438,372</u>	<u>\$ 173,617,979</u>	<u>\$ 149,021,468</u>
Deferred Inflows of Resources						
Leases	\$ 2,120,325	\$ -	\$ 2,080,022	\$ -	\$ 4,200,347	\$ -
Debt Refunding Deferments	-	-	296,208	333,234	296,208	333,234
Pension Plan Deferments	771,529	8,792,270	125,050	2,867,193	896,579	11,659,463
OPEB Plan Deferments	428,576	2,337	187,801	974	616,377	3,311
Total Deferred Inflows of Resources	<u>\$ 3,320,430</u>	<u>\$ 8,794,607</u>	<u>\$ 2,689,081</u>	<u>\$ 3,201,401</u>	<u>\$ 6,009,511</u>	<u>\$ 11,996,008</u>
Net Position						
Net Investment in Capital Assets	\$ 150,575,322	\$ 141,167,187	\$ 47,152,434	\$ 40,160,983	\$ 197,727,756	\$ 181,328,170
Restricted	18,560,127	19,532,032	15,356,458	16,714,615	33,916,585	36,246,647
Unrestricted	(5,433,372)	(4,703,055)	(2,601,306)	(4,074,040)	(8,034,678)	(8,777,095)
Total Net Position	<u>\$ 163,702,077</u>	<u>\$ 155,996,164</u>	<u>\$ 59,907,586</u>	<u>\$ 52,801,558</u>	<u>\$ 223,609,663</u>	<u>\$ 208,797,722</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 269,976,424</u>	<u>\$ 242,373,867</u>	<u>\$ 133,260,729</u>	<u>\$ 127,441,331</u>	<u>\$ 403,237,153</u>	<u>\$ 369,815,198</u>

Governmental activities – Total net position of the governmental activities increased \$7,705,913 to \$163,702,077. The change in net position is largely due to the increase in capital assets related to developer contributions of land and infrastructure and construction for several new road projects. Net investment in capital assets increased \$9,408,135 due to these developer contributions and capital projects. Unrestricted net position decreased \$730,317 from the prior year.

Business-type activities – Total net position of the business-type activities increased \$7,106,028 to \$59,907,586. Net investment in capital assets increased \$6,991,451 due to construction of water, sewer, and storm water system assets, and golf course reconstruction. Unrestricted net position improved \$1,472,734 from the prior year.

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2022

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 16,940,761	\$ 10,476,268	\$ 75,537,845	\$ 67,649,321	\$ 92,478,606	\$ 78,125,589
Operating Grants & Contributions	976,529	3,729,076	66,775	145,088	1,043,304	3,874,164
Capital Grants & Contributions	13,399,011	11,685,438	1,523,889	4,712,247	14,922,900	16,397,685
General Revenues:						
Property Taxes	14,033,350	12,625,690	-	-	14,033,350	12,625,690
Franchise Taxes	770,755	768,243	-	-	770,755	768,243
Grants & Contributions Not Restricted	10,150	129,545	616	689	10,766	130,234
Investment Earnings	361,050	136,732	110,438	57,955	471,488	194,687
Other General Revenues	510,567	475,224	84,756	102,416	595,323	577,640
Total Revenues	47,002,173	40,026,216	77,324,319	72,667,716	124,326,492	112,693,932
Expenses						
General Government	7,582,962	6,308,239	-	-	7,582,962	6,308,239
Economic Development	1,863,279	1,184,162	-	-	1,863,279	1,184,162
Public Safety	11,018,862	7,542,110	-	-	11,018,862	7,542,110
Public Works	13,902,073	14,663,395	-	-	13,902,073	14,663,395
Parks, Recreation & Arts	4,005,037	1,761,967	-	-	4,005,037	1,761,967
Interest on Long-term Debt	1,676,423	1,709,519	-	-	1,676,423	1,709,519
Electric	-	-	47,590,197	41,793,193	47,590,197	41,793,193
Water	-	-	3,601,725	3,605,735	3,601,725	3,605,735
Sewer	-	-	5,154,941	4,676,438	5,154,941	4,676,438
Community Center	-	-	4,934,083	4,381,300	4,934,083	4,381,300
The Loop at Chaska	-	-	191,878	23,721	191,878	23,721
Chaska Town Course	-	-	3,065,247	2,765,627	3,065,247	2,765,627
Turbine Generator	-	-	832,886	867,361	832,886	867,361
Storm Water	-	-	1,716,611	1,308,391	1,716,611	1,308,391
Chaska Curling Center	-	-	2,378,347	2,215,831	2,378,347	2,215,831
Total Expenses	40,048,636	33,169,392	69,465,915	61,637,597	109,514,551	94,806,989
Excess Before Transfers	6,953,537	6,856,824	7,858,404	11,030,119	14,811,941	17,886,943
Transfers	752,376	1,489,383	(752,376)	(1,489,383)	-	-
Change in Net Position	7,705,913	8,346,207	7,106,028	9,540,736	14,811,941	17,886,943
Net Position - Beginning	155,996,164	147,649,957	52,801,558	43,260,822	208,797,722	190,910,779
Net Position - Ending	\$ 163,702,077	\$ 155,996,164	\$ 59,907,586	\$ 52,801,558	\$ 223,609,663	\$ 208,797,722

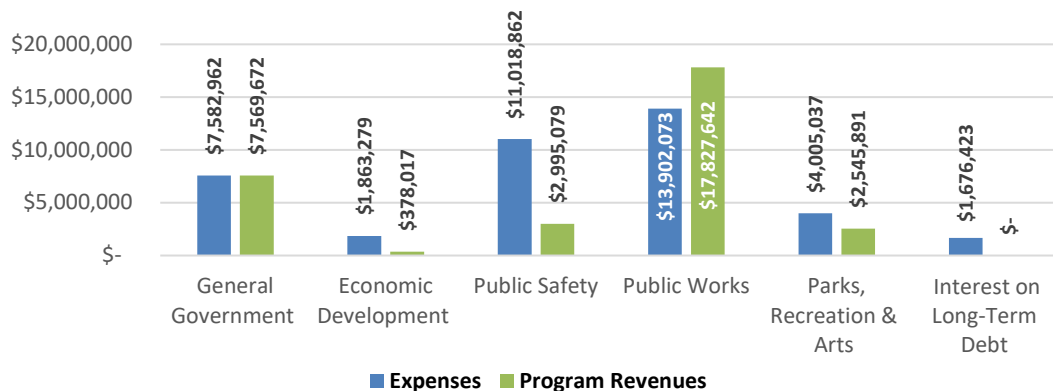
As a whole, the City had total revenues of \$124,326,492, for the year ended December 31, 2022. This is an increase of \$11,632,560 from the prior year.

The total cost of all programs and services was \$109,514,551, an increase of \$14,707,562 from the prior year. The City's expenses are predominantly related to providing services such as police, fire, building inspections, street maintenance, snow removal, purchasing power for electric service, and other utility operations for the citizens of Chaska. Recreation expenses include those related to the wide variety of opportunities offered through the Community Center, Curling Center, golf courses and Park and Recreation programs. Other expenses include economic development and interest on long-term debt.

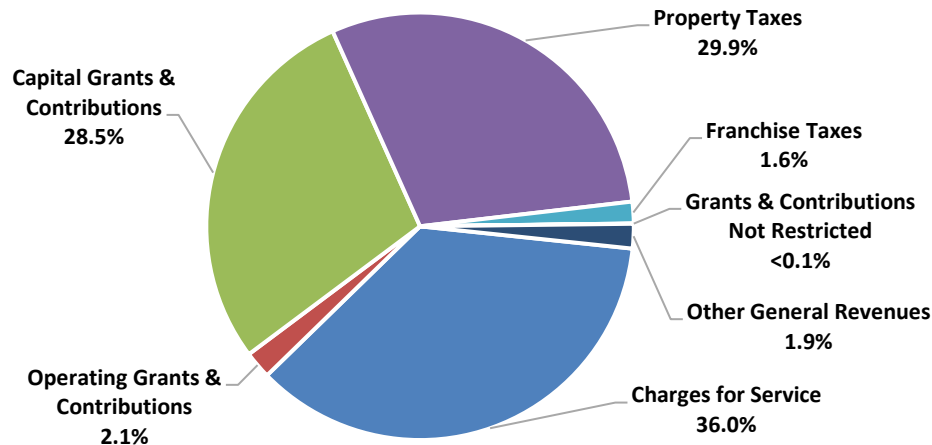
Governmental activities – Governmental Activities revenue increased \$6,975,957 from the prior year and expenses increased \$6,879,244. Significant components of revenue and expenses include:

- Property Taxes were the second largest source of revenue at \$14,033,350 or 29.9%. Property Taxes for 2022 were \$1,407,660 more than the prior year due to an increase in taxes levied.
- Charges for Services made up 36.0% of total revenue, compared to 26.2% the prior year. Charges for services were \$6,464,493 more than the prior year. The majority of this increase is for acreage fees and connection charges which were \$5,076,402 higher than the prior year. Administrative fees were \$312,452 higher than the prior for services provided to City departments.
- Operating Grants and Contributions for 2022 were \$2,752,547 lower than the prior year, due to smaller reimbursements from the County for its share of the cost of joint street projects.
- Capital Grants and Contributions were \$13,399,011, an increase of \$1,713,573 from the prior year. Special assessments, intergovernmental aid and grants, and developer donated assets make up the majority of this revenue. Increases from prior year are due to Federal ARPA funds received and recognized for city street and utility projects.
- Total expenses for all programs and services were \$40,048,636, with street maintenance/construction making up 34.7% of this total. Although the Public Works function decreased \$761,322 from the prior year, the City still had significant costs for several road projects; assets that are partially city-owned.
- The next largest expenses were in public safety and general government which account for 27.5% and 18.9% of the total, respectively. Public safety expenses were \$3,476,752 higher than the prior year due to increased wages and benefits as the departments added employees, and pension expense related to the fire relief. General government expenses were \$1,274,723 higher than the prior year due to increases in wages and benefits, contractual services in several departments for temporary staffing and program assistance, and higher legal fees related to assistance on, and review of, new developments and ongoing projects.
- Net transfers in 2022 include \$3,168,825 in capital asset transfers from governmental activities to business-type activities. Utility infrastructure projects that were reported as construction in progress in governmental activities last year, and completed in 2022, have been transferred to water, sewer, and storm water utilities.
- Additional comparisons can be found in the accompanying graphs.

Expenses and Program Revenues - Governmental Activities



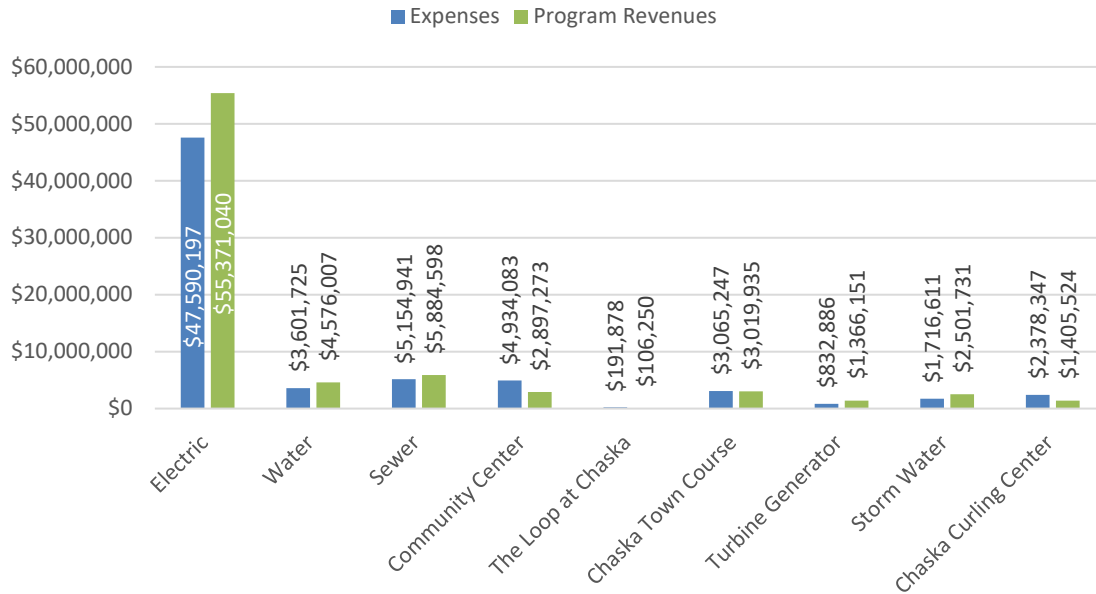
Revenues by Source - Governmental Activities



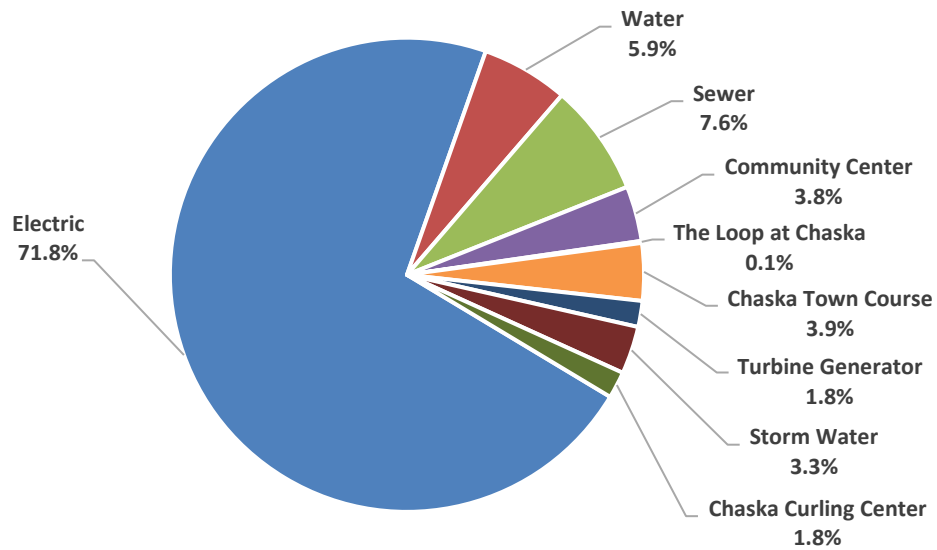
Business-type activities – Business-type Activities revenue increased \$4,656,603 from the prior year and expenses increased \$7,828,318. Significant components of revenue and expenses include:

- 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, The Loop at Chaska golf course, Chaska Town Course golf course, Turbine Generator, and Curling Center operations. During 2022, the Community Center and Curling Center were able to resume more normal levels of operations as pandemic restrictions lifted. The Loop at Chaska was closed in 2022 for reconstruction. Rounds of golf played at the Chaska Town Course continued to be strong.
- The Electric operations comprise 71.6% of all business-type revenue and 68.5% of all business-type expenses.
- Charges for services increased \$7,888,524, or 11.7% compared to the prior year, largely due to increased electric utility sales.
- Capital Grants and Contributions decreased \$3,188,358. The City accepted donated assets from developers for one finished development in 2022 compared to six developments the prior year.
- Electric charges for services were \$6,001,480 higher than last year due to increased customers and increased usage for some customer types. Expenses were 13.9% or \$5,797,004 higher largely due to higher purchased power costs.
- The Loop at Chaska (formerly Par 30 golf course) was closed for renovation in 2022 and is reporting minimal expenses of \$191,878. The course will reopen as a barrier free course in 2023.
- Charges for Services at the Chaska Community Center and Chaska Curling Center increased \$627,212 and \$488,261, respectively.
- Additional comparisons can be found in the accompanying graphs.

Expenses and Program Revenues - Business-type Activities



Program Revenues - Business-type Activities



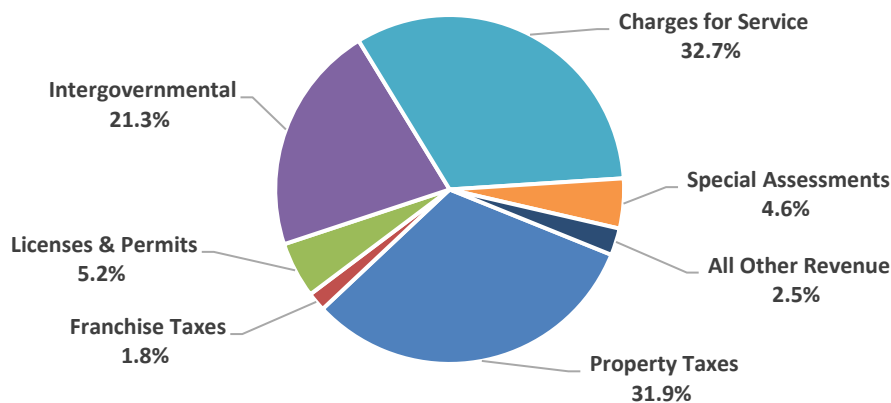
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Chaska uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

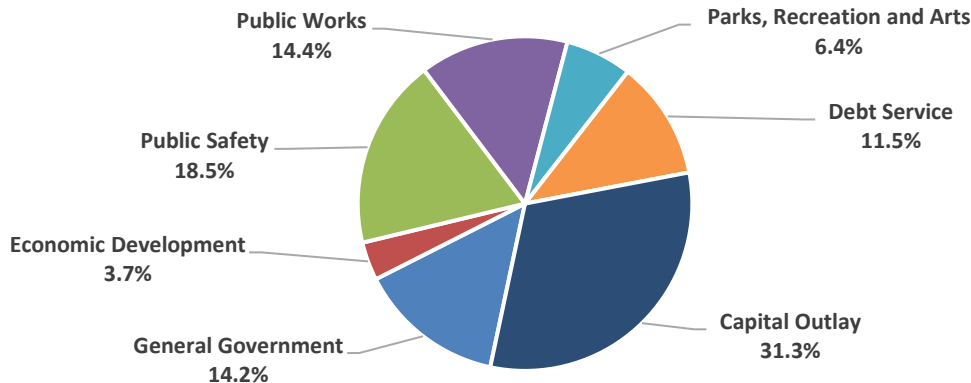
Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Chaska's financing requirements. In particular, assigned and unassigned fund balance may serve 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 \$24,019,151. Revenues for the City's governmental funds were \$44,071,641, while total expenditures were \$50,170,883.

Governmental Funds Revenues



Governmental Fund Expenditures



The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,781,459. Total fund balance increased \$622,331 to \$3,653,255 as of December 31, 2022.

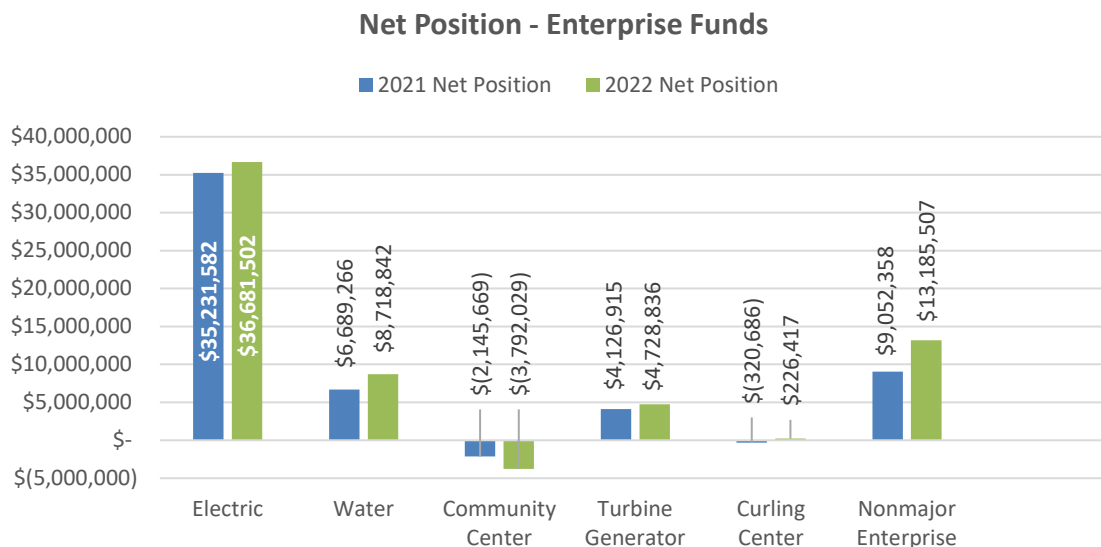
- For the year, total revenues of \$18,781,511 and transfers in of \$4,622,856 less total expenditures of \$22,282,981 and transfers out of \$499,055, resulted in the \$622,331 increase in fund balance. Total revenues were \$3,501,470 less than total expenditures. Overall revenues were higher than the prior year due to an increase in building permit revenue, tax revenue, and recreation program charges for services.
- The City has committed \$977,890 in the general fund for compensated absences estimated to be used in the next year based on a three-year average. The remaining balance of compensated absences has been set aside as assigned. The remaining \$300,000 in committed fund balance is set aside for working capital and reserve needs.

The **Public Improvement Projects Capital Project Fund** is used to account for the revenues and expenditures for public improvement projects. This fund received \$5,922,088 in Federal, State, and local governmental revenue for each agency's share of major construction projects where the City is the lead agency. The City also issued \$4,190,000 in temporary State Aid Street bonds in 2022 for the City's portion of construction costs for the Highway 41 / CSAH 61 reconstruction project.

Proprietary Funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The combined net position of all current year enterprise funds operations increased \$7,115,309 to \$59,749,075. 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 2021 and 2022.



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 2022, the original budget was amended, increasing revenues and other financing sources by \$542,060 and increasing expenditures and other financing uses by \$542,060.

- License and permit revenue was amended to reflect an anticipated increase in building permit revenue. Charges for services were amended to recognize a reporting change for parks and recreation. Recreation programs which had previously been Community Center revenue will now be General Fund Park and Recreation program revenue.
- Expenditures were amended in various departments based on anticipated mid-year changes. Police department expenditures were amended for costs related to moving from purchased fleet vehicles to leased fleet vehicles. Building inspections expenditures were amended to increase the budget for contractual services needed to support the increased volume of permits and inspections. Park and Recreation expenditures were amended to recognize a reporting change in recreation programs that had previously been Community Center expenses, and will now be General fund programs. Debt service was amended to include principal and interest payments on leased vehicles.
- The budget for transfers out was amended from \$355,000 to \$705,000 to provide support for a public works project in the Public Improvement Projects fund. The budget for transfers in was amended from \$4,630,000 to \$4,779,000. The increase is a transfer in to offset the cost of the new fleet leasing program for police and building inspection vehicles.

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 \$1,293,722 higher than the final budget, and expenditures were \$721,192 more than final budget. Other financing sources and uses were \$49,801 more than budget. For the year, the net change in fund balance was an increase of \$622,331.

Budgetary variances – Revenues

- Total General Fund property taxes were \$8,467,504, which is \$20,955 higher than the final budget of \$8,446,549. Taxes for the 2022 levy had a collection rate of 99.8%, which is typical for the City. Collection of delinquent taxes attributes to total tax revenue greater than budgeted.
- License and Permit revenue was \$936,986 over the final budget. The final budget was amended to reflect an expected increase in building permits activity due to strong demand for residential and commercial development. The City issued a high volume of commercial, industrial, and public agency permits in 2022. A total of 2,587 permits were issued compared to 1,633 in 2021.
- Other revenue was \$251,170 over the final budget due to miscellaneous refunds and reimbursements which vary year to year, and are not predictable.

Budgetary variances - Expenditures

- Public Safety expenditures were \$461,706 more than the final budget largely due to increased police department wages and benefits, supplies and services related to hiring officers a little earlier than expected, higher fuel and vehicle repair costs. Wages and benefits for building inspections were also higher due to staff needed to cover the permit activity.
- Public Works expenditures were \$13,859 over budget due to higher snow removal costs due to the amount and frequency of snow events.
- Parks, Recreation and Arts expenditures were over budget by \$288,340 largely due to park maintenance spending on wages and benefits, fuel and utility costs, and repairs and equipment maintenance. Park maintenance employees allocate time between parks and storm water. Actual hours needed in parks was offset by fewer hours needed in storm water utilities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in the capital asset table below, at the end of 2022, the City had \$284,210,095 (net of depreciation and amortization) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads and highways, land, and utility infrastructure. Additional detailed information on the City of Chaska's capital assets can be found in **Note 4** of the basic financial statements.

Capital Assets - Net of Depreciation and Amortization

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 58,694,536	\$ 56,603,006	\$ 1,557,984	\$ 1,449,855	\$ 60,252,520	\$ 58,052,861
Works of Art/Historical Treasures	105,027	105,027	-	-	105,027	105,027
Buildings	2,773,595	3,039,499	33,406,925	35,175,661	36,180,520	38,215,160
Other Improvements	13,242,154	13,719,971	1,118,759	967,094	14,360,913	14,687,065
Furniture & Equipment	3,566,602	3,838,889	4,925,825	4,962,900	8,492,427	8,801,789
Infrastructure	97,042,562	97,925,160	36,185,007	32,526,578	133,227,569	130,451,738
Leased Land Improvements	-	-	599,588	-	599,588	-
Leased Equipment	330,831	-	24,319	-	355,150	-
Construction in Progress	22,916,242	16,485,776	7,720,139	5,569,853	30,636,381	22,055,629
Total Capital Assets, Net of Depreciation and Amortization	<u>\$ 198,671,549</u>	<u>\$ 191,717,328</u>	<u>\$ 85,538,546</u>	<u>\$ 80,651,941</u>	<u>\$ 284,210,095</u>	<u>\$ 272,369,269</u>

- The City implemented GASB #87 for leases in 2022. At year-end, leased equipment in Governmental activities was \$330,831 and leased equipment and land improvements in the Business-Type activities was \$623,907, net of amortization.
- The increase in Governmental activities land is due to the donation of a large parcel of land to the City. The increase in construction in progress is due to the purchase of two new fire trucks that are in the process of being built, park improvements, and road improvement projects.

- The increase in Business-Type activities infrastructure is largely due to donated utility infrastructure assets for accepted public improvements and from the completion of the Chaska Creek Boulevard extension and 2021 street and utility reconstruction projects. The increase in construction in progress is related to water system improvement projects including water tower rehabilitation, well rehabilitation, and preliminary costs for a new water treatment plant.

Long-Term Debt

At year-end, the City had \$112,239,596 in bonds, financed purchase payables, and lease liabilities outstanding, as shown in the table below. Additional detailed information about the City's long-term liabilities is presented in **Note 7** to the financial statements.

Outstanding Debt and Lease Liabilities

(Does Not Include Premiums, Compensated Absences, Other Post-Employment Benefit or Net Pension Liabilities)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Equipment Certificates	\$ 2,345,000	\$ 2,780,000	\$ -	\$ -	\$ 2,345,000	\$ 2,780,000
General Obligation Bonds	665,000	980,000	15,420,000	16,720,000	16,085,000	17,700,000
General Obligation Tax Increment Bonds	2,950,000	2,990,000	-	-	2,950,000	2,990,000
General Obligation Abatement Bonds	540,000	575,000	-	-	540,000	575,000
General Obligation Improvement Bonds	26,200,000	28,205,000	-	-	26,200,000	28,205,000
General Obligation State Aid Street Bonds	8,970,000	4,940,000	-	-	8,970,000	4,940,000
General Obligation Revenue Bonds	420,000	495,000	-	-	420,000	495,000
Revenue Bonds	-	-	20,840,000	22,610,000	20,840,000	22,610,000
EDA Revenue Bonds	7,485,000	7,815,000	-	-	7,485,000	7,815,000
EDA Lease Revenue Bonds	8,400,000	8,700,000	13,380,000	14,750,000	21,780,000	23,450,000
Lease Purchase Bonds	-	-	3,429,000	3,560,000	3,429,000	3,560,000
Financed Purchase Payable	-	-	234,292	280,594	234,292	280,594
Lease Liability	333,398	7,555	627,906	-	961,304	7,555
Total	<u>\$ 58,308,398</u>	<u>\$ 57,487,555</u>	<u>\$ 53,931,198</u>	<u>\$ 57,920,594</u>	<u>\$ 112,239,596</u>	<u>\$ 115,408,149</u>

- The City implemented GASB #87 for leases in 2022. At year-end, the liability for leases in governmental activities was \$333,398 and business-type activities was \$627,906.
- During 2022, the City made principal payments of \$8,266,000 on outstanding bonds, \$46,302 on financed purchase payable, and \$64,060 on lease liabilities.
- During the year, the City issued one new bond series, the 2022A General Obligation Temporary State Aid Street Bonds in the amount of \$4,190,000 for Hwy 41 and CSAH 61 reconstruction.

The City's General Obligation Bonds carry an AA rating and the Chaska EDA Lease Revenue Bonds carry an AA-rating by Standard and Poor's, as of last review. The City was rated A1 from Moody's for Chaska Electric Revenue Bonds issued in 2017. In 2022, Standard and Poor's reaffirmed the City's A rating for its 2020F Electric Revenue bonds.

Under Minnesota State Statutes, the general obligation bonded debt issued by the City is subject to a legal debt limitation based on 3% of market value. On December 31, 2022, the City's legal debt margin was \$70,397,441.

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 continued to see impacts from the COVID-19 pandemic linger into certain operations in 2021. In 2022 however, the City began to see operations return to previous levels as COVID-19 restrictions were lifted. Two areas that struggled the most from the pandemic and various shutdowns were the Community Center and the Curling and Event Center. In 2022 the Community Center began to see memberships improve from the initial 45% loss during the pandemic, to ending the year at about 28% below pre-pandemic levels at just over 2,100 memberships. The Curling and Event Center saw similar impacts as the Community Center due to the shutdowns by Executive Order. In 2022 the lease tenant, Crooked Pint, operating as a restaurant in the facility, saw an increase in demand even with being required to operate at 50% capacity until early summer due to an Executive Order. As a result of this demand, the restaurant produced lease revenues of \$393,327 which is greater than the pre-pandemic levels that were reached in 2019 of \$379,420. The Curling operations of the facility also have seen a recovery in memberships from the initial drop from 974 members to 755 at the peak of the pandemic, back to around 893 members at the end of 2022. Event Center operations were virtually all lost during the pandemic due to people needing to delay weddings and other major events. In 2021 the Event Center began to see business start to increase and in 2022 ended the year with \$169,591 in rental revenue which is significantly higher than the pre-pandemic level revenue amount of \$121,975 that it produced in 2019.

As a result of passage of the 2021 American Rescue Plan Act, the City received a total of \$2,949,418 in State and Local Fiscal Recovery Funds. The City received the first half installment of \$1,427,948, in 2021, and the second installment of \$1,521,470, in 2022. The City spent the majority of these funds in 2022 to fund its share of the reconstruction of Minnesota State Highway 41 and a portion of the 2022 downtown street and utility reconstruction project.

The City uses a five-year financial forecast model for its General fund, enterprise funds, and certain other funds to determine levels of service and to respond to short-term economic and financial changes to make decisions for the long-term. The City models some funds out ten to twenty years to plan for capital improvements.

The City adopted a tax levy policy in 2014. The tax levy is increased each year based on two factors: new construction in the community and inflationary increases in the market. The tax levy is only increased beyond this point if new services are added.

The City's elected and appointed officials considered many factors when setting the fiscal year 2023 budget. Several issues were considered:

1. The City will continue to prioritize ensuring General Fund reserve balances are sufficient for cash flow and other needs, and to also maintain the City's bond rating. General fund balance is projected to increase \$300,000 by year-end 2023.
2. The City will continue to fully fund the established Capital Asset Maintenance Program. The City dedicates \$1,000,000 of tax levy each year for this purpose.
3. Building permit revenue increased in 2022. The City expects a similar level of activity in 2023 due to the high number of planned Commercial and Industrial projects as well as with rental housing.

4. The City plans to make strategic investments in the police budget to ensure high levels of service and improve community relations.
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 completed a staffing study in 2019 that identified a gap of 16 employees needed to sustainably provide services at expected levels. Due to the pandemic, the City delayed the program for one year, but in 2022 continued with the plan. The 2023 budget proposes filling four of those positions, along with a new police officer.
7. In 2023 the City will start its first of four annual levy increases of \$1.125 million and \$400,000 transfers from the Enterprise Utility Funds to support the new construction and rehabilitation of the City's Public Safety Campus, Municipal Services Building, City Hall, and a new Library.

Market values across the community increased by an average of 22.1% for taxes payable 2023 to \$4,319,497,500. This rate of growth is significantly higher than the average growth of 6.0% over the last five years due to the housing climate in 2021 and 2022. Adjusted tax capacity for 2023 increased 21.1%.

The City property tax levy is increasing from \$12,489,440 for taxes payable in 2022 to \$14,685,888 for taxes payable in 2023, which, along with other property tax factors, results in a decrease of the City tax rate from 31.6% to 31.2%. The Chaska EDA property tax levy is increasing from \$182,989 for taxes payable in 2022 to \$196,308 for taxes payable in 2023. The EDA tax rate will decrease from 0.46% to 0.40%. Annual taxes on the median value home are projected to increase from \$958 in 2022 to \$1,171 in 2023.

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, 2022

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash And Investments	\$ 21,831,569	\$ 7,396,825	\$ 29,228,394
Receivables:			
Taxes	173,507	-	173,507
Special Assessments	9,415,923	9,499	9,425,422
Accounts, Net Of Allowance	234,284	10,453,824	10,688,108
Interest	65,179	164,932	230,111
Internal Balances	7,845,941	(7,845,941)	-
Due From Other Governments	5,196,302	257,485	5,453,787
Supply Contract Receivable	-	1,270,503	1,270,503
Leases Receivable	119,428	330,335	449,763
Inventories	-	2,847,219	2,847,219
Prepaid Items	119,345	2,673	122,018
Net Pension Asset	388,899	-	388,899
Restricted Assets:			
Cash And Investments For Operating And Maintenance	-	10,000,000	10,000,000
Cash And Investments For Debt Service	966,283	5,514,416	6,480,699
Cash And Investments For Construction	-	113,068	113,068
Cash And Investments Held For Developer	11,371,501	-	11,371,501
Supply Contract Receivable, Non-Current	-	13,506,202	13,506,202
Leases Receivable, Non-Current	2,023,604	1,799,096	3,822,700
Capital Assets:			
Not Depreciated Or Amortized	81,715,805	9,278,123	90,993,928
Net Of Depreciation And Amortization	116,955,744	76,260,423	193,216,167
TOTAL ASSETS	258,423,314	131,358,682	389,781,996
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan Deferments	11,529,413	1,891,662	13,421,075
OPEB Plan Deferments	23,697	10,385	34,082
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,553,110	1,902,047	13,455,157
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 269,976,424	\$ 133,260,729	\$ 403,237,153
LIABILITIES			
Accounts Payable	\$ 2,611,896	\$ 874,203	\$ 3,486,099
Salaries Payable	253,642	141,274	394,916
Deposits Payable	13,231,180	1,092,044	14,323,224
Accrued Interest Payable	639,009	540,425	1,179,434
Due To Other Governments	63,012	3,281,383	3,344,395
Unearned Revenue	4,030,190	573,275	4,603,465
Non-Current Liabilities:			
Due Within One Year	5,016,200	5,141,448	10,157,648
Due In More Than One Year	77,108,788	59,020,010	136,128,798
TOTAL LIABILITIES	102,953,917	70,664,062	173,617,979
DEFERRED INFLOWS OF RESOURCES			
Leases	2,120,325	2,080,022	4,200,347
Debt Refunding Deferments	-	296,208	296,208
Pension Plan Deferments	771,529	125,050	896,579
OPEB Plan Deferments	428,576	187,801	616,377
TOTAL DEFERRED INFLOWS OF RESOURCES	3,320,430	2,689,081	6,009,511
NET POSITION			
Net Investment in Capital Assets	150,575,322	47,152,434	197,727,756
Restricted for:			
Special Purposes	122,246	-	122,246
Capital Projects	5,712	-	5,712
Debt Service	14,961,240	15,356,458	30,317,698
Economic Development	2,963,557	-	2,963,557
Fire Relief Pensions	507,372	-	507,372
Unrestricted	(5,433,372)	(2,601,306)	(8,034,678)
TOTAL NET POSITION	163,702,077	59,907,586	223,609,663
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 269,976,424	\$ 133,260,729	\$ 403,237,153

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General Government	\$ 7,582,962	\$ 5,560,975	\$ 218,697	\$ 1,790,000	\$ (13,290)	\$ -	\$ (13,290)
Economic Development	1,863,279	203,833	1,938	172,246	(1,485,262)	-	(1,485,262)
Public Safety	11,018,862	2,270,380	724,346	353	(8,023,783)	-	(8,023,783)
Public Works	13,902,073	6,447,527	14,724	11,365,391	3,925,569	-	3,925,569
Parks, Recreation And Arts	4,005,037	2,458,046	16,824	71,021	(1,459,146)	-	(1,459,146)
Interest On Long-Term Debt	1,676,423	-	-	-	(1,676,423)	-	(1,676,423)
Total Governmental Activities	40,048,636	16,940,761	976,529	13,399,011	(8,732,335)	-	(8,732,335)
Business-type Activities:							
Electric	47,590,197	55,020,552	7,817	342,671	-	7,780,843	7,780,843
Water	3,601,725	4,319,046	3,325	253,636	-	974,282	974,282
Sewer	5,154,941	5,666,239	2,606	215,753	-	729,657	729,657
Chaska Community Center	4,934,083	2,791,020	6,253	100,000	-	(2,036,810)	(2,036,810)
The Loop at Chaska	191,878	-	-	106,250	-	(85,628)	(85,628)
Chaska Town Course	3,065,247	3,016,808	3,127	-	-	(45,312)	(45,312)
Turbine Generator	832,886	1,366,151	-	-	-	533,265	533,265
Storm Water	1,716,611	1,954,589	41,563	505,579	-	785,120	785,120
Chaska Curling Center	2,378,347	1,403,440	2,084	-	-	(972,823)	(972,823)
Total Business-type Activities	69,465,915	75,537,845	66,775	1,523,889	-	7,662,594	7,662,594
TOTAL	\$ 109,514,551	\$ 92,478,606	\$ 1,043,304	\$ 14,922,900	(8,732,335)	7,662,594	(1,069,741)
General Revenues:							
Property Taxes					14,033,350	-	14,033,350
Franchise Taxes					770,755	-	770,755
Grants & Contributions Not Restricted to Specific Functions					10,150	616	10,766
Investment Earnings					361,050	110,438	471,488
Other					510,567	84,756	595,323
Transfers					3,921,201	(3,921,201)	-
Transfers - Capital Assets					(3,168,825)	3,168,825	-
Total General Revenues & Transfers					16,438,248	(556,566)	15,881,682
Change in Net Position					7,705,913	7,106,028	14,811,941
Net Position - Beginning					155,996,164	52,801,558	208,797,722
Net Position - Ending					\$ 163,702,077	\$ 59,907,586	\$ 223,609,663

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

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 4,279,100	\$ 564,601	\$ 16,588,279	\$ 21,431,980
Cash With Escrow Agent	-	-	966,283	966,283
Restricted Cash And Investments	11,371,501	-	-	11,371,501
Receivables:				
Taxes	131,877	-	41,630	173,507
Special Assessments	-	1,369,018	8,046,905	9,415,923
Accounts, Net of Allowance	229,389	-	4,895	234,284
Interest	7,955	-	49,169	57,124
Due From Other Funds	1,261,708	-	11,266,176	12,527,884
Due From Other Governments	79,318	4,961,439	155,545	5,196,302
Interfund Receivable	-	-	1,297,298	1,297,298
Leases Receivable	-	-	2,143,032	2,143,032
Advance To Other Funds	-	-	1,171,730	1,171,730
Prepaid Items	119,345	-	-	119,345
TOTAL ASSETS	\$ 17,480,193	\$ 6,895,058	\$ 41,730,942	\$ 66,106,193
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 336,567	\$ 896,822	\$ 1,378,507	\$ 2,611,896
Salaries Payable	253,642	-	-	253,642
Deposits Payable	13,144,625	74,781	11,774	13,231,180
Due To Other Funds	-	5,266,427	2,174,550	7,440,977
Due To Other Governments	57,363	5,649	-	63,012
Interfund Payable	-	-	1,034,599	1,034,599
Advance From Other Funds	-	-	2,948,909	2,948,909
Unearned Revenue	288	2,915,467	1,114,435	4,030,190
TOTAL LIABILITIES	13,792,485	9,159,146	8,662,774	31,614,405
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	34,453	-	19,925	54,378
Unavailable Revenue - Special Assessments	-	1,369,018	6,928,916	8,297,934
Lease Revenue For Subsequent Years	-	-	2,120,325	2,120,325
TOTAL DEFERRED INFLOWS OF RESOURCES	34,453	1,369,018	9,069,166	10,472,637
FUND BALANCES:				
Nonspendable	119,345	-	22,707	142,052
Restricted	-	4,039,400	13,422,882	17,462,282
Committed	1,277,890	107,077	1,515,740	2,900,707
Assigned	474,561	80,399	15,250,099	15,805,059
Unassigned	1,781,459	(7,859,982)	(6,212,426)	(12,290,949)
TOTAL FUND BALANCES (DEFICITS)	3,653,255	(3,633,106)	23,999,002	24,019,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,480,193	\$ 6,895,058	\$ 41,730,942	\$ 66,106,193

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, 2022

Total fund balances - governmental funds \$ 24,019,151

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	317,326,497
Less: Accumulated Depreciation and Amortization	(118,654,948)

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	54,378
Special Assessments	8,297,934

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	11,529,413
Deferred Inflows - Pension Plan Deferments	(771,529)
Deferred Outflows - OPEB Plan Deferments	23,697
Deferred Inflows - OPEB Plan Deferments	(428,576)

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.

4,839,669

Internal balances from business-type activities for internal service fund services.

(158,511)

Governmental funds do not report net pension assets.

388,899

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.

(639,009)

Long-term liabilities, including bonds payable, notes payable, compensated absences, other post-employment benefits and net pension liabilities are not payable with current financial resources and, therefore, are not reported in governmental funds.

Due within one year	(5,016,200)
Due in more than one year	(77,108,788)

Net position of governmental activities \$ 163,702,077

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, 2022

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Property	\$ 8,467,504	\$ -	\$ 5,579,808	\$ 14,047,312
Franchise	770,755	-	-	770,755
Licenses And Permits	2,284,612	-	-	2,284,612
Intergovernmental	737,306	5,922,088	2,747,737	9,407,131
Charges For Services	6,021,951	9,150	8,387,464	14,418,565
Fines And Forfeitures	40,684	-	8,540	49,224
Special Assessments	-	21,694	2,017,797	2,039,491
Investment Earnings (Charges)	29,663	(20,466)	274,491	283,688
Leases	-	-	166,836	166,836
Other Revenue	429,036	37,452	137,539	604,027
TOTAL REVENUES	18,781,511	5,969,918	19,320,212	44,071,641
EXPENDITURES				
CURRENT:				
General Government	6,978,926	-	144,808	7,123,734
Economic Development	-	-	1,863,194	1,863,194
Public Safety	9,245,521	-	13,092	9,258,613
Public Works	2,932,122	3,495,776	791,809	7,219,707
Parks, Recreation And Arts	3,073,035	65,654	94,513	3,233,202
DEBT SERVICE:				
Principal	52,070	-	3,695,000	3,747,070
Interest	1,307	-	1,948,300	1,949,607
Issuance Costs And Fiscal Agent Fees	-	45,000	15,153	60,153
CAPITAL OUTLAY	-	8,390,158	7,325,445	15,715,603
TOTAL EXPENDITURES	22,282,981	11,996,588	15,891,314	50,170,883
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,501,470)	(6,026,670)	3,428,898	(6,099,242)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,622,856	1,994,524	6,528,769	13,146,149
Transfers Out	(499,055)	-	(8,643,547)	(9,142,602)
Bonds Issued	-	4,190,000	-	4,190,000
Lease Proceeds	-	-	360,990	360,990
Sale Of Capital Assets	-	-	32,000	32,000
TOTAL OTHER FINANCING SOURCES (USES)	4,123,801	6,184,524	(1,721,788)	8,586,537
NET CHANGE IN FUND BALANCES	622,331	157,854	1,707,110	2,487,295
FUND BALANCES (DEFICITS), JANUARY 1	3,030,924	(3,790,960)	22,291,892	21,531,856
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 3,653,255	\$ (3,633,106)	\$ 23,999,002	\$ 24,019,151

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, 2022**

Total net change in fund balances - governmental funds	\$ 2,487,295
--	--------------

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.)

Capital Outlay	17,848,607
Change in Accounting Principle for Leased Assets	16,923
Less: Depreciation and Amortization Expense	(7,729,005)
Net Book Value of assets sold or disposed	(13,479)
Asset Transfers	(3,168,825)

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	(13,962)
Special Assessments	115,711
Notes Receivable	(4,558)
Leases Receivable	(8,104)

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	(19,981,259)
Reductions to long-term liabilities	6,746,587

Net pension and OPEB activity is not recognized in the governmental funds but recognized as the expense/revenue is incurred in the Statement of Activities.

Net Pension Asset	(558,430)
Deferred Outflows - Pension Plan Deferments	4,104,223
Deferred Inflows - Pension Plan Deferments	8,020,741
Deferred Outflows - OPEB Deferments	(26,921)
Deferred Inflows - OPEB Deferments	(426,239)

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.

46,974

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.

240,353

Internal service fund loss allocated to business-type activities.

9,281

Change in net position - governmental activities

\$ 7,705,913

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
Property	\$ 8,446,549	\$ 8,446,549	\$ 8,467,504	\$ 20,955
Franchise	753,000	753,000	770,755	17,755
Licenses And Permits	1,261,626	1,347,626	2,284,612	936,986
Intergovernmental	737,447	737,447	737,306	(141)
Charges For Services	5,659,018	5,963,078	6,021,951	58,873
Fines And Forfeitures	40,223	40,223	40,684	461
Investment Earnings	22,000	22,000	29,663	7,663
Other Revenue	174,866	177,866	429,036	251,170
TOTAL REVENUES	17,094,729	17,487,789	18,781,511	1,293,722
EXPENDITURES:				
Current:				
General Government	7,349,716	6,993,616	6,978,926	14,690
Public Safety	8,621,815	8,783,815	9,245,521	(461,706)
Public Works	2,918,263	2,918,263	2,932,122	(13,859)
Parks, Recreation And Arts	2,476,535	2,784,695	3,073,035	(288,340)
Debt Service:				
Principal	2,600	39,600	52,070	(12,470)
Interest	800	41,800	1,307	40,493
TOTAL EXPENDITURES	21,369,729	21,561,789	22,282,981	(721,192)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,275,000)	(4,074,000)	(3,501,470)	572,530
OTHER FINANCING SOURCES (USES):				
Transfers In	4,630,000	4,779,000	4,622,856	(156,144)
Transfers Out	(355,000)	(705,000)	(499,055)	205,945
TOTAL OTHER FINANCING SOURCES (USES)	4,275,000	4,074,000	4,123,801	49,801
NET CHANGE IN FUND BALANCES	-	-	622,331	622,331
FUND BALANCES, January 1	3,030,924	3,030,924	3,030,924	-
FUND BALANCES, December 31	\$ 3,030,924	\$ 3,030,924	\$ 3,653,255	\$ 622,331

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	ACTIVITIES- INTERNAL SERVICE FUND
ASSETS								
Current Assets:								
Cash And Investments	\$ 4,020,122	\$ 655,958	\$ 1,700	\$ 1,314,303	\$ 4,231	\$ 1,400,511	\$ 7,396,825	\$ 399,589
Restricted Assets:								
Cash And Investments For Operating And Maintenance	10,000,000	-	-	-	-	-	10,000,000	-
Cash And Investments For Debt Service	859,255	-	233,308	3,039,954	1,381,899	-	5,514,416	-
Cash And Investments For Construction	-	-	-	-	-	113,068	113,068	-
Receivables:								
Special Assessments	4,715	1,751	-	-	-	3,033	9,499	-
Accounts:								
Current	4,198,833	220,838	187,613	-	44,003	629,439	5,280,726	-
Unbilled	4,331,943	263,207	-	-	-	722,719	5,317,869	-
Allowance For Uncollectible Accounts	(119,459)	(6,358)	(102)	-	(660)	(18,192)	(144,771)	-
Interest	28,559	8,383	1,496	117,587	-	8,907	164,932	8,055
Due From Other Funds	-	2,555,000	-	-	-	3,750,000	6,305,000	1,750,000
Due From Other Governments	29,485	83,000	100,000	-	-	45,000	257,485	-
Interfund Receivable	-	-	-	65,192	-	-	65,192	70,013
Supply Contract Receivable	-	-	-	1,270,503	-	-	1,270,503	-
Leases Receivable	-	24,898	255,339	50,098	-	-	330,335	-
Inventories	2,508,945	277,642	-	-	-	60,632	2,847,219	-
Prepaid Items	-	-	2,673	-	-	-	2,673	-
Total Current Assets	25,862,398	4,084,319	782,027	5,857,637	1,429,473	6,715,117	44,730,971	2,227,657
Noncurrent Assets:								
Supply Contract Receivable	-	-	-	13,506,202	-	-	13,506,202	-
Leases Receivable	-	233,327	1,153,151	412,618	-	-	1,799,096	-
Advance To Other Funds	1,191,884	-	-	580,948	-	-	1,772,832	2,612,012
Capital Assets:								
Land	778,843	222,130	90,466	-	-	466,545	1,557,984	-
Construction In Progress	1,585,723	1,950,078	173,586	-	-	4,010,752	7,720,139	-
Buildings	9,799,403	17,255,218	25,995,010	-	17,040,442	8,884,095	78,974,168	-
Other Improvements	-	1,271,864	807,723	-	-	728,325	2,807,912	-
Furniture And Equipment	2,228,365	814,557	3,570,832	-	1,877,363	4,122,482	12,613,599	-
Infrastructure	32,457,641	9,783,685	-	517,116	-	15,040,865	57,799,307	-
Leased Land Improvements	-	-	-	-	-	611,824	611,824	-
Leased Equipment	-	-	6,343	-	-	21,729	28,072	-
Less: Accumulated Depreciation And Amortization	(22,633,794)	(16,172,382)	(20,554,154)	(27,217)	(3,886,186)	(13,300,726)	(76,574,459)	-
Total Net Capital Assets	24,216,181	15,125,150	10,089,806	489,899	15,031,619	20,585,891	85,538,546	-
Total Noncurrent Assets	25,408,065	15,358,477	11,242,957	14,989,667	15,031,619	20,585,891	102,616,676	2,612,012
TOTAL ASSETS	51,270,463	19,442,796	12,024,984	20,847,304	16,461,092	27,301,008	147,347,647	4,839,669
DEFERRED OUTFLOWS OF RESOURCES								
Pension Plan Deferments	567,499	189,166	453,999	-	151,333	529,665	1,891,662	-
OPEB Plan Deferments	5,933	742	1,308	-	389	2,013	10,385	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	573,432	189,908	455,307	-	151,722	531,678	1,902,047	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 51,843,895	\$ 19,632,704	\$ 12,480,291	\$ 20,847,304	\$ 16,612,814	\$ 27,832,686	\$ 149,249,694	\$ 4,839,669
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 173,126	\$ 276,143	\$ 133,161	\$ -	\$ 33,812	\$ 257,961	\$ 874,203	\$ -
Salaries Payable	43,035	11,511	47,542	-	11,871	27,315	141,274	-
Deposits Payable	693,333	39,170	8,002	-	17,142	334,397	1,092,044	-
Compensated Absences	177,354	56,911	65,948	-	22,954	149,320	472,487	-
Accrued Interest Payable	63,044	35,807	9,950	167,625	167,260	96,739	540,425	-
Due To Other Funds	-	-	7,986,907	-	5,155,000	-	13,141,907	-
Due To Other Governments	3,143,605	17,269	12,423	78,363	1,574	28,149	3,281,383	-
Interfund Payable	65,192	15,937	57,755	-	-	259,020	397,904	-
Revenue Bonds Payable	450,000	796,235	335,000	1,400,000	1,085,000	538,765	4,605,000	-
Financed Purchase Payable	-	-	48,768	-	-	-	48,768	-
Lease Liability	-	-	2,627	-	-	6,991	9,618	-
Other Post Employment Benefits	3,185	399	703	-	209	1,079	5,575	-
Unearned Revenue	4,627	1,741	412,978	-	123,061	30,868	573,275	-
Total Current Liabilities	4,816,501	1,251,123	9,121,764	1,645,988	6,617,883	1,730,604	25,183,863	-
Noncurrent Liabilities:								
Compensated Absences	115,458	8,820	65,936	-	44,799	63,478	298,491	-
Advance From Other Funds	580,948	72,361	801,751	-	-	1,152,605	2,607,665	-
Revenue Bonds Payable	7,555,169	8,685,888	3,210,641	13,718,568	9,220,000	9,290,461	51,680,727	-
Financed Purchase Payable	-	-	185,524	-	-	-	185,524	-
Lease Liability	-	-	1,098	-	-	617,190	618,288	-
Other Post Employment Benefits	165,127	20,649	36,414	-	10,835	56,011	289,036	-
Net Pension Liability	1,784,383	594,794	1,427,507	-	475,836	1,665,424	5,947,944	-
Total Noncurrent Liabilities	10,201,085	9,382,512	5,728,871	13,718,568	9,751,470	12,845,169	61,627,675	-
TOTAL LIABILITIES	15,017,586	10,633,635	14,850,635	15,364,556	16,369,353	14,575,773	86,811,538	-
DEFERRED INFLOWS OF RESOURCES								
Leases	-	254,305	1,368,013	457,704	-	-	2,080,022	-
Debt Refunding Deferments	-	-	-	296,208	-	-	296,208	-
Pension Plan Deferments	37,515	12,505	30,012	-	10,004	35,014	125,050	-
OPEB Plan Deferments	107,292	13,417	23,660	-	7,040	36,392	187,801	-
TOTAL DEFERRED INFLOWS OF RESOURCES	144,807	280,227	1,421,685	753,912	17,044	71,406	2,689,081	-
NET POSITION								
Net Investment In Capital Assets	16,211,012	6,421,740	6,306,148	489,899	4,726,619	12,997,016	47,152,434	-
Restricted For Debt Service	10,859,255	-	233,308	2,881,996	1,381,899	-	15,356,458	-
Unrestricted	9,611,235	2,297,102	(10,331,485)	1,356,941	(5,882,101)	188,491	(2,759,817)	4,839,669
TOTAL NET POSITION	36,681,502	8,718,842	(3,792,029)	4,728,836	226,417	13,185,507	59,749,075	4,839,669
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 51,843,895	\$ 19,632,704	\$ 12,480,291	\$ 20,847,304	\$ 16,612,814	\$ 27,832,686	149,249,694	\$ 4,839,669

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, 2022

FOR THE YEAR ENDED DECEMBER 31, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
OPERATING REVENUES:								
Sales	\$ 55,020,552	\$ 4,319,046	\$ 2,791,020	\$ 1,366,151	\$ 1,403,440	\$ 10,637,636	\$ 75,537,845	\$ 1,144,264
OPERATING EXPENSES:								
Production	37,929,107	752,598	-	-	-	3,095,565	41,777,270	-
Distribution / Collections	3,294,113	850,913	-	-	-	1,381,363	5,526,389	-
Administration	4,535,704	973,791	3,933,413	331,016	1,342,839	4,333,986	15,450,749	1,079,811
Depreciation And Amortization	1,573,141	889,582	865,041	27,217	628,948	963,231	4,947,160	-
TOTAL OPERATING EXPENSES	47,332,065	3,466,884	4,798,454	358,233	1,971,787	9,774,145	67,701,568	1,079,811
OPERATING INCOME (LOSS)	7,688,487	852,162	(2,007,434)	1,007,918	(568,347)	863,491	7,836,277	64,453
NON-OPERATING REVENUES:								
Investment Earnings (Charges)	182,874	32,206	(92,707)	12,574	(60,617)	36,108	110,438	77,362
Intergovernmental	8,172	3,424	6,253	-	2,084	47,458	67,391	-
Payments	-	3,514	14,954	56,082	-	-	74,550	-
Gain On Sale Of Capital Assets	-	-	-	-	-	10,206	10,206	-
Miscellaneous Refunds	-	-	-	-	-	-	-	180,884
TOTAL NON-OPERATING REVENUES	191,046	39,144	(71,500)	68,656	(58,533)	93,772	262,585	258,246
NON-OPERATING EXPENSES:								
Interest	256,374	132,377	126,744	470,153	403,995	340,983	1,730,626	-
Fiscal Agent Fees	2,700	1,454	3,914	4,500	3,714	1,390	17,672	-
Loss On Sale Of Capital Assets	-	-	6,768	-	-	-	6,768	-
TOTAL NON-OPERATING EXPENSES	259,074	133,831	137,426	474,653	407,709	342,373	1,755,066	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	7,620,459	757,475	(2,216,360)	601,921	(1,034,589)	614,890	6,343,796	322,699
CAPITAL CONTRIBUTIONS	342,671	924,101	100,000	-	-	3,325,942	4,692,714	-
TRANSFERS IN (OUT):								
Transfers In	-	465,000	470,000	-	1,581,692	627,617	3,144,309	-
Transfers Out	(6,513,210)	(117,000)	-	-	-	(435,300)	(7,065,510)	(82,346)
TOTAL TRANSFERS IN (OUT)	(6,513,210)	348,000	470,000	-	1,581,692	192,317	(3,921,201)	(82,346)
CHANGE IN NET POSITION	1,449,920	2,029,576	(1,646,360)	601,921	547,103	4,133,149	7,115,309	240,353
NET POSITION, JANUARY 1	35,231,582	6,689,266	(2,145,669)	4,126,915	(320,686)	9,052,358	52,633,766	4,599,316
NET POSITION, DECEMBER 31	\$ 36,681,502	\$ 8,718,842	\$ (3,792,029)	\$ 4,728,836	\$ 226,417	\$ 13,185,507	59,749,075	\$ 4,839,669
Change in net position - total enterprise funds							\$ 7,115,309	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(9,281)	
Change in net position - business-type activities							\$ 7,106,028	

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, 2022

	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	\$ 55,411,159	\$ 4,226,506	\$ 2,734,703	\$ 1,361,139	\$ 1,306,016	\$ 10,592,645	\$ 75,632,168	\$ 1,148,909
Payments To Suppliers	(43,681,719)	(1,553,083)	(1,702,923)	(310,000)	(653,980)	(6,220,799)	(54,122,504)	(1,079,811)
Payments To Employees	(2,437,648)	(727,611)	(2,166,022)	-	(646,329)	(2,604,445)	(8,562,055)	-
Miscellaneous Receipts	-	-	-	-	-	-	-	180,884
Net Cash Provided (Used) By Operating Activities	9,291,792	1,945,812	(1,134,242)	1,051,139	5,707	1,767,401	12,927,609	249,982
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
Transfers From Other Funds	-	465,000	470,000	-	1,581,692	383,617	2,900,309	-
Transfers To Other Funds	(6,513,210)	(117,000)	-	-	-	(435,300)	(7,065,510)	(82,346)
Due From Other Funds	-	445,000	-	-	-	(2,155,000)	(1,710,000)	1,250,000
Due To Other Funds	-	-	1,641,907	-	(80,000)	-	1,561,907	-
Interfund Loans To Other Funds	88,436	-	-	61,479	-	-	149,915	(1,637,025)
Interest Payments On Interfund Loans	-	-	-	42,740	-	-	42,740	-
Interest Payments On Leases	-	-	13,458	12,282	-	-	25,740	-
Payments	-	3,233	-	-	-	-	3,233	-
Intergovernmental	8,172	3,424	6,253	-	2,084	47,458	67,391	-
Net Cash Provided (Used) By Non-Capital Financing Activities	(6,416,602)	799,657	2,131,618	116,501	1,503,776	(2,159,225)	(4,024,275)	(469,371)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Capital Contributions	342,671	83,000	100,000	-	-	253,560	779,231	-
Principal Paid On Bonds	(430,000)	(918,035)	(320,000)	(1,340,000)	(1,050,000)	(512,965)	(4,571,000)	-
Principal Paid On Financed Purchase	-	-	(46,302)	-	-	-	(46,302)	-
Principal Paid On Leases	-	-	(2,618)	-	-	(9,372)	(11,990)	-
Interest And Fiscal Charges	(272,075)	(151,604)	(151,030)	(742,000)	(420,564)	(320,713)	(2,057,986)	-
Proceeds From Sale Of Capital Assets	-	-	-	-	-	10,206	10,206	-
Construction And Acquisition Of Capital Assets	(883,335)	(1,924,809)	(732,673)	(517,116)	(21,563)	(1,207,658)	(5,287,154)	-
Transfers From Other Funds	-	-	-	-	-	244,000	244,000	-
Supply Contract Payments Received	-	-	-	1,686,176	-	-	1,686,176	-
Interfund Loan Payments To Other Funds	(61,479)	(15,075)	277,378	-	-	416,420	617,244	-
Interest Payments On Interfund Loans	(42,740)	(4,792)	(28,366)	-	-	(36,444)	(112,342)	-
Net Cash Provided (Used) By Capital And Related Financing Activities	(1,346,958)	(2,931,315)	(903,611)	(912,940)	(1,492,127)	(1,162,966)	(8,749,917)	-
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest (Charges) On Investments	166,851	27,313	(92,707)	2,965	(60,617)	31,079	74,884	74,181
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,695,083	(158,533)	1,058	257,665	(43,261)	(1,523,711)	228,301	(145,208)
CASH AND CASH EQUIVALENTS, January 1	13,184,294	814,491	233,950	4,096,592	1,429,391	3,037,290	22,796,008	544,797
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 14,879,377</u>	<u>\$ 655,958</u>	<u>\$ 235,008</u>	<u>\$ 4,354,257</u>	<u>\$ 1,386,130</u>	<u>\$ 1,513,579</u>	<u>\$ 23,024,309</u>	<u>\$ 399,589</u>
CASH AND CASH EQUIVALENTS:								
Cash And Investments	\$ 4,020,122	\$ 655,958	\$ 1,700	\$ 1,314,303	\$ 4,231	\$ 1,400,511	\$ 7,396,825	\$ 399,589
Restricted Assets-Bonds:								
Cash And Investments For Operating And Maintenance	10,000,000	-	-	-	-	-	10,000,000	-
Cash And Investments For Debt Service	859,255	-	233,308	3,039,954	1,381,899	-	5,514,416	-
Cash And Investments For Construction	-	-	-	-	-	113,068	113,068	-
Total Cash And Cash Equivalents	<u>\$ 14,879,377</u>	<u>\$ 655,958</u>	<u>\$ 235,008</u>	<u>\$ 4,354,257</u>	<u>\$ 1,386,130</u>	<u>\$ 1,513,579</u>	<u>\$ 23,024,309</u>	<u>\$ 399,589</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating Income (Loss)	\$ 7,688,487	\$ 852,162	\$ (2,007,434)	\$ 1,007,918	\$ (568,347)	\$ 863,491	\$ 7,836,277	\$ 64,453
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:								
Depreciation And Amortization Expense	1,573,141	889,582	865,041	27,217	628,948	963,231	4,947,160	-
Allowance For Uncollectible Accounts	(8,814)	(148)	102	-	172	(181)	(8,669)	-
Miscellaneous Receipts	-	-	-	-	-	-	-	180,884
(Increase) Decrease In Assets And Deferred Outflows:								
Special Assessments	14,942	3,310	-	-	-	17,286	35,538	-
Accounts Receivable	(122,036)	(38,754)	(42,003)	-	(11,477)	(128,650)	(342,920)	4,645
Due From Other Governments	(16,566)	(83,000)	(98,837)	-	-	33,500	(164,903)	-
Prepaid Expense	-	-	(2,673)	-	-	-	(2,673)	-
Leases Receivable	-	(258,225)	(1,408,490)	(462,716)	-	-	(2,129,431)	-
Inventory	(884,547)	(166)	-	-	-	(30,487)	(915,200)	-
Deferred Outflows	144,265	65,101	156,008	-	51,442	131,018	547,834	-
Increase (Decrease) In Liabilities And Deferred Inflows:								
Accounts Payable	60,060	256,010	56,104	-	12,927	(136,115)	248,986	-
Salaries Payable	10,575	798	9,885	-	1,526	842	23,626	-
Deposits Payable	538,111	33,292	(3,701)	-	(5,700)	70,950	632,952	-
Compensated Absences Payable	48,740	3,720	(56,377)	-	(3,577)	19,124	11,630	-
Net Pension Liability	872,642	269,172	646,015	-	215,339	818,807	2,821,975	-
Due To Other Governments	118,577	(1,449)	(26,524)	21,016	(7,188)	(60,089)	44,343	-
Unearned Revenue	(15,030)	(3,320)	128,599	-	(80,419)	(37,896)	(8,066)	-
Other Post Employment Benefits	(38,867)	(23,741)	(54,654)	-	(6,015)	(52,079)	(175,356)	-
Deferred Inflows - Leases	-	254,305	1,368,013	457,704	-	-	2,080,022	-
Deferred Inflows	(691,888)	(272,837)	(663,316)	-	(221,924)	(705,351)	(2,555,316)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 9,291,792</u>	<u>\$ 1,945,812</u>	<u>\$ (1,134,242)</u>	<u>\$ 1,051,139</u>	<u>\$ 5,707</u>	<u>\$ 1,767,401</u>	<u>\$ 12,927,609</u>	<u>\$ 249,982</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:								
Transfers Of Capital Assets	\$ -	\$ 670,464	\$ -	\$ -	\$ -	\$ 2,498,361	\$ 3,168,825	\$ -
Contributions of Capital Assets	\$ -	\$ 170,637	\$ -	\$ -	\$ -	\$ 574,021	\$ 744,658	\$ -
Amortization Of Bond Premiums	\$ 51,441	\$ 20,129	\$ 47,555	\$ 213,571	\$ -	\$ 25,876	\$ 358,572	\$ -
Amortization Of Gain On Refunding	\$ -	\$ -	\$ -	\$ 37,026	\$ -	\$ -	\$ 37,026	\$ -
Acquisition of Leased Assets	\$ -	\$ -	\$ 6,343	\$ -	\$ -	\$ 633,553	\$ 639,896	\$ -
Lease Revenue Over(Under) Lease Receivable Payments	\$ -	\$ 3,920	\$ 40,477	\$ 5,012	\$ -	\$ -	\$ 49,409	\$ -

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 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 Capital Project 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 City’s 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's enterprise funds and internal service fund are cost of sales and services, administrative expense, depreciation of capital assets, and amortization of right to use leased 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. All annual appropriations lapse at fiscal year-end. Budget schedules for the budgeted non-major funds are included later in this financial report.

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, 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. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent. 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. Minnesota counties typically provide tax settlements to cities and other local governments three times a year: in July, December, and January of the following year. However, cities can request that 70% of the July settlement be distributed three weeks early. The City has a standing request with the County for this, and thus receives the early settlement each June.

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 unavailable revenue – special assessments, a 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, 2022, totaled \$90,983.

- **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, 2022, the allowance for uncollectible accounts is \$145,304.

- **Leases Receivable**

The City's leases receivable are measured at the present value of lease payments expected to be received during the leases' terms. Under the lease agreements, the City may receive variable lease payments that are dependent upon the lessee's revenue or other factors. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease receivable. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

G) Short-Term and Long-Term Interfund Receivables/Payables

City operations include activity between individual funds for goods provided or services rendered. The current portions of lending/borrowing arrangements are classified as "interfund receivables/payables." The long-term portions of interfund receivables and payables are reported as "advance to other funds" and "advance from other funds."

H) Inventory

The original cost of materials and supplies are recorded as expenditures at the time of purchase for Governmental Funds. These funds do not maintain material amounts of inventories.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first in-first out (FIFO) method. Inventory is recorded as an expense when consumed.

I) Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

J) 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. The City has also restricted cash in the governmental funds. A deposit is being held and administered by the City on behalf of a developer for the sole purpose of funding construction-related expenses.

K) Capital Assets

Capital assets, which include property, buildings, improvements, equipment, right to use leased assets, 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. Right to use leased assets are recorded at the value of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. 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
Land	\$25,000
Buildings and Building Improvements	25,000
Other Improvements	25,000
Furniture and Equipment	10,000
Infrastructure	50,000

Depreciation and amortization 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 Building Improvements	25 years
Other Improvements	25 - 50 years
Furniture and Equipment	3 - 25 years
Infrastructure	10 - 50 years

Right to use leased assets are amortized over the shorter of the useful life of the asset or the related lease term. Capital assets not being depreciated or amortized 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.

L) Compensated Absences

The City's policy permits employees to accumulate earned, but unused paid personal leave (PPL), vacation, sick leave, and compensatory time benefits. Employees are compensated upon termination for unused PPL, vacation, and compensatory time. Sick leave is accrued as used or when it becomes likely that it will be paid as termination pay, while PPL, 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, due to employee resignations and retirements.

For the General Fund, the City commits a portion of fund balance for compensated absences equal to the three-year average of the percent of compensated absences expected to be used in the coming year. The remaining portion of compensated absences in the General Fund is set aside in Assigned Fund Balance at the discretion of the Administrative Services Director.

M) 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 assets 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, net collective 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 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.

The City also reports deferred inflows of resources for leases receivable in the government-wide and enterprise funds Statements of Net Position and governmental funds balance sheet. These deferred inflows are amortized on a straight-line basis over the term of the related leases.

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 and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N) 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.

O) 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, leases receivable net of deferred inflows, 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.

P) 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 and amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets and the outstanding balance of any capital related payables such as contracts and retainage payable.
- **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.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

Q) 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.

R) 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.

S) 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. 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.

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 Pension Plan (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.

T) Change in Accounting Principle

During the year ended December 31, 2022, the City implemented GASB Statement No. 87, *Leases*. This statement included major changes in 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. 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. The implementation of this new GASB statement in the current year resulted in the City reporting new lease receivables and deferred inflows of resources, and new lease liabilities and right-to-use lease assets. Adjustments to capital assets and long-term liabilities were made but did not require a restatement of net position in the current year. See Note 4, Note 6, and Note 7 for additional information on this change in the current year.

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 & 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.
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, 2022, expenditures exceeded appropriations in the General fund by \$721,192, Mount Pleasant Maintenance & Care Special Revenue fund by \$439, and the Equipment Acquisition Capital Project fund by \$2,619,579. Variances in the General fund and Mount Pleasant Special Revenue fund were offset by revenues greater than expected in each fund. The Equipment Acquisition fund variance was offset by fund balance.

City of Chaska, Minnesota**For the Year Ended December 31, 2022****C) Nonmajor Funds with Negative Equity**

The following nonmajor funds maintained a deficit fund balance at December 31, 2022:

Special Revenue Fund

Chaska EDA	\$ 910,739
------------	------------

Capital Project Funds

Equipment Acquisition	\$ 1,280,385
Abatement Program	696,611
TIF Dist #14 - Downtown Redevelopment	2,246,609
TIF Dist #20 - Brewery Project	20,567
TIF Dist #21 - Hot Spot Project	76,990
TIF Dist #22 - Ernst House Project	64,239
TIF Dist #23 - City Square West Project	831,110
TIF Dist #24 - Chaska Creek Industrial Project	43,574

The deficit in the Chaska EDA fund is due to various economic development projects, some of which 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 and equipment purchases that have not received final financing. The Equipment Acquisition fund deficit is due to fire truck purchases that will be reimbursed through future year bond issuance. The Abatement Program and TIF District deficits are due to project costs for the districts. Abatement and tax increment revenue collected in future years will eliminate these deficits. All funds are expected to recover their 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."

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	\$29,228,394
Restricted Cash and Investments	27,965,268
Total Cash and Investments	<u>\$57,193,662</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.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

Minnesota Statutes require that federal deposit insurance, corporate surety bond or collateral protect all deposits. The fair value of collateral pledged must equal 110% 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 \$17,369,598, while the balance on the bank records was \$19,722,660. Total bank deposits include a developer’s escrow with an account balance of \$11,371,501. These funds are being held and administered by the City on behalf of the developer for the sole purpose of funding construction-related expenses. At December 31, 2022, 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	\$ 2,969,390	\$ 6,412,181	\$ -	\$ 9,381,571
State and Local Bonds	AA	S&P	Level 2	1,499,355	1,655,140	-	3,154,495
State and Local Bonds	Aa2	Moody's	Level 2	465,000	-	-	465,000
Commercial Paper	A-1	S&P	Level 2	3	-	-	3
Negotiable CDs	N/R	N/R	Level 2	-	712,377	-	712,377
Investments in Mutual Funds & Money Markets							
First American Government Obligations	AAAam	S&P	Level 1	N/A	N/A	N/A	2,581,489
100% Treasury MM Fund	AAAam	S&P	Level 1	N/A	N/A	N/A	3,273,904
Minnesota Municipal MM Fund	N/R	N/R	N/A	N/A	N/A	N/A	20,250,687
Total Investments:				<u>\$ 4,933,748</u>	<u>\$ 8,779,698</u>	<u>\$ -</u>	<u>39,819,526</u>
Total Deposits							17,369,598
Petty Cash and Change Funds							4,538
Total Deposits and Investments							<u>\$ 57,193,662</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, highly 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% or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policy does not limit the concentration of investments.

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

<u>Issuer</u>	<u>Percent</u>	<u>Amount</u>
Federal Home Loan Banks	16.14%	\$6,426,461

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.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

Note 4 Capital Assets

Capital asset activity for Governmental and Business-Type activities for the year ended December 31, 2022, was as follows:

	Beginning Balance	Change in Accounting Principle*	Increases	Decreases	Reclass & Transfers	Ending Balance
Governmental Activities						
Capital assets, not depreciated/amortized:						
Land	\$ 56,603,006	\$ -	\$ 2,081,579	\$ -	\$ 9,951	\$ 58,694,536
Works of Art/Treasures	105,027	-	-	-	-	105,027
Construction In Progress	16,485,776	-	13,047,692	(8,658)	(6,608,568)	22,916,242
Total capital assets, not depreciated/amortized:	73,193,809	-	15,129,271	(8,658)	(6,598,617)	81,715,805
Capital assets, depreciated and amortized:						
Buildings and Building Improvements	11,344,771	-	-	-	-	11,344,771
Other Improvements	24,508,684	-	225,056	-	41,669	24,775,409
Furniture & Equipment	12,629,721	-	508,180	(241,939)	30,590	12,926,552
Infrastructure	181,182,706	-	1,624,758	-	3,378,231	186,185,695
Leased Equipment	-	16,923	361,342	-	-	378,265
Total capital assets, depreciated and amortized:	229,665,882	16,923	2,719,336	(241,939)	3,450,490	235,610,692
Less accumulated depreciation and amortization for:						
Buildings and Building Improvements	(8,305,272)	-	(265,904)	-	-	(8,571,176)
Other Improvements	(10,788,713)	-	(744,542)	-	-	(11,533,255)
Furniture & Equipment	(8,790,832)	-	(785,538)	237,118	(20,698)	(9,359,950)
Infrastructure	(83,257,546)	-	(5,885,587)	-	-	(89,143,133)
Leased Equipment	-	-	(47,434)	-	-	(47,434)
Total accumulated depreciation and amortization:	(111,142,363)	-	(7,729,005)	237,118	(20,698)	(118,654,948)
Net capital assets, depreciated and amortized:	118,523,519	16,923	(5,009,669)	(4,821)	3,429,792	116,955,744
Governmental activities capital assets, net:	\$ 191,717,328	\$ 16,923	\$ 10,119,602	\$ (13,479)	\$ (3,168,825)	\$ 198,671,549
Business-Type Activities						
Capital assets, not depreciated/amortized:						
Land	\$ 1,449,855	\$ -	\$ 108,129	\$ -	\$ -	\$ 1,557,984
Construction In Progress	5,569,853	-	3,096,572	-	(946,286)	7,720,139
Total capital assets, not depreciated/amortized:	7,019,708	-	3,204,701	-	(946,286)	9,278,123
Capital assets, depreciated and amortized:						
Buildings and Building Improvements	78,369,860	-	512,826	-	91,482	78,974,168
Other Improvements	2,512,227	-	178,473	-	117,212	2,807,912
Furniture & Equipment	12,030,292	-	688,979	(84,974)	(20,698)	12,613,599
Infrastructure	52,446,057	-	1,446,833	-	3,906,417	57,799,307
Leased Land Improvements	-	611,824	-	-	-	611,824
Leased Equipment	-	6,343	21,729	-	-	28,072
Total capital assets, depreciated and amortized:	145,358,436	618,167	2,848,840	(84,974)	4,094,413	152,834,882
Less accumulated depreciation and amortization for:						
Buildings and Building Improvements	(43,194,199)	-	(2,373,044)	-	-	(45,567,243)
Other Improvements	(1,545,133)	-	(144,020)	-	-	(1,689,153)
Furniture & Equipment	(7,067,392)	-	(719,286)	78,206	20,698	(7,687,774)
Infrastructure	(19,919,479)	-	(1,694,821)	-	-	(21,614,300)
Leased Land Improvements	-	-	(12,236)	-	-	(12,236)
Leased Equipment	-	-	(3,753)	-	-	(3,753)
Total accumulated depreciation and amortization:	(71,726,203)	-	(4,947,160)	78,206	20,698	(76,574,459)
Net capital assets, depreciated and amortized:	73,632,233	618,167	(2,098,320)	(6,768)	4,115,111	76,260,423
Business-type activities capital assets, net:	\$ 80,651,941	\$ 618,167	\$ 1,106,381	\$ (6,768)	\$ 3,168,825	\$ 85,538,546

* Change in Accounting Principle is due to implementation of GASB 87 in 2022.

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

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

Governmental Activities		Business-Type Activities	
General Government	\$ 295,958	Electric	\$ 1,573,141
Public Safety	434,716	Water	889,582
Public Works	6,258,622	Sewer	197,970
Parks, Recreation and Arts	739,709	Chaska Community Center	865,041
Total Depreciation and Amortization Expense -		The Loop at Chaska	12,821
Governmental Activities:	<u>\$ 7,729,005</u>	Chaska Town Course	484,959
		Turbine	27,217
		Storm Water	267,481
		Chaska Curling Center	628,948
		Total Depreciation and Amortization Expense -	
		Business-Type Activities:	<u>\$ 4,947,160</u>

Note 5 Supply Contract Receivable**Turbine Generator Agreement**

The City entered into a Power Supply Contract Receivable Agreement with the Minnesota Municipal Power Agency (MMPA) in which the City agrees to sell MMPA the peaking power and peaking power capacity of the City's gas turbine generator for a thirty-year period, commencing May 1, 2001. MMPA receives the sole right to operate the facility and to use the power generated from such operation for the term of the agreement. MMPA is responsible for all expenses of operating and maintaining the facility for this period, with the exception of insurance, which is to be purchased by the City. Under the agreement, MMPA will pay the City an amount representing the total cost to the City of constructing the facility plus a predetermined rate of return and interest. The payments are to be made in equal monthly installments over the thirty-year term of the agreement. The total project cost to the City for constructing the facility was \$29,144,986. The total 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.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

Annual power supply contract payments through April 1, 2031, are as follows:

Year Ending December 31	Supply Contract Receivable	
	Principal	Interest
2023	\$ 1,270,503	\$ 1,215,681
2024	1,383,614	1,102,570
2025	1,506,795	979,389
2026	1,640,947	845,237
2027	1,787,041	699,143
2028-2031	7,187,805	1,099,475
Total:	<u>\$ 14,776,705</u>	<u>\$ 5,941,495</u>

Note 6 Leases Receivable Agreements

Leases receivable activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Change in Accounting Principle*	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>					
T-Mobile Cell Tower Site A1P757E	\$ -	\$ 181,586	\$ -	\$ (4,383)	\$ 177,203
T-Mobile Cell Tower Site A1P0152A	-	50,565	-	(37,750)	12,815
T-Mobile Cell Tower Site A1P0059A	-	829,681	-	(36,500)	793,181
Verizon Cell Tower	-	703,574	-	(20,409)	683,165
Sprint Cell Tower MS70XC498-A/A1P032	-	300,754	-	(29,080)	271,674
Northstar Regional Building Space	-	-	224,001	(19,007)	204,994
Governmental Activities Leases Receivable:	<u>\$ -</u>	<u>\$ 2,066,160</u>	<u>\$ 224,001</u>	<u>\$ (147,129)</u>	<u>\$ 2,143,032</u>
<u>Business-type Activities</u>					
Bountiful Baskets Office Space	\$ -	\$ 282,561	\$ -	\$ (24,336)	\$ 258,225
St. Francis Gym Space	-	1,322,054	-	(159,457)	1,162,597
Carver County Arts Consortium Building Space	-	18,756	-	(9,224)	9,532
MMPA MRS Breaker Station	-	512,628	-	(49,912)	462,716
Alphabet Junction Daycare Building Space	-	-	251,667	(15,306)	236,361
Business-type Activities Leases Receivable:	<u>\$ -</u>	<u>\$ 2,135,999</u>	<u>\$ 251,667</u>	<u>\$ (258,235)</u>	<u>\$ 2,129,431</u>

* Change in Accounting Principle is due to implementation of GASB 87 in 2022.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

Lease activity reported in deferred inflows of resources for the year ended December 31, 2022, was as follows:

	Beginning Balance	Change in Accounting Principle*	Additions	Reductions	Ending Balance
Governmental Activities					
T-Mobile Cell Tower Site A1P757E	\$ -	\$ 178,586	\$ -	\$ (8,572)	\$ 170,014
T-Mobile Cell Tower Site A1P0152A	-	50,565	-	(38,731)	11,834
T-Mobile Cell Tower Site A1P0059A	-	829,681	-	(28,610)	801,071
Verizon Cell Tower	-	703,574	-	(34,888)	668,686
Sprint Cell Tower MS70XC498-A/A1P032	-	300,754	-	(34,702)	266,052
Northstar Regional Building Space	-	-	224,001	(21,333)	202,668
Governmental Activities					
Deferred Inflows - Leases:	\$ -	\$ 2,063,160	\$ 224,001	\$ (166,836)	\$ 2,120,325
Business-type Activities					
Bountiful Baskets Office Space	\$ -	\$ 282,561	\$ -	\$ (28,256)	\$ 254,305
St. Francis Gym Space	-	1,322,054	-	(198,308)	1,123,746
Carver County Arts Consortium Building Space	-	18,756	-	(9,378)	9,378
MMPA MRS Breaker Station	-	512,628	-	(54,924)	457,704
Alphabet Junction Daycare Building Space	-	-	251,667	(16,778)	234,889
Business-type Activities					
Deferred Inflows - Leases:	\$ -	\$ 2,135,999	\$ 251,667	\$ (307,644)	\$ 2,080,022

* Change in Accounting Principle is due to implementation of GASB 87 in 2022.

- The City entered into a 250-month lease as Lessor for the use of a water/cell tower by T-Mobile at Site A1P757E. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$181,586. As of December 31, 2022, the value of the lease receivable is \$177,203. The lessee is required to make monthly fixed payments of \$585, with an increase in year two of 13.30% and a 3.00% annual increase through the remainder of the lease term. The lease has an interest rate of 1.70%. As of December 31, 2022, the value of the deferred inflow of resources is \$170,014, and the City recognized lease revenue of \$8,572 during the fiscal year. A lease incentive of \$3,000 paid at commencement of the lease was not included in the present value calculation of deferred inflows, but was included in the present value of the lease receivable. The lessee has 4 extension options, each for 60 months.
- The City entered into a 195-month lease as Lessor for the use of a water/cell tower by T-Mobile at Site A1P0152A. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$693,137. During 2022, the Lessee elected not to exercise their renewal option and a termination notice was provided to the City with a lease term date of April 20, 2023. The Lessee's decision to terminate the lease resulted in a remeasured initial value of the lease receivable and deferred inflow of resources of \$50,565 each. As of December 31, 2022, the value of the lease receivable is \$12,815. The lessee is required to make monthly fixed payments of \$3,120. The lease has an interest rate of 1.52%. As of December 31, 2022, the value of the deferred inflow of resources is \$11,834, and the City recognized lease revenue of \$38,731 during the fiscal year.
- The City entered into a 348-month lease as Lessor for the use of a water/cell tower by T-Mobile at Site A1P0059A. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$829,681. As

of December 31, 2022, the value of the lease receivable is \$793,181. The lessee is required to make annual fixed principal payments of \$36,500, along with additional variable payments based on the current Consumer Price Index. The variable amount paid in 2022 was \$1,949. The lease has an interest rate of 1.84%. As of December 31, 2022, the value of the deferred inflow of resources is \$801,071, and the City recognized lease revenue of \$28,610 during the fiscal year. The lessee has 5 extension options, each for 60 months.

- The City entered into a 242-month lease as Lessor for the use of a water/cell tower by Verizon at 113995 Hundertmark Road. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$703,574. As of December 31, 2022, the value of the lease receivable is \$683,165. The lessee is required to make monthly fixed payments of \$2,518, with a 3.00% annual increase. The lease has an interest rate of 1.66%. As of December 31, 2022, the value of the deferred inflow of resources is \$668,686, and the City recognized lease revenue of \$34,888 during the fiscal year. The lessee has 4 extension options, each for 60 months.
- The City entered into a 104-month lease as Lessor for the use of a water/cell tower by Sprint LLC at Site MS70XC498-A/A1P032. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$300,754. As of December 31, 2022, the value of the lease receivable is \$271,674. The lessee is required to make monthly fixed payments of \$2,728, with a 3.00% annual increase. The lease has an interest rate of 1.52%. As of December 31, 2022, the value of the deferred inflow of resources is \$266,052, and the City recognized lease revenue of \$34,702 during the fiscal year. The lessee has 1 extension option for an additional 44 months.
- On May 1, 2022, the City entered into an 84-month lease as Lessor for the use of building space by Northstar Regional. An initial lease receivable was recorded in the amount of \$224,001. As of December 31, 2022, the value of the lease receivable is \$204,994. The lessee is required to make monthly fixed payments of \$2,755, with a 2.00% annual increase. The lease has an interest rate of 2.43%. As of December 31, 2022, the value of the deferred inflow of resources is \$202,668, and the City recognized lease revenue of \$21,333 during the fiscal year. The lessee has 1 extension option for an additional 24 months.
- The City entered into a 120-month lease as Lessor for the use of office space by Bountiful Baskets at the former water treatment plant. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$282,561. As of December 31, 2022, the value of the lease receivable is \$258,225. The lessee is required to make monthly fixed payments of \$2,297, with a 2.00% annual increase. Additionally, there are other reasonably certain payments of \$300.00 per month. The lease has an interest rate of 1.31%. As of December 31, 2022, the value of the deferred inflow of resources is \$254,305, and the City recognized lease revenue of \$28,256 during the fiscal year. The lessee has 2 extension options, each for 60 months.
- The City entered into an 80-month lease as Lessor for the use of building space by St. Francis Regional Medical Center at the Chaska Community Center. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$1,322,054. As of December 31, 2022, the value of the lease receivable is \$1,162,597. The lessee is required to make monthly fixed payments of \$14,282, with annual step increases for the duration of the lease term. The lease has an interest rate of 1.05%. As of December 31, 2022, the value of the deferred inflow of resources is \$1,123,746, and the City recognized lease revenue of \$198,308 during the fiscal year. The lessee has 1 extension option for an additional 60 months.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

- The City entered into a 24-month lease as Lessor for the use of building space by Carver County Arts Consortium at the Chaska Community Center. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$18,756. As of December 31, 2022, the value of the lease receivable is \$9,532. The lessee is required to make monthly fixed payments of \$773, with annual step increases for the duration of the lease term. The lease has an interest rate of 0.38%. As of December 31, 2022, the value of the deferred inflow of resources is \$9,378, and the City recognized lease revenue of \$9,378 during the fiscal year.
- The City entered into a 112-month lease as Lessor for the use of an electric breaker by MMPA at the MN River Breaker Station. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$512,628. As of December 31, 2022, the value of the lease receivable is \$462,716. The lessee is required to make monthly fixed payments of \$5,183. The lease has an interest rate of 2.75%. As of December 31, 2022, the value of the deferred inflow of resources is \$457,704, and the City recognized lease revenue of \$54,924 during the fiscal year.
- On September 1, 2022, the City entered into a 60-month lease as Lessor for the use of building space by Alphabet Junction Childcare Center at the Chaska Community Center. An initial lease receivable was recorded in the amount of \$251,667. As of December 31, 2022, the value of the lease receivable is \$236,361. The lessee is required to make monthly fixed payments of \$4,196, with annual step increases for the duration of the lease term. The lease has an interest rate of 2.43%. As of December 31, 2022, the value of the deferred inflow of resources is \$234,889, and the City recognized lease revenue of \$16,778 during the fiscal year.

Annual payment requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 119,428	\$ 37,373	\$ 330,335	\$ 31,794
2024	111,529	35,304	327,861	26,805
2025	116,618	33,184	335,114	21,696
2026	121,884	30,968	342,569	16,445
2027	126,854	28,656	330,715	11,105
2028-2032	470,357	113,139	462,837	13,375
2033-2037	387,311	79,777	-	-
2038-2042	419,810	43,373	-	-
2043-2047	163,649	18,851	-	-
2048-2050	105,592	3,908	-	-
Total:	<u>\$ 2,143,032</u>	<u>\$ 424,533</u>	<u>\$ 2,129,431</u>	<u>\$ 121,220</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2022

Note 7 Long-Term Liabilities

Long-term liabilities for the year ended December 31, 2022, are as follows:

Governmental Activities	Beginning Balance	Change in Accounting Principle*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:						
General Obligation Bonds:						
Equipment Certificates	\$ 2,780,000	\$ -	\$ -	\$ (435,000)	\$ 2,345,000	\$ 460,000
General Obligation Bonds	980,000	-	-	(315,000)	665,000	325,000
Tax Increment Bonds	2,990,000	-	-	(40,000)	2,950,000	70,000
Taxable Abatement Bonds	575,000	-	-	(35,000)	540,000	40,000
Improvement Bonds	28,205,000	-	-	(2,005,000)	26,200,000	2,075,000
State Aid Street Bonds	4,940,000	-	4,190,000	(160,000)	8,970,000	190,000
Revenue Bonds	495,000	-	-	(75,000)	420,000	85,000
EDA Revenue Bonds	7,815,000	-	-	(330,000)	7,485,000	340,000
EDA Lease Revenue Bonds	8,700,000	-	-	(300,000)	8,400,000	305,000
Plus: Premium	3,345,308	-	-	(286,363)	3,058,945	-
Total Bonds Payable:	<u>60,825,308</u>	<u>-</u>	<u>4,190,000</u>	<u>(3,981,363)</u>	<u>61,033,945</u>	<u>3,890,000</u>
Lease Liability	7,555	16,923	360,990	(52,070)	333,398	80,741
Compensated Absences	1,351,830	-	1,223,042	(1,122,421)	1,452,451	1,032,738
Total OPEB Liability	1,126,979	-	10,511	(465,170)	672,320	12,721
Net Pension Liability	5,578,644	-	14,179,793	(1,125,563)	18,632,874	-
Governmental Activities						
Long-term Liabilities:	<u>\$68,890,316</u>	<u>\$ 16,923</u>	<u>\$19,964,336</u>	<u>\$ (6,746,587)</u>	<u>\$82,124,988</u>	<u>\$ 5,016,200</u>
Business-type Activities						
Bonds Payable:						
General Obligation Revenue Bonds	\$16,720,000	\$ -	\$ -	\$ (1,300,000)	\$15,420,000	\$ 1,205,000
Revenue Bonds	22,610,000	-	-	(1,770,000)	20,840,000	1,850,000
EDA Lease Revenue Bonds	14,750,000	-	-	(1,370,000)	13,380,000	1,420,000
Lease Purchase Bonds	3,560,000	-	-	(131,000)	3,429,000	130,000
Plus: Premium	3,575,299	-	-	(358,572)	3,216,727	-
Total Bonds Payable:	<u>61,215,299</u>	<u>-</u>	<u>-</u>	<u>(4,929,572)</u>	<u>56,285,727</u>	<u>4,605,000</u>
Financed Purchase Payable	280,594	-	-	(46,302)	234,292	48,768
Lease Liability	-	618,167	21,729	(11,990)	627,906	9,618
Compensated absences	759,348	-	560,968	(549,338)	770,978	472,487
Total OPEB Liability	469,967	-	28,481	(203,837)	294,611	5,575
Net Pension Liability	3,125,969	-	3,293,366	(471,391)	5,947,944	-
Business-type Activities						
Long-term Liabilities:	<u>\$65,851,177</u>	<u>\$ 618,167</u>	<u>\$ 3,904,544</u>	<u>\$ (6,212,430)</u>	<u>\$64,161,458</u>	<u>\$ 5,141,448</u>

* Change in Accounting Principle is due to implementation of GASB 87 in 2022.

For the Governmental Activities, lease liabilities, compensated absences, other post-employment benefits, and net pension liabilities are generally liquidated by the General fund. In business-type activities, financed purchase payable, lease liabilities, 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, 2022

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. Bonds in the business-type activities will be repaid with the net revenues of the utility issuing the bonds. For both governmental and business-type activities, in the event 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 and the Chaska EDA also issue revenue bonds. Revenue bonds are supported by specific fee revenues to pay for debt service.

Bonds outstanding for the year ended December 31, 2022, 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 12/31/2022</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	\$ 115,000
G.O. Equipment Certificates, Series 2017B	11/29/17	02/01/27	5.00%	1,960,000	1,210,000
G.O. Equipment Certificates, Series 2019B	11/06/19	02/01/29	4.00-5.00%	1,240,000	1,020,000
Total Equipment Certificates				<u>4,115,000</u>	<u>2,345,000</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>665,000</u>
Tax Increment Bonds					
G.O. Taxable Cross-over Refunding Bonds, Series 2017D	12/27/17	02/01/31	3.00-3.50%	460,000	355,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	1,670,000	1,665,000
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>3,060,000</u>	<u>2,950,000</u>
Taxable Abatement Bonds					
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/39	1.80-3.45%	245,000	215,000
G.O. Taxable Advance Refunding Bonds, Series 2020D	09/02/20	12/01/32	0.15-1.50%	375,000	325,000
Total Taxable Abatement Bonds				<u>620,000</u>	<u>540,000</u>
Improvement Bonds					
G.O. Improvement Bonds, Series 2012A	08/15/12	02/01/28	2.00-2.40%	2,430,000	1,010,000
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	3,295,000	980,000
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/30	0.70-3.00%	3,080,000	1,775,000
G.O. Improvement Bonds, Series 2015B	08/19/15	02/01/31	3.00-5.00%	5,940,000	4,090,000
G.O. Improvement Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	6,875,000	6,245,000
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/33	1.70-3.45%	1,790,000	1,285,000
G.O. Cross-over Refunding, Series 2017E	12/27/17	02/01/29	2.01-2.87%	995,000	715,000
G.O. Improvement Bonds, Series 2019B	11/06/19	02/01/39	2.13-5.00%	4,440,000	4,045,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/35	2.55-3.00%	1,165,000	1,030,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/29	2.55-3.00%	85,000	70,000
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/33	3.00-5.00%	1,180,000	930,000

(Continued)

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2022

(Continued)

Governmental Activities	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2022
Improvement Bonds (Continued)					
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/31	4.00-5.00%	560,000	385,000
G.O. Improvement Bonds, Series 2020C	09/02/20	02/01/37	2.00-5.00%	1,725,000	1,680,000
G.O. Taxable Advance Refunding Bonds, Series 2020D	09/02/20	12/01/34	0.20-1.70%	2,205,000	1,960,000
Total Improvement Bonds				35,765,000	26,200,000
G.O. State Aid Bonds					
G.O. State Aid Street Bonds, Series 2021A	01/14/21	04/01/41	1.00-4.00%	4,940,000	4,780,000
G.O. Temporary State Aid Street Bonds, Series 2022A	09/15/22	12/31/24	3.67%	4,190,000	4,190,000
Total State Aid Street Bonds				9,130,000	8,970,000
G.O. Revenue Bonds					
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	1,380,000	420,000
EDA Revenue Bonds					
EDA Taxable Installment Purchase Revenue Bonds, Series 2020A	03/09/20	12/01/40	1.75-3.08%	6,285,000	6,015,000
EDA Taxable Installment Purchase Revenue Bonds, Series 2020B	07/08/20	12/01/40	1.47-3.40%	1,530,000	1,470,000
Total EDA Revenue Bonds				7,815,000	7,485,000
EDA Lease Revenue Bonds					
Lease Revenue Bonds, Series 2015B	04/15/15	02/01/35	2.00-4.00%	9,000,000	7,930,000
Lease Revenue Bonds, Series 2015D	12/30/15	02/01/26	2.00-4.00%	1,085,000	470,000
Total EDA Lease Revenue Bonds				10,085,000	8,400,000
Premium				4,512,082	3,058,945
Total Bonds Payable - Governmental Activities:				\$79,187,082	\$61,033,945
Business-type Activities	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2022
Bonds Payable					
General Obligation Revenue Bonds					
G.O. Utility Revenue Bonds, Series 2015C	12/30/15	02/01/36	2.00-4.00%	\$ 5,170,000	\$ 3,880,000
G.O. Utility Revenue Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	735,000	640,000
G.O. Utility Revenue Bonds, Series 2019C	11/06/19	02/01/35	2.00-3.00%	2,135,000	1,905,000
G.O. Utility Revenue Bonds, Series 2019D	12/04/19	02/01/30	2.55-3.00%	780,000	645,000
G.O. Utility Revenue Bonds, Series 2020C	09/02/20	02/01/31	4.00-5.00%	1,215,000	1,140,000
G.O. Taxable Crossover Advance Refunding Bonds, Series 2020D	09/02/20	12/01/32	0.20-1.50%	7,845,000	7,210,000
Total General Obligation Revenue Bonds				17,880,000	15,420,000
Revenue Bonds					
Electric Revenue Refunding Bonds, Series 2015A	10/01/15	10/01/30	2.00-5.00%	21,760,000	13,410,000
Electric Utility Revenue Bonds, Series 2017A	09/06/17	10/01/37	2.25-4.00%	7,220,000	5,880,000
Electric Utility Revenue Refunding Bonds, Series 2020F	12/29/20	10/01/31	4.00%	1,830,000	1,550,000
Total Revenue Bonds				30,810,000	20,840,000
EDA Lease Revenue Bonds					
Taxable Lease Revenue Bonds, Series 2015A	04/15/15	02/01/35	1.22-4.40%	12,855,000	8,050,000
Taxable Lease Revenue Bonds, Series 2015C	12/30/15	02/01/31	1.53-4.57%	3,410,000	2,255,000
Lease Revenue Refunding Bonds, Series 2017A	12/27/17	12/01/27	2.00-4.00%	1,880,000	1,020,000
EDA Lease Revenue & Limited Tax Refunding Bonds, Series 2020E	09/02/20	12/01/33	4.00-5.00%	2,310,000	2,055,000
Total EDA Lease Revenue Bonds				20,455,000	13,380,000
Lease Purchase Bonds					
Lease-Purchase Agreement, Series 2021	12/28/21	12/01/41	3.47%	3,560,000	3,429,000
Premium				5,192,408	3,216,727
Total Bonds Payable - Business-type Activities:				\$77,897,408	\$56,285,727

City of Chaska, Minnesota**For the Year Ended December 31, 2022**General Obligation Bonds:

The City issues the following types of general obligation bonds:

- Equipment certificates and GO bonds provide funding for the acquisition of equipment and vehicles for various departments.
- 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.
- State Aid Street bonds provide funding for road construction.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities					
	G.O. Equipment Certificates		G.O. Bonds		G.O. Tax Increment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 460,000	\$ 102,957	\$ 325,000	\$ 13,375	\$ 70,000	\$ 87,295
2024	360,000	83,550	340,000	4,250	115,000	84,520
2025	380,000	65,050	-	-	120,000	80,995
2026	400,000	45,550	-	-	125,000	77,220
2027	415,000	25,175	-	-	125,000	73,282
2028 - 2032	330,000	14,200	-	-	710,000	304,205
2033 - 2037	-	-	-	-	700,000	204,881
2038 - 2041	-	-	-	-	985,000	59,704
Total:	<u>\$ 2,345,000</u>	<u>\$ 336,482</u>	<u>\$ 665,000</u>	<u>\$ 17,625</u>	<u>\$ 2,950,000</u>	<u>\$ 972,102</u>

Year Ending December 31	Governmental Activities					
	G.O. Abatement Bonds		G.O. Improvement Bonds		G.O. State Aid Street Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 40,000	\$ 9,897	\$ 2,075,000	\$ 836,239	\$ 190,000	\$ 260,198
2024	35,000	9,575	2,480,000	755,839	4,390,000	201,427
2025	35,000	9,228	2,515,000	666,082	205,000	91,385
2026	40,000	8,827	2,600,000	575,434	215,000	82,985
2027	40,000	8,342	2,705,000	481,365	220,000	74,285
2028 - 2032	245,000	31,213	10,500,000	1,177,652	1,240,000	244,225
2033 - 2037	75,000	11,644	3,145,000	150,778	1,360,000	140,325
2038 - 2041	30,000	1,035	180,000	3,656	1,150,000	38,958
Total:	<u>\$ 540,000</u>	<u>\$ 89,761</u>	<u>\$ 26,200,000</u>	<u>\$ 4,647,045</u>	<u>\$ 8,970,000</u>	<u>\$ 1,133,788</u>

City of Chaska, Minnesota**For the Year Ended December 31, 2022**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
2023	\$ 85,000	\$ 8,075	\$ 1,205,000	\$ 328,116
2024	75,000	6,475	1,250,000	307,491
2025	85,000	4,833	1,275,000	284,281
2026	85,000	3,005	1,320,000	259,241
2027	90,000	1,035	1,345,000	232,251
2028 - 2032	-	-	7,020,000	690,853
2033 - 2037	-	-	1,955,000	121,963
2038	-	-	50,000	781
Total:	<u>\$ 420,000</u>	<u>\$ 23,423</u>	<u>\$ 15,420,000</u>	<u>\$ 2,224,977</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 in the Electric fund and Turbine Generator fund will be repaid with net revenues of each fund.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2023	\$ 1,850,000	\$ 922,675
2024	1,950,000	834,675
2025	2,035,000	741,925
2026	2,130,000	645,025
2027	2,240,000	543,575
2028 - 2032	8,370,000	1,168,025
2033 - 2037	2,265,000	207,900
Total:	<u>\$ 20,840,000</u>	<u>\$ 5,063,800</u>

City of Chaska, Minnesota**For the Year Ended December 31, 2022**EDA Revenue and EDA Lease Revenue Bonds:

Revenue bonds issued by the Chaska EDA are supported by income derived from specific fee revenues to pay for debt service. These bonds have been issued to construct or improve community parks and community facilities.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities				Business-type Activities	
	EDA Revenue Bonds		EDA Lease Revenue Bonds		EDA Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 340,000	\$ 198,892	\$ 305,000	\$ 326,925	\$ 1,420,000	\$ 504,064
2024	345,000	192,977	315,000	316,500	1,460,000	454,051
2025	350,000	186,651	325,000	304,700	1,530,000	401,875
2026	355,000	179,628	735,000	283,500	1,075,000	354,320
2027	365,000	172,220	635,000	256,100	1,110,000	314,237
2028 - 2032	1,955,000	730,748	3,575,000	870,700	4,715,000	957,403
2033 - 2037	2,255,000	447,616	2,510,000	153,200	2,070,000	133,060
2038 - 2040	1,520,000	96,370	-	-	-	-
Total:	<u>\$ 7,485,000</u>	<u>\$ 2,205,102</u>	<u>\$ 8,400,000</u>	<u>\$ 2,511,625</u>	<u>\$13,380,000</u>	<u>\$ 3,119,010</u>

Lease Purchase Bonds:

Lease-Purchase Agreement bonds issued by the City are supported by income derived from specific fee revenues to pay for debt service. This Lease-Purchase Agreement has been issued to reconstruct and improve the City's Par 30 golf course which will now be known as The Loop at Chaska.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Principal	Interest
2023	\$ 130,000	\$ 118,986
2024	135,000	114,475
2025	140,000	109,791
2026	145,000	104,933
2027	150,000	99,901
2028 - 2032	829,000	417,858
2033 - 2037	983,000	263,685
2038 - 2041	917,000	80,886
Total:	<u>\$ 3,429,000</u>	<u>\$ 1,310,515</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2022

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>G.O. Water Revenue Bonds:</u>	<u>Water Treatment Plant and Water Systems</u>						\$ 4,319,046
Advance Refunding Bonds	Refund 2011A Bonds	Utility Charges	100%	2020 - 2032	\$ 7,689,797	\$ 705,968	
<u>G.O. Utility Revenue Bonds:</u>	<u>Water, Sanitary Sewer and Storm Water</u>						11,939,874
Series 2015C	Utility System Improvements	Utility Charges	100%	2015 - 2036	4,786,788	340,588	
Series 2017B	Utility System Improvements	Utility Charges	100%	2017 - 2038	827,319	49,187	
Series 2019C	Utility System Improvements	Utility Charges	100%	2019 - 2035	2,220,422	177,781	
Series 2019D	Utility System Improvements	Utility Charges	100%	2019 - 2030	719,651	89,613	
Series 2020C	Utility System Improvements	Utility Charges	100%	2020 - 2031	1,401,000	132,375	
<u>Electric Revenue Bonds:</u>	<u>Electric Utility Systems and Generating Facilities</u>						1,366,151
Series 2015A Refunding Bonds	Refund 2000 & 2005 Bonds - Turbine Generator	Lease Revenue	100%	2015 - 2030	16,598,000	2,077,500	
Electric Utility Revenue Bonds							55,020,552
Series 2017A	Electric System Improvements	Utility Charges	100%	2017 - 2037	7,428,200	496,975	
Series 2020F	Electric System Improvements	Utility Charges	100%	2020 - 2031	1,877,600	202,400	
<u>EDA Revenue Bonds:</u>							
Taxable Installment Purchase Revenue Bonds							
Series 2020A	Southwest Park Development	Revenue	100%	2020 - 2040	7,742,355	431,067	82,201
Series 2020B	NE Collector Phase II - Land	Revenue	100%	2020 - 2040	1,947,747	103,433	45,455
<u>EDA Lease Revenue Bonds:</u>							
	<u>Community Center Additions and Improvements</u>						2,791,020
Series 2017A Refunding Bonds	Refund 2007A Bonds	Lease Revenue	100%	2017 - 2027	1,116,400	219,700	
Series 2020E Refunding Bonds	Refund 2013A Bonds	Lease Revenue	100%	2020 - 2033	2,592,600	233,900	
Taxable Lease Revenue Bonds	<u>Curling Center, Event Center and Restaurant</u>						1,403,440
Series 2015A	Building Construction	Lease Revenue	100%	2015 - 2035	10,065,867	1,164,933	
Series 2015C	Furniture, Fixtures & Equipment	Lease Revenue	100%	2015 - 2031	2,724,143	301,917	
Lease Revenue Bonds	<u>Firemen's Park Improvements</u>						618,969
Series 2015B	Park Construction	Lease Revenue	100%	2015 - 2035	10,403,025	506,100	
Series 2015D	Fixtures and Equipment	Lease Revenue	100%	2015 - 2026	508,600	130,450	
<u>Lease Purchase Bonds:</u>							
Lease-Purchase Agreement Bonds							
Series 2021	Golf Course Improvements	Lease Revenue	100%	2021 - 2041	4,739,515	245,953	-

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 opinion of management, any obligation would be immaterial.

City of Chaska, Minnesota**For the Year Ended December 31, 2022****Lease Liability:**

Lease liabilities outstanding for the year ended December 31, 2022, are as follows:

	Issue Date	Final Maturity Date	Interest Rates	Outstanding 12/31/2022
<u>Governmental Activities</u>				
Pitney Bowes Postage Machine	12/03/18	12/02/23	0.28%	\$ 1,495
Life Fitness Gym Equipment	02/19/19	02/18/24	0.38%	3,696
US Bank Copier	06/25/19	06/24/24	0.38%	3,726
Enterprise Fleet Ford Interceptor 25KF7M	01/25/22	01/31/26	4.35%	25,162
Enterprise Fleet Chevrolet Tahoe 25XJSB	06/16/22	06/30/26	5.81%	28,941
Enterprise Fleet Ford Edge 25MCFR	06/21/22	06/30/27	6.35%	30,308
Enterprise Fleet Ford Edge 25MCGV	06/21/22	06/30/27	6.35%	30,308
Enterprise Fleet Ford Edge 25KQ96	06/23/22	06/30/27	6.35%	30,192
Enterprise Fleet Ford Edge 25MCR8	06/23/22	06/30/27	6.35%	30,308
Enterprise Fleet Ford Edge 25MCGS	06/29/22	06/30/27	6.13%	30,253
Enterprise Fleet Ford Edge 25MCGT	06/29/22	06/30/27	6.13%	30,253
Enterprise Fleet Ford Explorer 25KQBX	08/31/22	08/31/26	6.40%	28,607
Enterprise Fleet Ford Explorer 25KQCX	08/31/22	08/31/26	6.40%	26,536
Enterprise Fleet Ford Interceptor 25KQDS	10/07/22	10/31/26	7.25%	33,613
Governmental Activities				
Total Lease Liabilities:				<u>\$ 333,398</u>
<u>Business-type Activities</u>				
US Bank Copier	06/25/19	06/24/24	0.38%	\$ 3,725
Hazeltine Gates Parking Lot	12/06/21	12/31/71	1.85%	603,487
Shamrock Group Ice Machine	09/22/22	09/15/27	2.43%	20,694
Business-type Activities				
Total Lease Liabilities:				<u>\$ 627,906</u>

- The City entered into a 23-month lease as Lessee with Pitney Bowes for the use of a Postage Machine. An initial lease liability was recorded as of January 1, 2022, in the amount of \$3,485. As of December 31, 2022, the value of the lease liability is \$1,495. The City is required to make quarterly fixed payments of \$499. The lease has an interest rate of 0.28%. The value of the right to use asset as of December 31, 2022, of \$3,485 with accumulated amortization of \$1,813 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 25-month lease as Lessee with TCF Equipment Finance (Huntington Bank) for the use of Life Fitness Gym Equipment. An initial lease liability was recorded as of January 1, 2022, in the amount of \$7,095. As of December 31, 2022, the value of the lease liability is \$3,696. The City is required to make monthly fixed payments of \$285. The lease has an interest rate of 0.38%. The value of the right to

use asset as of December 31, 2022, of \$7,095 with accumulated amortization of \$3,326 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The City has the option to purchase the equipment for \$1.

- The City entered into a 29-month lease as Lessee with US Bank Equipment Finance for the use of a Copier. The lease is shared equally between the General Fund and Community Center Fund, with each fund being allocated half of both the lease liability and lease asset. An initial lease liability was recorded as of January 1, 2022, in the amount of \$12,687. As of December 31, 2022, the value of the lease liability is \$7,451. The City is required to make monthly fixed payments of \$440. The lease has an interest rate of 0.38%. The value of the right to use asset as of December 31, 2022, of \$12,687 with accumulated amortization of \$5,109 is included with Leased Equipment for both Governmental and Business-type Activities on Note 4 Capital Assets.
- On January 25, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2021 Ford Interceptor (#25KF7M). An initial lease liability was recorded in the amount of \$32,273. As of December 31, 2022, the value of the lease liability is \$25,162. The City is required to make monthly fixed payments of \$728. The lease has an interest rate of 4.35%. The value of the right to use asset as of December 31, 2022, of \$32,273 with accumulated amortization of \$7,499 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$7,340.
- On June 16, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Chevrolet Tahoe (#25XJSB). An initial lease liability was recorded in the amount of \$33,078. As of December 31, 2022, the value of the lease liability is \$28,941. The City is required to make monthly fixed payments of \$763. The lease has an interest rate of 5.81%. The value of the right to use asset as of December 31, 2022, of \$33,431 with accumulated amortization of \$4,480 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. At lease inception, the City paid initial direct costs of \$353 that were not included in the present value calculation of the lease liability but were included in the present value of the lease asset. The lease has a guaranteed residual value payment of \$10,501.
- On June 21, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCFR). An initial lease liability was recorded in the amount of \$33,503. As of December 31, 2022, the value of the lease liability is \$30,308. The City is required to make monthly fixed payments of \$647. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2022, of \$33,503 with accumulated amortization of \$3,517 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,581.
- On June 21, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCGV). An initial lease liability was recorded in the amount of \$33,503. As of December 31, 2022, the value of the lease liability is \$30,308. The City is required to make monthly fixed payments of \$647. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2022, of \$33,503 with accumulated amortization of \$3,517 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,581.

- On June 23, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25KQ96). An initial lease liability was recorded in the amount of \$33,345. As of December 31, 2022, the value of the lease liability is \$30,192. The City is required to make monthly fixed payments of \$644. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2022, of \$33,345 with accumulated amortization of \$3,467 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,593.
- On June 23, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCR8). An initial lease liability was recorded in the amount of \$33,472. As of December 31, 2022, the value of the lease liability is \$30,308. The City is required to make monthly fixed payments of \$647. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2022, of \$33,472 with accumulated amortization of \$3,481 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,620.
- On June 29, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a Ford Edge (#25MCGS). An initial lease liability was recorded in the amount of \$33,329. As of December 31, 2022, the value of the lease liability is \$30,253. The City is required to make monthly fixed payments of \$642. The lease has an interest rate of 6.13%. The value of the right to use asset as of December 31, 2022, of \$33,329 with accumulated amortization of \$3,366 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,617.
- On June 29, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a Ford Edge (#25MCGT). An initial lease liability was recorded in the amount of \$33,329. As of December 31, 2022, the value of the lease liability is \$30,253. The City is required to make monthly fixed payments of \$642. The lease has an interest rate of 6.13%. The value of the right to use asset as of December 31, 2022, of \$33,329 with accumulated amortization of \$3,366 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,617.
- On August 31, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Explorer (#25KQBX). An initial lease liability was recorded in the amount of \$30,969. As of December 31, 2022, the value of the lease liability is \$28,607. The City is required to make monthly fixed payments of \$731. The lease has an interest rate of 6.40%. The value of the right to use asset as of December 31, 2022, of \$30,969 with accumulated amortization of \$2,601 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$10,192.
- On August 31, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Explorer (#25KQCX). An initial lease liability was recorded in the amount of \$28,728. As of December 31, 2022, the value of the lease liability is \$26,536. The City is required to make monthly fixed payments of \$678. The lease has an interest rate of 6.40%. The value of the right to use asset as of December 31, 2022, of \$28,728 with accumulated amortization of \$2,412 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$9,459.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

- On October 7, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Interceptor (#25KQDS). An initial lease liability was recorded in the amount of \$35,460. As of December 31, 2022, the value of the lease liability is \$33,613. The City is required to make monthly fixed payments of \$839. The lease has an interest rate of 7.25%. The value of the right to use asset as of December 31, 2022, of \$35,460 with accumulated amortization of \$2,035 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$7,446.
- The City entered into a 600-month lease as Lessee with Hazeltine Gates for the use of Parking Spaces. An initial lease liability was recorded as of January 1, 2022, in the amount of \$611,824. As of December 31, 2022, the value of the lease liability is \$603,487. The City is required to make annual fixed payments of \$14,000 with a fixed annual step increase. The lease has an interest rate of 1.85%. The value of the right to use asset as of December 31, 2022, of \$611,824 with accumulated amortization of \$12,236 is included with Leased Land Improvements for Business-type Activities on Note 4 Capital Assets. The City has 9 extension options, each for 60 months.
- On September 22, 2022, the City entered into a 60-month lease as Lessee with Shamrock Group for the use of an Ice Machine. An initial lease liability was recorded in the amount of \$21,729. As of December 31, 2022, the value of the lease liability is \$20,694. The City is required to make monthly fixed payments of \$385. The lease has an interest rate of 2.43%. The value of the right to use asset as of December 31, 2022, of \$21,729 with accumulated amortization of \$1,199 is included with Leased Equipment for Business-type Activities on Note 4 Capital Assets.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 80,741	\$ 18,120	\$ 9,618	\$ 11,636
2024	79,223	13,468	9,243	11,473
2025	82,771	8,536	8,321	11,296
2026	67,865	3,542	8,502	11,115
2027	22,798	419	8,529	10,933
2028 - 2032	-	-	27,959	53,041
2033 - 2037	-	-	35,833	50,167
2038 - 2042	-	-	44,463	46,538
2043 - 2047	-	-	53,921	42,079
2048 - 2052	-	-	64,288	36,712
2053 - 2057	-	-	75,651	30,349
2058 - 2062	-	-	88,105	22,895
2063 - 2067	-	-	101,756	14,244
2068 - 2071	-	-	91,717	4,283
Total:	<u>\$ 333,398</u>	<u>\$ 44,085</u>	<u>\$ 627,906</u>	<u>\$ 356,761</u>

City of Chaska, Minnesota**For the Year Ended December 31, 2022****Financed Purchase Payable:**

The City has the following financed purchase payable for the acquisition of fitness equipment:

- In 2021, the Chaska Community Center entered into a financed purchase agreement for the acquisition of fitness equipment. This agreement qualifies as a financed purchase agreement and was recorded at the present value of the minimum required payments. The equipment was capitalized by the City. The purchase agreement matures in December 2026 and carries an interest rate of 5.20%. In the event of default, Municipal Asset Management, Inc., may exercise one or more of the following remedies: (1) terminate the agreement and any or all of the City's rights to the property; (2) proceed by court action to take possession from the City of any or all property; (3) proceed by court action to enforce performance by the City of its obligations or to recover damages for the breach or pursue any other remedy available to Municipal Asset Management, Inc.; (4) declare all unpaid purchase agreement payments and other sums payable to be immediately due and payable.

Financed purchase payable outstanding for the year ended December 31, 2022, are as follows:

<u>Business-type Activities</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding 12/31/2022</u>
Financed Purchase Payable	12/13/21	12/13/26	5.20%	<u>\$ 280,594</u>	<u>\$ 234,292</u>

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

<u>Year Ending December 31</u>	<u>Business-type Activities</u>
2023	\$ 59,800
2024	59,800
2025	59,800
2026	<u>82,875</u>
Total Minimum Payments	262,275
Less: Amount Representing Interest	<u>(27,983)</u>
Present Value of Minimum Payments	<u>\$ 234,292</u>

2022 Activity:

On September 15, 2022, the City approved the issuance and sale of temporary financing for the Highway 41 and CSAH 61 reconstruction project. The City issued \$25,300,000 General Obligation Temporary State Aid Street Bonds, Series 2022A. The bonds are structured in the form of a line of credit. The City requested \$4,190,000 on the line in 2022 and did not repay any of this principal in 2022. Interest is paid quarterly on the amount outstanding at an annual percentage rate of 3.67%. The bonds mature December 31, 2024. The City intends to issue permanent bonds at that time.

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 eight agreements that could be considered tax abatements under GASB #77 as of December 31, 2022.

- 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 the earlier of after 20 years of payments or once the Developer has been paid \$777,926 in tax abatement payments. The City has rebated a total of \$208,259, including \$32,048 in 2022.
- 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 the earlier of after 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 \$139,636, including \$26,248 in 2022.
- 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 \$56,159. The City made two years of payments in 2022 to make up for not having made a payment in 2021 due to a change in ownership. The amount rebated for 2021 was \$10,314 and the amount rebated for the 2022 was \$11,287.
- 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 \$50,471, including \$16,061 in 2022.
- 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 \$116,376, including \$34,860 in 2022.

- In 2017, the City 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 3.50% 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 2022 was \$231,303.
- In 2018, the City 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 was scheduled for payment in 2022, however, the developer did not reach the minimum requirements to start receiving payments.
- In 2022, the City entered into a development agreement with RCS-RCA Oak Ridge, LLC to aid with construction of a roundabout on Minnesota Trunk Highway 41 to accommodate the traffic needs of a new retail and residential development. The new construction will increase the City's tax base as well as create employment opportunities. The City assistance will help cover eligible construction costs. The City has deferred \$1,147,601 of area and trail charges for the development at an interest rate of 4.00% per annum and provided \$700,000 of up-front assistance for construction costs to the Developer in 2022. The deferred charges and upfront assistance are to be reimbursed to the City with 70.00% of the abatement revenues received by the City annually. The maximum assistance the Developer is eligible for is \$492,399 at a 0.00% interest rate with 30.00% of the abatement revenue received by the City annually. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$492,399. The first tax abatement payment is scheduled to be made in 2025.

Tax Increment Pay-As-You-Go Financing Revenue Notes:

The Chaska 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, 2022, the Chaska Economic Development Authority has entered into six 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

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

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 six 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 6.50% 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 100.00% 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 \$192,391. On December 31, 2022, the amount outstanding on the note was \$879,790.
- 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% 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 95.00% 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 \$156,031. On December 31, 2022, the amount outstanding on the note was \$4,202,003.
- 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 4.00% with payments due through 2030. The City made a payment to the EDA of \$10,000 in 2022, all of which went to principal. The outstanding balance as of December 31, 2022, is \$10,000.
- 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% 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 100.00% 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 \$196,214. On December 31, 2022, the amount outstanding on the note was \$2,678,047.
- 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 4.50% 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 100.00% 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 \$16,660. On December 31, 2022, the amount outstanding on the note was \$251,543.

- In 2021, the Chaska EDA issued a pay-as-you-go note to Oppidan, Incorporated in the principal sum of \$1,304,000 between two building sites (Building One: \$994,000, Building Two: \$310,000) with an interest rate of 4.00% per annum and payments due each February 1 and August 1, commencing August 1, 2023, and paid through February 1, 2032. Payments are payable solely from available tax increment derived from the redevelopment project area and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 95.00% of the tax increment received in the prior six months, less the administrative fees charged by the County. On December 31, 2022, the amount outstanding on the note was \$1,304,000. The City expects to start making payments towards the note related to Building One in 2023.

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, 2022, there were four series of IRBs outstanding. The aggregate principal amount payable for the one series issued after July 1, 1995, was \$685,641. 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, 2022, there were five series of HRBs outstanding. The aggregate principal amounts payable for the three series issued after July 1, 1995, was \$6,060,000. 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 2020, the Carver County Housing and Redevelopment Authority issued \$2,200,000 in Housing Development Revenue Bonds. (These bonds refunded the \$2,850,000 Housing Revenue Bonds of 2010). 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, 2022

Note 8 Interfund Receivables, Payables and Transfers

Interfund receivables and payables as of December 31, 2022, are as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 1,261,708
Water	Curling Center	2,555,000
Internal Service	Community Center	1,750,000
Nonmajor Governmental	Public Improvement Projects	5,266,427
Nonmajor Governmental	Community Center	4,236,907
Nonmajor Governmental	Curling Center	850,000
Nonmajor Governmental	Nonmajor Governmental	912,842
Nonmajor Enterprise	Community Center	2,000,000
Nonmajor Enterprise	Curling Center	1,750,000
Total:		<u>\$ 20,582,884</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	\$ -	\$ 1,191,884	\$ 1,191,884	1
Turbine Generator	Electric	65,192	580,948	646,140	2
Internal Service	Community Center	23,464	286,536	310,000	3
Internal Service	Nonmajor Governmental	-	1,757,025	1,757,025	1, 4
Internal Service	Nonmajor Enterprise	46,549	568,451	615,000	5
Nonmajor Governmental	Water	15,937	72,361	88,298	6
Nonmajor Governmental	Community Center	34,291	515,215	549,506	7
Nonmajor Governmental	Nonmajor Governmental	1,034,599	-	1,034,599	8
Nonmajor Governmental	Nonmajor Enterprise	212,471	584,154	796,625	6, 9
Total:		<u>\$ 1,432,503</u>	<u>\$ 5,556,574</u>	<u>\$ 6,989,077</u>	

Explanation of Interfund Receivables/Payables and Advances To/From Other Funds:

- (1) This 2007 loan from the Electric fund and Internal Service fund provides interim financing for TIF District #14 project costs. The outstanding balance of \$2,248,909 will be repaid from tax increment generated by the district as it becomes available.
- (2) This interfund loan from the Turbine Generator fund to the Electric fund was made in 2001 to finance a substation. Of the \$646,140 due at year end, \$65,192 is due in one year.
- (3) This 2022 loan from the Internal Service fund to the Community Center fund provides financing for equipment and repairs. Of the \$310,000 due at year end, \$23,464 is due in one year.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

- (4) This 2022 loan from the Internal Service fund to the Abatement Program fund provides interim financing for a roundabout and access into a new abatement district. The outstanding balance of \$700,000 will be repaid from abatement revenue generated by the district or from permanent financing for the project.
- (5) This 2022 loan from the Internal Service fund to the Town Course golf fund provides financing for cart path improvements. Of the \$615,000 due at year end, \$46,549 is due in one year.
- (6) This interfund loan from the Equipment Acquisition fund to the Water fund and Sewer fund is for a shared water/sewer equipment purchase. Of the \$176,596 due at year end, \$31,874 is due in one year.
- (7) These interfund loans to the Community Center for locker room improvements are from the following funds:
- Public Facilities Fund - \$85,501 loan balance with \$5,336 due in one year.
 - Improvement Revolving Fund - \$464,005 loan balance with \$28,955 due in one year.
- (8) These loans eliminate what would have been negative cash in TIF District funds. The outstanding balance of \$1,034,599 will be repaid from tax increment generated by the districts as it becomes available.
- (9) These interfund loans are from the Equipment Acquisition fund to the following funds:
- Town Course fund - \$588,658 loan balance for golf equipment purchases with \$139,201 due in one year.
 - Storm Water - \$119,669 loan balance for equipment purchases with \$57,333 due in one year.

Transfers In/Out for 2022 are as follows:

Transfers Out	Transfers In							
	Governmental Funds			Enterprise Funds				
	General	Public Improvement Projects	Nonmajor	Water	Community Center	Curling Center	Nonmajor	Total
General	\$ -	\$ 144,055	\$ 355,000	\$ -	\$ -	\$ -	\$ -	\$ 499,055
Electric	4,279,210	-	1,520,000	-	470,000	-	244,000	6,513,210
Water	40,000	-	77,000	-	-	-	-	117,000
Internal Service	82,346	-	-	-	-	-	-	82,346
Nonmajor Governmental	149,000	1,850,469	4,213,769	465,000	-	1,581,692	383,617	8,643,547
Nonmajor Enterprise	72,300	-	363,000	-	-	-	-	435,300
Total:	\$ 4,622,856	\$ 1,994,524	\$ 6,528,769	\$ 465,000	\$ 470,000	\$ 1,581,692	\$ 627,617	\$ 16,290,458

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.

In the government-wide financial statements, transfers in/out include capital assets transferred from governmental activities to business-type activities in the amount of \$3,168,825. Those transfers are not included in the table above.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

Note 9 Fund Balance and Net Position

A summary of the governmental fund balance classifications as of December 31, 2022, are as follows:

	General	Public Improvement Projects	Nonmajor Governmental	Totals
<u>Nonspendable:</u>				
Prepaid Items	\$ 119,345	\$ -	\$ -	\$ 119,345
Leases	-	-	22,707	22,707
Total Nonspendable Balances	<u>119,345</u>	<u>-</u>	<u>22,707</u>	<u>142,052</u>
<u>Restricted for:</u>				
Housing Loan Program	-	-	13,183	13,183
Police Forfeitures & Evidence	-	-	69,371	69,371
Debt Requirements	-	-	10,452,106	10,452,106
Economic Development	-	-	2,882,510	2,882,510
Road Construction	-	4,039,400	-	4,039,400
Abatement Program	-	-	5,712	5,712
Total Restricted Fund Balances	<u>-</u>	<u>4,039,400</u>	<u>13,422,882</u>	<u>17,462,282</u>
<u>Committed to:</u>				
Compensated Absences	977,890	-	-	977,890
Stabilization Arrangement	300,000	-	-	300,000
Mt. Pleasant Cemetery Care	-	-	246,655	246,655
Economic Development	-	-	113,086	113,086
Road Construction	-	106,832	-	106,832
Community Fund Projects	-	-	102,623	102,623
Southwest Chaska Improvements	-	245	-	245
Street Improvement Program	-	-	1,053,376	1,053,376
Total Committed Fund Balances	<u>1,277,890</u>	<u>107,077</u>	<u>1,515,740</u>	<u>2,900,707</u>
<u>Assigned to:</u>				
Compensated Absences	474,561	-	-	474,561
Mt. Pleasant Cemetery Care	-	-	11,975	11,975
Police Forfeitures	-	-	525	525
Road Construction	-	-	1,626,909	1,626,909
Road Construction	-	80,399	-	80,399
Public Facility Improvements	-	-	465,915	465,915
Fire Protection Improvements	-	-	74,600	74,600
Park Improvements	-	-	1,735,050	1,735,050
Southwest Chaska Improvements	-	-	478,800	478,800
Community Fund Projects	-	-	75,799	75,799
Street Improvement Program	-	-	63,637	63,637
Capital Improvements	-	-	10,716,889	10,716,889
Total Assigned Fund Balances	<u>474,561</u>	<u>80,399</u>	<u>15,250,099</u>	<u>15,805,059</u>
<u>Unassigned</u>	<u>1,781,459</u>	<u>(7,859,982)</u>	<u>(6,212,426)</u>	<u>(12,290,949)</u>
Total Fund Balances:	<u>\$ 3,653,255</u>	<u>\$ (3,633,106)</u>	<u>\$ 23,999,002</u>	<u>\$ 24,019,151</u>

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

The following table provides further detail of the calculation of Net Investment in Capital Assets reported as part of the Net Position in the Government-wide financial statements as of December 31, 2022:

	Governmental Activities	Business-Type Activities
Total capital assets	\$ 317,326,497	\$ 162,113,005
Less: Accumulated depreciation and amortization	118,654,948	76,574,459
Net carrying value of capital assets	198,671,549	85,538,546
Less:		
Outstanding principal of capital-related borrowings related to the City's own capital assets	39,676,981	33,198,130
Outstanding principal of debt and other borrowing used to refund capital-related borrowings	4,670,000	7,210,000
Outstanding principal balance of any other capital related liabilities	690,301	167,873
Unamortized original issue premiums on outstanding capital debt	3,058,945	1,508,159
	48,096,227	42,084,162
Plus:		
Other additions:		
Outstanding principal of debt for assets not reported in business-type activities	-	3,610,000
Unamortized original issue premium for assets not reported in business-type activities	-	88,050
	-	3,698,050
Total Net Investment in Capital Assets	\$ 150,575,322	\$ 47,152,434

Note 10 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.

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

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 11 Commitments and Contingencies**A) Construction Commitments**

At December 31, 2022, the City had the following construction commitments outstanding:

<u>Project</u>	<u>Contractor</u>	<u>Commitment</u>
The Loop at Chaska Golf Course Improvements	Mid-America Golf and Landscape Inc	\$ 48,868
Creek Road Utility and Street Improvements	Eureka Construction Co	5,498,357
2022 Downtown Street Reconstruction	GMH Asphalt Corp	838,429
2nd and Pine Street Parking Lot Retaining Wall	Haho Companies	9,021
Hundertmark Water Tower Rehab	Viking Industrial Painting	5,300
TH 41/CSAH 61 Highway Improvements	SM Hentges and Sons	21,015,297
	Total	<u>\$27,415,272</u>

B) Federal and State Funding

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.

C) Legal Claims

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, 2022, was \$37,929,107. MMPA issues an annual financial report that may be obtained

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

by writing MMPA, 220 S. 6th Street, Suite 1300, Minneapolis, MN 55402, by calling (612) 349-6868, or on the Internet at www.mmpa.org.

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 Public Employees Retirement Association of Minnesota (PERA): 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	\$ -	\$ -	\$ -	\$ 388,899	\$ 388,899
Deferred Outflows	3,783,324	8,966,492	12,749,816	671,259	13,421,075
Net Pension Liability	11,895,889	12,684,929	24,580,818	-	24,580,818
Deferred Inflows	250,100	93,693	343,793	552,786	896,579
Pension Revenue	52,110	133,749	185,859	180,874	366,733
Pension Expense	1,888,981	1,333,864	3,222,845	984,396	4,207,241

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 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% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. 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. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the 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% after five years up to 100% 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% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1.0%. 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. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the 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% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2022, were \$899,431. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$689,171. 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, 2022, the City reported a liability of \$11,895,889 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. 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 \$348,744.

The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .1502% at the end of the measurement period and .1525% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 11,895,889
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>348,744</u>
Total:	<u>\$ 12,244,633</u>

For the year ended December 31, 2022, the City recognized pension expense of \$1,836,871 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$52,110 as grant revenue for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

At December 31, 2022, 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	\$ 99,363	\$ 128,697
Changes in actuarial assumptions	2,732,236	47,738
Differences between projected and actual investment earnings	129,553	73,665
Changes in proportion	316,881	-
Contributions paid to PERA subsequent to the measurement date	505,291	-
Total:	<u>\$ 3,783,324</u>	<u>\$ 250,100</u>

The \$505,291 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, 2023. 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
2023	\$ 1,260,003
2024	1,118,977
2025	(426,852)
2026	1,075,805
Total:	<u>\$ 3,027,933</u>

2. Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$12,684,929 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .2915% at the end of the measurement period and .2840% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million is supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$1,226,350 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$107,514 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$26,235 for the year ended December 31, 2022, 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.

City's proportionate share of the net pension liability	\$ 12,684,929
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>554,268</u>
Total:	<u>\$ 13,239,197</u>

At December 31, 2022, 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	\$ 765,278	\$ -
Changes in actuarial assumptions	7,398,965	72,304
Differences between projected and actual investment earnings	248,064	-
Changes in proportion	154,716	21,389
Contributions paid to PERA subsequent to the measurement date	<u>399,469</u>	<u>-</u>
Total:	<u>\$ 8,966,492</u>	<u>\$ 93,693</u>

The \$399,469 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2023	\$ 1,661,318
2024	1,665,941
2025	1,468,551
2026	2,612,457
2027	<u>1,065,063</u>
Total:	<u>\$ 8,473,330</u>

E) Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis on the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total:	100.0%	

F) Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1.0% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020 and were adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

The following changes in actuarial assumptions occurred in 2022:

1. General Employees Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2. Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

G) Discount Rate

The discount rate for the General Employees Fund used to measure the total pension liability in 2022 was 6.50%. 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 position of the General Employees Fund 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.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40% for the Police and Fire Funds was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.50% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

H) 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 one percentage point lower or one percentage point higher than the current discount rate:

	General Employees Fund		Police and Fire Fund	
1% Lower	5.50%	\$ 18,790,181	4.40%	\$ 19,197,012
Current Discount Rate	6.50%	\$ 11,895,889	5.40%	\$ 12,684,929
1% Higher	7.50%	\$ 6,241,507	6.40%	\$ 7,420,299

I) 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 – PERA

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. An eligible elected official who decides to participate contributes five percent (5.0%) 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 (2.0%) of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2022 were:

Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$475	\$475	5.00%	5.00%	5.00%

Note 16 Defined Benefit Pension Plans – Fire Relief Association**A) General Information about the Pension Plan**

Plan Description - All members of the Chaska Fire Department (CFD) are covered by a defined benefit pension plan, Chaska Fire Department Relief Association Pension Plan (CFDRAPP), administered by the Chaska Fire Department Relief Association (CFDRA). CFDRAPP is a single-employer defined benefit pension plan. Minnesota Statutes, Chapter 69 grants the authority to the CFDRA Board to establish and amend benefit terms with consenting approval by the Chaska City Council. CFDRA issues a publicly available financial report that can be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by phone (952) 448-9200.

Benefits Provided - The plan provides retirement and disability benefits to plan members and beneficiaries.

- **Monthly Service Pension:** \$2,802.50 per month of service; effective June 1, 2022, the monthly service amount increased to \$3,400 per month of service. The maximum number of months is 360 months. The benefit is reduced 8% for each year of service less than 15 years. This benefit is available to members hired prior to November 4, 2013.
- **Lump Sum Service Pension:** \$7,901 per year of service (up to 25 years) plus a Supplemental Benefit of 10% of the lump sum distribution, but not more than \$1,000. Effective June 1, 2022, the benefit increased to \$9,304 per year of service. The benefit is reduced 8% for each year of service less than 15 years.

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

- **Deferred Service Pension:** with termination prior to age 50 and at least ten years of service, a deferred pension is payable at age 50 and reduced 8% for each year of service less than 15 years.
- **Survivor Benefits:** If hired before November 14, 2013, spouse and children receive 100% of the member's monthly pension for life. The surviving spouse may elect the lump sum benefit, plus a Supplemental Benefit of 20% of the regular lump sum distribution, but not more than \$2,000. If hired after November 4, 2013, the spouse, children, or estate will receive 100% of the lump sum benefit plus a Supplemental Benefit of 20% of the regular lump sum distribution, but not more than \$2,000.
- **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, 2021, pension plan membership consisted of the following as used to determine Net Pension Liability (Asset) as of December 31, 2022:

Inactive Members Currently Receiving Benefits	41
Inactive Members Currently Receiving Disability Benefits	2
Beneficiaries Currently Receiving Benefits	12
Inactive Members Entitled to But Not Yet Receiving Benefits	3
Active Members	45
Total members:	<u>103</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 \$202,042 in fire state aid to the CFDRAPP on behalf of the CFD for the year ended December 31, 2022, 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, 2022, totaling \$145,612. 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions - The total pension liability in the December 31, 2021, 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	2.25%
Salary Increases	Not applicable as plan members are paid on call volunteers
Investment Rate of Return	5.00% net of pension plan investment expense, including inflation
20-Year Municipal Bond Yield	1.84%

Mortality rates were based on the following:

- **Healthy Pre-retirement** - Pub-2010 Public Safety Employee mortality tables with projected mortality improvement scale MP-2020.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

- Healthy Post-retirement - Pub-2010 Healthy Retired Public Safety mortality tables with projected mortality improvement scale MP-2020. Male rates are adjusted by a factor of 0.98.
- Disabled - Pub-2010 Public Safety Disabled Retiree mortality tables with projected mortality improvement scale MP-2020. Male rates are adjusted by a factor of 1.05.

The demographic actuarial assumptions used in the December 31, 2021, valuation were based on the same assumptions used in the July 1, 2021, PERA Police and Fire actuarial valuation. 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 asset class estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. All results are then rounded to the nearest quarter percentage point.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	4.42%
International Equity	20%	4.91%
Fixed Income	10%	1.00%
Multi-Class and Commodities	10%	3.98%
Cash and Equivalents	25%	-0.33%
Total:	100%	

Discount Rate - The discount rate used to measure the total pension liability was 5.00%. 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, 2022

C) Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance - January 1, 2022	\$ 6,183,062	\$ 7,130,391	\$ (947,329)
Changes For The Year:			
Service Cost	132,955	-	132,955
Interest	349,928	-	349,928
Change in Benefits Terms	917,120	-	917,120
Differences Between Expected and Actual Experience	(106,649)	-	(106,649)
Changes in Assumptions	480,755	-	480,755
Contribution - Employer	-	549,155	(549,155)
Net Investment Income	-	712,670	(712,670)
Other Additions	-	4,454	(4,454)
Benefit Payments, Including Member Contribution Refunds	(460,621)	(460,621)	-
Administrative Costs	-	(50,600)	50,600
Total Net Changes	1,313,488	755,058	558,430
Ending Balance - December 31, 2022	\$ 7,496,550	\$ 7,885,449	\$ (388,899)

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 5.00%, 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 (4.00%) or 1 percentage point higher (6.00%) than the current discount rate:

	Net Pension Liability (Asset)
1% Decrease in Discount Rate (4.0%)	\$ 421,874
Current Discount Rate (5.0%)	(388,899)
1% Increase in Discount Rate (6%)	(1,069,282)

Pension Plan Fiduciary Net Position - Detailed information about the CFDRAPP's fiduciary net position is available in the separately issued CFDR financial report.

City of Chaska, Minnesota

For the Year Ended December 31, 2022

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

For the year ended December 31, 2022, the CFDRAPP recognized pension expense of \$984,396. At December 31, 2022, 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	\$ 3,951	\$ 114,714
Change in Actuarial Assumptions	521,696	-
Differences Between Projected and Actual Investment Earnings	-	438,072
City Contribution Subsequent to the Measurement Date	145,612	-
Total:	<u>\$ 671,259</u>	<u>\$ 552,786</u>

Deferred outflows of resources totaling \$145,612 related to pensions resulting from City contributions to the plan subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ending December 31, 2023. 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>
2023	\$ 46,839
2024	(109,567)
2025	11,959
2026	11,329
2027	12,301
Total:	<u>\$ (27,139)</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

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

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.

Retirees are required to pay 100% 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 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 \$18,296.

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>151</u>
Total employees and beneficiaries:	<u><u>154</u></u>

E) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the entry age, level percentage of pay method. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.00%
20-year Municipal Bond Yield	2.00%
Salary Increases	Service graded table - Rates vary based on service and employee classification
Inflation Rate	2.00%
Medical Trend Rate	6.50% as of January 1, 2022 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Mortality Assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale

City of Chaska, Minnesota**For the Year Ended December 31, 2022****F) Changes in the Total OPEB Liability**

The City's total OPEB liability of \$966,931 was measured as of January 1, 2022 and was determined by an actuarial valuation as of January 1, 2022.

	Total OPEB Liability
Beginning Balance - January 1, 2022	\$ 1,596,946
Changes for the Year	
Service Cost	76,283
Interest	47,764
Assumption Changes	(253,574)
Differences Between Expected and Actual Economic Experience	(447,705)
Benefit Payments	(52,783)
Net Changes	<u>(630,015)</u>
Ending Balance - December 31, 2022	<u>\$ 966,931</u>

Assumption changes since the prior measurement date include the following:

- The health care trend rates, mortality tables, and salary increase rates were updated.
- The retirement and withdrawal rates were updated.
- The retiree plan participation was reduced.
- The inflation rate was changed from 2.50% to 2.00%
- The discount rate was changed from 2.90% to 2.00%

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 one percent lower and one percent higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Discount Rate	1.00%	2.00%	3.00%
Total OPEB Liability	\$1,050,163	\$966,931	\$888,774

City of Chaska, Minnesota**For the Year Ended December 31, 2022**

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 one percent lower or one 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	5.50% decreasing to 4.00% then 3.00%	6.50% decreasing to 5.00% then 4.00%	7.50% decreasing to 6.00% then 5.00%
Total OPEB Liability	\$849,465	\$966,931	\$1,106,324

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 \$38,992. 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>
Differences between expected and actual economic experience	\$ 15,786	\$ 391,741
Changes in actuarial assumptions	-	224,636
Contributions subsequent to the measurement date	18,296	-
Total:	<u>\$ 34,082</u>	<u>\$ 616,377</u>

A total of \$18,296 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	<u>OPEB Expense Amount</u>
2023	\$ (85,055)
2024	(85,055)
2025	(85,055)
2026	(85,055)
2027	(85,058)
Thereafter	(175,313)
Total:	<u>\$ (600,591)</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2022

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%
12/31/2020	06/30/2020	0.15%	8,885,267	273,865	9,159,132	10,567,372	84.08%	79.10%
12/31/2021	06/30/2021	0.15%	6,512,433	198,804	6,711,237	10,976,594	59.33%	87.00%
12/31/2022	06/30/2022	0.15%	11,895,889	348,744	12,244,633	11,255,867	105.69%	76.70%

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%
12/31/2020	845,631	845,631	-	11,275,134	7.50%
12/31/2021	823,612	823,612	-	10,981,495	7.50%
12/31/2022	899,431	899,431	-	11,995,296	7.50%

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, 2022

PERA – Public Employees Police and Fire 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	0.26%	\$ 2,908,759	\$ -	\$ 2,908,759	\$ 2,345,969	123.99%	86.60%
12/31/2016	06/30/2016	0.25%	9,992,803	-	9,992,803	2,397,786	416.75%	63.90%
12/31/2017	06/30/2017	0.26%	3,564,313	-	3,564,313	2,707,514	131.65%	85.40%
12/31/2018	06/30/2018	0.26%	2,788,387	-	2,788,387	2,761,686	100.97%	88.80%
12/31/2019	06/30/2019	0.28%	3,022,404	-	3,022,404	2,996,128	100.88%	89.30%
12/31/2020	06/30/2020	0.28%	3,702,563	87,251	3,789,814	3,174,551	116.63%	87.20%
12/31/2021	06/30/2021	0.28%	2,192,180	98,565	2,290,745	3,356,413	65.31%	93.70%
12/31/2022	06/30/2022	0.29%	12,684,929	554,268	13,239,197	3,541,637	358.17%	70.50%

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%
12/31/2020	593,739	593,739	-	3,354,460	17.70%
12/31/2021	602,008	602,008	-	3,401,174	17.70%
12/31/2022	689,171	689,171	-	3,899,479	17.67%

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, 2022

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,								
	2014	2015	2016	2017	2018	2019 (1)	2020	2021	2022
	2014	2015	2016	2017	2018	2018	2019	2020	2021
Total Pension Liability									
Service Cost	\$ 74,610	\$ 76,662	\$ 74,777	\$ 76,833	\$ 97,600	\$ 97,600	\$ 100,284	\$ 129,712	\$ 132,955
Interest	324,731	323,774	318,368	307,707	323,454	323,454	326,559	349,372	349,928
Changes of Benefits Terms	248,676	-	-	229,268	-	-	642,398	-	917,120
Differences Between Expected & Actual Experience	-	(42,040)	-	23,511	-	-	(58,684)	-	(106,649)
Changes of Assumptions	-	-	-	68,838	-	-	250,267	-	480,755
Benefit Payments, Including Refunds of Member Contributions	(318,551)	(517,365)	(451,119)	(595,443)	(354,522)	(354,522)	(393,593)	(484,702)	(460,621)
Net Change in Total Pension Liability	329,466	(158,969)	(57,974)	110,714	66,532	66,532	867,231	(5,618)	1,313,488
Total Pension Liability - Beginning	5,031,680	5,361,146	5,202,177	5,144,203	5,254,917	5,254,917	5,321,449	6,188,680	6,183,062
Total Pension Liability - Ending (a)	<u>\$ 5,361,146</u>	<u>\$ 5,202,177</u>	<u>\$ 5,144,203</u>	<u>\$ 5,254,917</u>	<u>\$ 5,321,449</u>	<u>\$ 5,321,449</u>	<u>\$ 6,188,680</u>	<u>\$ 6,183,062</u>	<u>\$ 7,496,550</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 361,296	\$ 401,321	\$ 427,285	\$ 443,793	\$ 465,022	\$ 465,022	\$ 488,466	\$ 531,985	\$ 549,155
Net Investment Income	232,061	(220,343)	408,073	819,964	(342,294)	(342,294)	974,719	512,197	712,670
Other Additions	-	-	-	-	-	-	-	289	4,454
Benefit payments, Including Refunds of Member Contributions	(318,551)	(517,365)	(451,119)	(595,443)	(354,522)	(354,522)	(393,593)	(484,702)	(460,621)
Administrative Expense	(9,463)	(4,226)	(11,561)	(10,295)	(14,407)	(14,407)	(9,862)	(52,987)	(50,600)
Net Change in Plan Fiduciary Net Position	265,343	(340,613)	372,678	658,019	(246,201)	(246,201)	1,059,730	506,782	755,058
Plan Fiduciary Net Position - Beginning	4,854,653	5,119,996	4,779,383	5,152,061	5,810,080	5,810,080	5,563,879	6,623,609	7,130,391
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,119,996</u>	<u>\$ 4,779,383</u>	<u>\$ 5,152,061</u>	<u>\$ 5,810,080</u>	<u>\$ 5,563,879</u>	<u>\$ 5,563,879</u>	<u>\$ 6,623,609</u>	<u>\$ 7,130,391</u>	<u>\$ 7,885,449</u>
City's Net Pension Liability (Asset) - Ending (a) - (b)	\$ 241,150	\$ 422,794	\$ (7,858)	\$ (555,163)	\$ (242,430)	\$ (242,430)	\$ (434,929)	\$ (947,329)	\$ (388,899)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.50%	91.87%	100.15%	110.56%	104.56%	104.56%	107.03%	115.32%	105.19%

(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 Annual Comprehensive Financial Report 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, 2022

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution(ADC) (a)	\$ 293,799	\$ 267,302	\$ 267,302	\$ 265,347	\$ 265,347	\$ 165,134	\$ 165,134	\$ 208,493	\$ 208,493	\$ 207,338
Contributions in Relation to the ADC	364,512	361,296	401,321	427,285	443,793	465,022	488,466	531,985	549,155	347,654
Contribution Deficiency (Excess)	\$ (70,713)	\$ (93,994)	\$ (134,019)	\$ (161,938)	\$ (178,446)	\$ (299,888)	\$ (323,332)	\$ (323,492)	\$ (340,662)	\$ (140,316)

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	0 years as of December 31, 2022
Asset Valuation Method	Fair Value
Inflation	2.25%
Salary Increases	0.00%, including inflation
Investment Rate of Return	5.00% as per Minnesota State Statutes Chapter 356.215, Subdivision 8
Retirement Age	The latest of age 50 or after 15 years of service
Mortality	Pub-2010 Public Safety Employee Mortality Table with projected mortality improvements based on scale MP-2020

Other Information:

On November 4, 2013, benefit terms were modified to add a \$6,000 per year of service lump sum benefit option for individuals who became members before November 4, 2013. Individuals that became members after November 4, 2013, are only entitled to a lump sum service pension.

On May 5, 2014, benefit terms were modified to increase the monthly benefit from \$1.975 to \$2.085 per month of service and to increase the lump sum benefit from \$6,000 to \$6,255 per year of service effective as of June 1, 2014.

On November 7, 2016, benefit terms were modified to increase the monthly benefit from \$2.085 to \$2.185 per month of service and to increase the lump sum benefit from \$6,255 to \$6,486 per year of service as of January 1, 2017.

On October 15, 2018, benefit terms were modified to increase the monthly benefit from \$2.185 to \$2.4525 per month of service and to increase the lump sum benefit from \$6,486 to \$7,100 per year of service effective January 1, 2019.

On August 2, 2021, benefit terms were modified to increase the monthly benefit from \$2.4525 to \$2.8025 per month of service and to increase the lump sum benefit from \$7,100 to \$7,901 per year of service effective September 1, 2021.

On June 1, 2022, benefit terms were modified to increase the monthly benefit from \$2.8025 to \$3.400 per month of service and to increase the lump sum benefit from \$7,901 to \$9,304 per year of service effective as of June 1, 2022.

Notes to Schedule ¹ ADC amounts are equal to statutory requirements under Minnesota Statutes 424A.092 and 69.773.

The CFDRAPP is comprised of paid on-call fire fighters paid through the City payroll. There is no covered payroll of the Fire Relief to report.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2022

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year Ended December 31				
	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 73,812	\$ 76,026	\$ 117,461	\$ 121,278	\$ 76,283
Interest	39,586	42,360	46,644	45,450	47,764
Assumption Changes	-	-	(4,415)	-	(253,574)
Differences Between Expected & Actual Experience	-	-	25,260	-	(447,705)
Benefit Payments	(41,413)	(21,491)	(38,657)	(31,247)	(52,783)
Net Change in Total OPEB Liability	71,985	96,895	146,293	135,481	(630,015)
Total OPEB Liability - Beginning of Year	1,146,292	1,218,277	1,315,172	1,461,465	1,596,946
Total OPEB Liability - End of Year	<u>\$ 1,218,277</u>	<u>\$ 1,315,172</u>	<u>\$ 1,461,465</u>	<u>\$ 1,596,946</u>	<u>\$ 966,931</u>
Covered Employee Payroll	<u>\$ 10,383,422</u>	<u>\$ 10,694,925</u>	<u>\$ 13,076,715</u>	<u>\$ 13,501,708</u>	<u>\$ 13,389,467</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	11.7%	12.3%	11.2%	11.8%	7.2%

Note 1: The City implemented GASB Statement No. 75 in fiscal year 2018. This schedule is intended to present 10-year trend information. Additional years will be displayed as they become available.

Note 2: No assets are accumulated in a trust to pay related benefits.

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2022 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

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% per year through 2044, and 2.50% per year thereafter, to 1.25% 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, 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% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of living Adjustment, not less than 1.00% and not more than 1.50%, 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% for active members and 60.00% for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00% per year for all years, to 1.00% per year through 2044, and 2.50% 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% per year through 2035, and 2.50% per year thereafter, to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- 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%, to 3.25% for payroll growth, and 2.50% for inflation.

2015 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2030, and 2.50% per year thereafter, to 1.00% per year through 2035, and 2.50% 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

2022 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

2020 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

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% for all years, with no 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% funding, July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.3% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00% 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% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30.00% for vested and non-vested deferred members. The CSA has been changed to 33.00% for vested members and 2.00% 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% 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% to 60.00%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.

- The assumed post-retirement benefit increase rate was changed from 1.00% for all years, to 1.00% per year through 2064, and 2.50% thereafter.
- The single discount rate changed from 5.60% per annum to 7.50% per annum.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2037, and 2.50% thereafter, to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth, and 2.50% for inflation.

2015 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2030, and 2.50% per year thereafter, to 1.00% per year through 2037, and 2.50% per year thereafter.

2015 Changes in Plan Provisions:

- The post-retirement benefit increase to be paid after attainment of the 90.00% funding threshold was changed, from inflation up to 2.50%, to a fixed rate of 2.50%.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2022 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 the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The retiree plan participation percentage was reduced from 65% to 50%.
- The percentage of married retirees electing post-employment spouse medical coverage was reduced from 60% for police and fire retirees and 40% for all other retirees to 30% for all.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.90% to 2.00%.
- These changes decreased the liability \$253,574.

2020 Changes in Actuarial Assumptions:

- The medical trend rate was changed from 6.25% grading to 5.00% over 5 years to 6.50% grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and employee classification.
- The discount rate was changed from 3.30% to 2.90%.

2019 Changes in Actuarial Assumptions:

- The medical trend rate was changed from 6.50% grading to 5.00% over 6 years to 6.25% grading to 5.00% 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% to 3.30%.
- 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, 2022

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 449,843	\$ 9,486,028	\$ 6,652,408	\$ 16,588,279
Cash With Escrow Agent	-	966,283	-	966,283
Receivables:				
Taxes	2,900	2,644	36,086	41,630
Special Assessments	58,260	6,243,655	1,744,990	8,046,905
Accounts	-	-	4,895	4,895
Interest	414	-	48,755	49,169
Due From Other Funds	-	-	11,266,176	11,266,176
Due From Other Governments	-	-	155,545	155,545
Interfund Receivable	-	-	1,297,298	1,297,298
Leases Receivable	204,994	-	1,938,038	2,143,032
Advance To Other Funds	-	-	1,171,730	1,171,730
TOTAL ASSETS	\$ 716,411	\$ 16,698,610	\$ 24,315,921	\$ 41,730,942
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 149	\$ 3,653	\$ 1,374,705	\$ 1,378,507
Deposits Payable	10,460	-	1,314	11,774
Due To Other Funds	912,842	-	1,261,708	2,174,550
Interfund Payable	-	-	1,034,599	1,034,599
Advance From Other Funds	-	-	2,948,909	2,948,909
Unearned Revenue	19,727	1,094,708	-	1,114,435
TOTAL LIABILITIES	943,178	1,098,361	6,621,235	8,662,774
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	1,159	1,192	17,574	19,925
Unavailable Revenue - Special Assessments	38,533	5,146,951	1,743,432	6,928,916
Lease Revenue For Subsequent Years	202,668	-	1,917,657	2,120,325
TOTAL DEFERRED INFLOWS OF RESOURCES	242,360	5,148,143	3,678,663	9,069,166
FUND BALANCES:				
Nonspendable	2,326	-	20,381	22,707
Restricted	82,554	10,452,106	2,888,222	13,422,882
Committed	359,741	-	1,155,999	1,515,740
Assigned	12,500	-	15,237,599	15,250,099
Unassigned	(926,248)	-	(5,286,178)	(6,212,426)
TOTAL FUND BALANCES (DEFICITS)	(469,127)	10,452,106	14,016,023	23,999,002
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 716,411	\$ 16,698,610	\$ 24,315,921	\$ 41,730,942

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 190,310	\$ 2,755,445	\$ 1,316,811	\$ 4,262,566
Tax Increment	-	-	1,317,242	1,317,242
Intergovernmental	27	-	2,747,710	2,747,737
Charges For Services	186,505	-	8,200,959	8,387,464
Fines And Forfeitures	8,540	-	-	8,540
Special Assessments	47,912	1,194,421	775,464	2,017,797
Investment Earnings (Charges)	(10,464)	62,133	222,822	274,491
Leases	21,333	-	145,503	166,836
Other Revenue	30,275	-	107,264	137,539
TOTAL REVENUES	474,438	4,011,999	14,833,775	19,320,212
<u>EXPENDITURES</u>				
CURRENT:				
General Government	-	-	144,808	144,808
Economic Development	370,280	-	1,492,914	1,863,194
Public Safety	8,287	-	4,805	13,092
Public Works	13,939	-	777,870	791,809
Parks, Recreation And Arts	-	-	94,513	94,513
DEBT SERVICE:				
Principal	-	3,695,000	-	3,695,000
Interest	-	1,844,103	104,197	1,948,300
Issuance Costs And Fiscal Agent Fees	-	15,153	-	15,153
CAPITAL OUTLAY	-	-	7,325,445	7,325,445
TOTAL EXPENDITURES	392,506	5,554,256	9,944,552	15,891,314
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	81,932	(1,542,257)	4,889,223	3,428,898
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	1,513,769	5,015,000	6,528,769
Transfers Out	-	-	(8,643,547)	(8,643,547)
Lease Proceeds	-	-	360,990	360,990
Sale Of Capital Assets	-	-	32,000	32,000
TOTAL OTHER FINANCING SOURCES (USES)	-	1,513,769	(3,235,557)	(1,721,788)
NET CHANGE IN FUND BALANCES	81,932	(28,488)	1,653,666	1,707,110
FUND BALANCES (DEFICITS), JANUARY 1	(551,059)	10,480,594	12,362,357	22,291,892
FUND BALANCES (DEFICITS), DECEMBER 31	\$ (469,127)	\$ 10,452,106	\$ 14,016,023	\$ 23,999,002

Nonmajor Special Revenue Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2022

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 activities 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 provide commercial grants and loans, and to account for the payment proceeds.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	202 & 801	251	206	210	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	COMMERCIAL REVOLVING LOAN	TOTALS
ASSETS					
Cash And Investments	\$ 258,601	\$ -	\$ 78,156	\$ 113,086	\$ 449,843
Receivables:					
Taxes	59	2,841	-	-	2,900
Special Assessments:					
Delinquent	-	160	-	-	160
Deferred:					
Certified To County	-	38,373	-	-	38,373
City Owned	-	19,727	-	-	19,727
Interest	-	414	-	-	414
Leases Receivable	-	204,994	-	-	204,994
TOTAL ASSETS	\$ 258,660	\$ 266,509	\$ 78,156	\$ 113,086	\$ 716,411
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts Payable	\$ -	\$ 149	\$ -	\$ -	\$ 149
Deposits Payable	-	2,200	8,260	-	10,460
Due To Other Funds	-	912,842	-	-	912,842
Unearned Revenue	-	19,727	-	-	19,727
TOTAL LIABILITIES	-	934,918	8,260	-	943,178
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Taxes	30	1,129	-	-	1,159
Unavailable Revenue - Special Assessments	-	38,533	-	-	38,533
Lease Revenue For Subsequent Years	-	202,668	-	-	202,668
TOTAL DEFERRED INFLOWS OF RESOURCES	30	242,330	-	-	242,360
FUND BALANCES:					
Nonspendable	-	2,326	-	-	2,326
Restricted	-	13,183	69,371	-	82,554
Committed	246,655	-	-	113,086	359,741
Assigned	11,975	-	525	-	12,500
Unassigned	-	(926,248)	-	-	(926,248)
TOTAL FUND BALANCES (DEFICITS)	258,630	(910,739)	69,896	113,086	(469,127)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 258,660	\$ 266,509	\$ 78,156	\$ 113,086	\$ 716,411

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	202 & 801	251	206	210	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	COMMERCIAL REVOLVING LOAN	TOTALS
REVENUES:					
Taxes:					
Property	\$ 6,031	\$ 184,279	\$ -	\$ -	\$ 190,310
Intergovernmental:					
State:					
Market Value Credit	1	26	-	-	27
Charges For Services	3,200	183,305	-	-	186,505
Fines And Forfeitures	-	-	8,540	-	8,540
Special Assessments	-	47,912	-	-	47,912
Investment Earnings (Charges)	1,963	(13,861)	599	835	(10,464)
Leases	-	21,333	-	-	21,333
Other Revenues	-	25,674	-	4,601	30,275
TOTAL REVENUES	11,195	448,668	9,139	5,436	474,438
EXPENDITURES:					
Current:					
Economic Development	-	370,280	-	-	370,280
Public Safety	-	-	8,287	-	8,287
Public Works	13,939	-	-	-	13,939
TOTAL EXPENDITURES	13,939	370,280	8,287	-	392,506
NET CHANGE IN FUND BALANCES	(2,744)	78,388	852	5,436	81,932
FUND BALANCES (DEFICITS), JANUARY 1	261,374	(989,127)	69,044	107,650	(551,059)
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 258,630	\$ (910,739)	\$ 69,896	\$ 113,086	\$ (469,127)

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 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 improvement bonds issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to have 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 issued to finance equipment purchases.
- **Revenue Bond Funds:**
These funds service debt on bonds that are supported by revenue pledged for repayment, such as specific fee revenue.
- **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, 2022

	314	317	318	320	322	323	324	325	326	327
	\$405,000 TAXABLE GO TA BONDS 2010	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A	\$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
ASSETS										
Cash And Investments	\$ 306,029	\$ 246,164	\$ 443,358	\$ 214,121	\$ 116,501	\$ 613,811	\$ 473,478	\$ 820,751	\$ 3,106,890	\$ 1,022,294
Cash With Escrow Agent	-	-	-	-	-	-	965,459	-	-	-
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	-
Special Assessments:										
Unremitted	-	-	-	-	-	-	-	228	799	969
Delinquent	-	-	88	31,676	-	-	-	1,335	3,711	1,187
Deferred:										
Certified To County	-	61,898	15,075	862,563	-	86,736	-	223,606	732,617	622,522
City Owned	-	133,592	6,272	212,162	-	-	-	368,791	-	-
TOTAL ASSETS	\$ 306,029	\$ 441,654	\$ 464,793	\$ 1,320,522	\$ 116,501	\$ 700,547	\$ 1,438,937	\$ 1,414,711	\$ 3,844,017	\$ 1,646,972
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
LIABILITIES:										
Accounts Payable	\$ -	\$ 256	\$ 256	\$ -	\$ -	\$ 256	\$ 512	\$ 256	\$ 256	\$ 257
Unearned Revenue	-	133,592	6,272	212,162	-	-	-	368,791	-	-
TOTAL LIABILITIES	-	133,848	6,528	212,162	-	256	512	369,047	256	257
DEFERRED INFLOWS OF RESOURCES:										
Unavailable Revenue - Taxes	-	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	61,898	15,163	894,239	-	86,736	-	224,941	736,328	623,709
TOTAL DEFERRED INFLOWS OF RESOURCES	-	61,898	15,163	894,239	-	86,736	-	224,941	736,328	623,709
FUND BALANCES:										
Restricted	306,029	245,908	443,102	214,121	116,501	613,555	1,438,425	820,723	3,107,433	1,023,006
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 306,029	\$ 441,654	\$ 464,793	\$ 1,320,522	\$ 116,501	\$ 700,547	\$ 1,438,937	\$ 1,414,711	\$ 3,844,017	\$ 1,646,972

328	329	330	331	332	333, 334, 335	336	337	338	339	340	
\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	\$4,940,000 STATE AID STREET BONDS 2021A	\$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	\$6,285,000 TAXABLE REVENUE BONDS 2020A	\$1,530,000 TAXABLE REVENUE BONDS 2020B	\$1,725,000 GO IMP BONDS 2020C	GO TEMPORARY STATE AID STREET BONDS 2022A	TOTALS
\$ 40,763	\$ 185,781	\$ 306,951	\$ 557,008	\$ 376,792	\$ 63,797	\$ 156,459	\$ 38,311	\$ 24,110	\$ 335,774	\$ 36,885	\$ 9,486,028
-	-	-	-	-	-	-	760	64	-	-	966,283
-	-	-	-	-	-	2,644	-	-	-	-	2,644
-	-	-	-	-	-	-	-	-	-	-	1,996
-	-	-	1,650	23,244	-	-	-	-	255	-	63,146
-	22,147	-	878,447	871,291	-	621,543	-	-	137,949	-	5,136,394
-	-	-	321,302	-	-	-	-	-	-	-	1,042,119
<u>\$ 40,763</u>	<u>\$ 207,928</u>	<u>\$ 306,951</u>	<u>\$ 1,758,407</u>	<u>\$ 1,271,327</u>	<u>\$ 63,797</u>	<u>\$ 780,646</u>	<u>\$ 39,071</u>	<u>\$ 24,174</u>	<u>\$ 473,978</u>	<u>\$ 36,885</u>	<u>\$ 16,698,610</u>
\$ -	\$ -	\$ 257	\$ 257	\$ 85	\$ 170	\$ 257	\$ 257	\$ 257	\$ 64	\$ -	\$ 3,653
-	-	-	321,302	-	-	52,589	-	-	-	-	1,094,708
-	-	257	321,559	85	170	52,846	257	257	64	-	1,098,361
-	-	-	-	-	-	1,192	-	-	-	-	1,192
-	22,147	-	880,097	894,535	-	568,954	-	-	138,204	-	5,146,951
-	22,147	-	880,097	894,535	-	570,146	-	-	138,204	-	5,148,143
40,763	185,781	306,694	556,751	376,707	63,627	157,654	38,814	23,917	335,710	36,885	10,452,106
<u>\$ 40,763</u>	<u>\$ 207,928</u>	<u>\$ 306,951</u>	<u>\$ 1,758,407</u>	<u>\$ 1,271,327</u>	<u>\$ 63,797</u>	<u>\$ 780,646</u>	<u>\$ 39,071</u>	<u>\$ 24,174</u>	<u>\$ 473,978</u>	<u>\$ 36,885</u>	<u>\$ 16,698,610</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	314	317	318	320	322	323	324	325	326	327
	\$405,000 TAXABLE GO TA BONDS 2010	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A	\$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
REVENUES:										
Taxes:										
Property	\$ 38,588	\$ 161,000	\$ 65,001	\$ 185,000	\$ 75,000	\$ 464,000	\$ -	\$ 490,000	\$ 482,000	\$ -
Special Assessments	-	18,492	378,889	24,447	-	30,556	-	43,786	141,382	265,791
Investment Earnings	2,273	991	2,512	2,155	578	2,248	8,969	3,784	20,852	6,667
TOTAL REVENUES	40,861	180,483	446,402	211,602	75,578	496,804	8,969	537,570	644,234	272,458
EXPENDITURES:										
Debt Service:										
Principal	25,000	165,000	210,000	245,000	110,000	515,000	300,000	365,000	380,000	140,000
Interest	3,292	23,780	31,935	16,765	5,105	76,000	336,550	167,369	319,475	43,930
Issuance Costs And Fiscal Agent Fees	20	781	256	105	-	256	3,712	256	756	757
TOTAL EXPENDITURES	28,312	189,561	242,191	261,870	115,105	591,256	640,262	532,625	700,231	184,687
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,549	(9,078)	204,211	(50,268)	(39,527)	(94,452)	(631,293)	4,945	(55,997)	87,771
OTHER FINANCING SOURCES:										
Transfers In	-	-	-	-	-	77,966	610,000	-	85,417	20,466
NET CHANGE IN FUND BALANCES	12,549	(9,078)	204,211	(50,268)	(39,527)	(16,486)	(21,293)	4,945	29,420	108,237
FUND BALANCES, JANUARY 1	293,480	254,986	238,891	264,389	156,028	630,041	1,459,718	815,778	3,078,013	914,769
FUND BALANCES, DECEMBER 31	\$ 306,029	\$ 245,908	\$ 443,102	\$ 214,121	\$ 116,501	\$ 613,555	\$ 1,438,425	\$ 820,723	\$ 3,107,433	\$ 1,023,006

328	329	330	331	332	333, 334, 335	336	337	338	339	340	
\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	\$4,940,000 TEMP IMP/ STATE AID STREET BONDS 2019A/2021A	\$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	\$6,285,000 TAXABLE REVENUE BONDS 2020A	\$1,530,000 TAXABLE REVENUE BONDS 2020B	\$1,725,000 GO IMP BONDS 2020C	GO TEMPORARY STATE AID STREET BONDS 2022A	TOTALS
\$ -	\$ 115,000	\$ -	\$ 452,000	\$ -	\$ -	\$ 119,856	\$ -	\$ -	\$ 108,000	\$ -	\$ 2,755,445
-	4,753	-	95,577	87,028	-	89,573	-	-	14,147	-	1,194,421
43	828	619	1,767	2,459	91	240	2,201	455	2,378	23	62,133
43	120,581	619	549,344	89,487	91	209,669	2,201	455	124,525	23	4,011,999
35,000	95,000	160,000	340,000	80,000	5,000	150,000	270,000	60,000	45,000	-	3,695,000
12,400	19,742	114,285	208,969	32,648	76,545	62,150	161,067	43,433	60,525	28,138	1,844,103
450	450	757	807	335	420	757	1,957	1,957	364	-	15,153
47,850	115,192	275,042	549,776	112,983	81,965	212,907	433,024	105,390	105,889	28,138	5,554,256
(47,807)	5,389	(274,423)	(432)	(23,496)	(81,874)	(3,238)	(430,823)	(104,935)	18,636	(28,115)	(1,542,257)
42,500	-	325,000	48,420	-	114,000	-	80,000	45,000	-	65,000	1,513,769
(5,307)	5,389	50,577	47,988	(23,496)	32,126	(3,238)	(350,823)	(59,935)	18,636	36,885	(28,488)
46,070	180,392	256,117	508,763	400,203	31,501	160,892	389,637	83,852	317,074	-	10,480,594
\$ 40,763	\$ 185,781	\$ 306,694	\$ 556,751	\$ 376,707	\$ 63,627	\$ 157,654	\$ 38,814	\$ 23,917	\$ 335,710	\$ 36,885	\$ 10,452,106

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.
- **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.
- **Abatement Program Fund:**
This fund is used to account for the City and EDA's Tax Abatement program.
- **Annual Street Replacement Fund:**
This fund is used for the City's annual street reconstruction program.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2022

		401	402	403	404	407
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	PUBLIC FACILITIES CAPITAL IMPROVEMENT
ASSETS						
Cash And Investments	\$ 2,882,013	\$ 374,499	\$ 313,000	\$ 434,367	\$ 52,158	\$ 380,766
Receivables:						
Taxes	2,528	-	-	-	-	-
Special Assessments:						
Unremitted	-	-	-	-	-	-
Delinquent	-	-	-	-	-	-
Deferred:						
Certified To County	79,015	-	58,513	36,288	26,254	-
Accounts	-	-	-	-	-	-
Interest	4,636	4,154	5,545	7,801	-	-
Due From Other Funds	-	1,250,000	3,600,000	4,150,000	-	-
Due From Other Governments	-	-	-	-	-	-
Interfund Receivable	-	-	-	938,356	-	5,336
Leases Receivable	-	-	-	-	-	-
Advance To Other Funds	-	-	-	-	-	80,165
TOTAL ASSETS	\$ 2,968,192	\$ 1,628,653	\$ 3,977,058	\$ 5,566,812	\$ 78,412	\$ 466,267
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$ 2,902	\$ 1,744	\$ 2,112	\$ 2,112	\$ 2,112	\$ 352
Deposits Payable	1,314	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-
Interfund Payable	1,034,599	-	-	-	-	-
Advance From Other Funds	2,248,909	-	-	-	-	-
TOTAL LIABILITIES	3,287,724	1,744	2,112	2,112	2,112	352
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Taxes	2,032	-	-	-	-	-
Unavailable Revenue - Special Assessments	79,015	-	58,513	36,288	26,254	-
Lease Revenue For Subsequent Years	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	81,047	-	58,513	36,288	26,254	-
FUND BALANCES:						
Nonspendable	-	-	-	-	-	-
Restricted	2,882,510	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	1,626,909	3,916,433	5,528,412	50,046	465,915
Unassigned	(3,283,089)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(400,579)	1,626,909	3,916,433	5,528,412	50,046	465,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,968,192	\$ 1,628,653	\$ 3,977,058	\$ 5,566,812	\$ 78,412	\$ 466,267

444	445	448	449	450	451	453	524	
FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	TOTALS
\$ 74,600	\$ 72,453	\$ -	\$ 836,635	\$ 477,739	\$ 178,422	\$ 3,899	\$ 571,857	\$ 6,652,408
-	-	33,558	-	-	-	-	-	36,086
-	1,558	-	-	-	-	-	-	1,558
-	3,312	-	-	-	-	-	-	3,312
-	507,519	-	226,715	332,990	-	-	472,826	1,740,120
-	-	4,895	-	-	-	-	-	4,895
-	832	16,146	2,870	1,061	-	-	5,710	48,755
-	586,907	-	912,842	-	-	-	766,427	11,266,176
-	-	-	-	-	-	-	155,545	155,545
-	125,198	228,408	-	-	-	-	-	1,297,298
-	-	1,938,038	-	-	-	-	-	1,938,038
-	435,050	656,515	-	-	-	-	-	1,171,730
<u>\$ 74,600</u>	<u>\$ 1,732,829</u>	<u>\$ 2,877,560</u>	<u>\$ 1,979,062</u>	<u>\$ 811,790</u>	<u>\$ 178,422</u>	<u>\$ 3,899</u>	<u>\$ 1,972,365</u>	<u>\$ 24,315,921</u>
\$ -	\$ -	\$ 963,038	\$ 17,297	\$ -	\$ -	\$ 510	\$ 382,526	\$ 1,374,705
-	-	-	-	-	-	-	-	1,314
-	-	1,261,708	-	-	-	-	-	1,261,708
-	-	-	-	-	-	-	-	1,034,599
-	-	-	-	-	-	700,000	-	2,948,909
-	-	2,224,746	17,297	-	-	700,510	382,526	6,621,235
-	-	15,542	-	-	-	-	-	17,574
-	510,831	-	226,715	332,990	-	-	472,826	1,743,432
-	-	1,917,657	-	-	-	-	-	1,917,657
-	510,831	1,933,199	226,715	332,990	-	-	472,826	3,678,663
-	-	20,381	-	-	-	-	-	20,381
-	-	-	-	-	-	5,712	-	2,888,222
-	-	-	-	-	102,623	-	1,053,376	1,155,999
74,600	1,221,998	-	1,735,050	478,800	75,799	-	63,637	15,237,599
-	-	(1,300,766)	-	-	-	(702,323)	-	(5,286,178)
<u>74,600</u>	<u>1,221,998</u>	<u>(1,280,385)</u>	<u>1,735,050</u>	<u>478,800</u>	<u>178,422</u>	<u>(696,611)</u>	<u>1,117,013</u>	<u>14,016,023</u>
<u>\$ 74,600</u>	<u>\$ 1,732,829</u>	<u>\$ 2,877,560</u>	<u>\$ 1,979,062</u>	<u>\$ 811,790</u>	<u>\$ 178,422</u>	<u>\$ 3,899</u>	<u>\$ 1,972,365</u>	<u>\$ 24,315,921</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	401	402	403	404	407	
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	PUBLIC FACILITIES CAPITAL IMPROVEMENT
REVENUES:						
Taxes:						
General Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Increment	1,317,242	-	-	-	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	1,238,820	-	-	-	-
Charges For Services:						
Connection Charges	-	-	2,754,181	2,214,785	-	-
Acreage Charges	-	-	397,078	412,384	515,590	-
Other Charges for Services	10,000	-	-	-	-	50,465
Special Assessments	-	-	13,060	24,080	15,479	-
Investment Earnings (Charges)	19,799	15,082	22,247	65,241	(896)	5,743
Leases	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	1,347,041	1,253,902	3,186,566	2,716,490	530,173	56,208
EXPENDITURES:						
Current:						
General Government	38,211	-	-	-	-	49,188
Economic Development	647,989	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	14,448	13,623	13,623	13,974	-
Parks, Recreation And Arts	-	-	-	-	-	-
Debt Service:						
Interest	104,197	-	-	-	-	-
Capital Outlay:						
Land	227,021	-	-	-	-	-
Furniture And Equipment	-	-	-	-	-	-
System Improvements:						
Water	-	-	-	-	-	-
Sanitary Sewer	-	-	-	-	-	-
Streets	-	-	-	-	-	-
Storm Sewer	-	-	-	-	-	-
Other Improvements	-	-	-	-	-	-
Leased Equipment	-	-	-	-	-	-
TOTAL EXPENDITURES	1,017,418	14,448	13,623	13,623	13,974	49,188
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	329,623	1,239,454	3,172,943	2,702,867	516,199	7,020
OTHER FINANCING SOURCES (USES):						
Transfers In	2,225,000	-	-	-	-	206,000
Transfers Out	(2,381,500)	(1,629,297)	(920,072)	(180,000)	(263,005)	-
Lease Proceeds	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(156,500)	(1,629,297)	(920,072)	(180,000)	(263,005)	206,000
NET CHANGE IN FUND BALANCES	173,123	(389,843)	2,252,871	2,522,867	253,194	213,020
FUND BALANCES (DEFICITS), JANUARY 1	(573,702)	2,016,752	1,663,562	3,005,545	(203,148)	252,895
FUND BALANCES (DEFICITS), DECEMBER 31	\$ (400,579)	\$ 1,626,909	\$ 3,916,433	\$ 5,528,412	\$ 50,046	\$ 465,915

444	445	448	449	450	451	453	524	
FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	TOTALS
\$ -	\$ -	\$ 1,171,372	\$ -	\$ -	\$ -	\$ 145,439	\$ -	\$ 1,316,811
-	-	-	-	-	-	-	-	1,317,242
-	-	-	-	-	-	-	1,508,370	1,508,370
-	-	520	-	-	-	-	-	1,239,340
-	-	-	-	-	-	-	-	4,968,966
-	-	-	1,812,521	-	-	-	-	3,137,573
-	-	23,955	-	-	-	10,000	-	94,420
-	568,957	-	92,004	930	-	-	60,954	775,464
559	31,378	22,118	11,202	3,955	1,312	(135)	25,217	222,822
-	-	145,503	-	-	-	-	-	145,503
-	-	51,103	54,753	-	-	-	1,408	107,264
559	600,335	1,414,571	1,970,480	4,885	1,312	155,304	1,595,949	14,833,775
-	-	57,409	-	-	-	-	-	144,808
-	-	-	-	-	-	844,925	-	1,492,914
-	-	4,805	-	-	-	-	-	4,805
-	7,974	4,697	-	-	-	-	709,531	777,870
-	-	-	94,513	-	-	-	-	94,513
-	-	-	-	-	-	-	-	104,197
-	-	-	-	-	-	-	-	227,021
-	-	3,004,012	-	-	-	-	-	3,004,012
-	-	-	-	-	-	-	384,398	384,398
-	-	-	-	-	-	-	496,156	496,156
-	-	-	-	-	-	-	1,985,438	1,985,438
-	-	-	-	-	-	-	281,030	281,030
-	-	67,814	518,234	-	-	-	-	586,048
-	-	361,342	-	-	-	-	-	361,342
-	7,974	3,500,079	612,747	-	-	844,925	3,856,553	9,944,552
559	592,361	(2,085,508)	1,357,733	4,885	1,312	(689,621)	(2,260,604)	4,889,223
-	-	28,000	-	-	2,130,000	-	426,000	5,015,000
-	-	(835,803)	(221,712)	-	(2,191,692)	(20,466)	-	(8,643,547)
-	-	360,990	-	-	-	-	-	360,990
-	-	32,000	-	-	-	-	-	32,000
-	-	(414,813)	(221,712)	-	(61,692)	(20,466)	426,000	(3,235,557)
559	592,361	(2,500,321)	1,136,021	4,885	(60,380)	(710,087)	(1,834,604)	1,653,666
74,041	629,637	1,219,936	599,029	473,915	238,802	13,476	2,951,617	12,362,357
\$ 74,600	\$ 1,221,998	\$ (1,280,385)	\$ 1,735,050	\$ 478,800	\$ 178,422	\$ (696,611)	\$ 1,117,013	\$ 14,016,023

CITY OF CHASKA, MINNESOTA

**COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - TAX INCREMENT
DECEMBER 31, 2022**

	426	427	428	429	431	432
	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
ASSETS						
Cash And Investments	\$ 115,300	\$ 127,446	\$ 2,300	\$ 4,128	\$ 36,392	\$ 248,407
Receivables:						
Taxes	2,528	-	-	-	-	-
Special Assessments:						
Deferred:						
Certified To County	-	-	-	-	-	79,015
Interest	2,742	607	-	-	-	603
TOTAL ASSETS	\$ 120,570	\$ 128,053	\$ 2,300	\$ 4,128	\$ 36,392	\$ 328,025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 2,277
Deposits Payable	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-
Advance From Other Funds	-	-	2,248,909	-	-	-
TOTAL LIABILITIES	-	-	2,248,909	-	6	2,277
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Taxes	2,032	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-	79,015
TOTAL DEFERRED INFLOWS OF RESOURCES	2,032	-	-	-	-	79,015
FUND BALANCES:						
Restricted	118,538	128,053	-	4,128	36,386	246,733
Unassigned	-	-	(2,246,609)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	118,538	128,053	(2,246,609)	4,128	36,386	246,733
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 120,570	\$ 128,053	\$ 2,300	\$ 4,128	\$ 36,392	\$ 328,025

433	434	435	436	437	438 DIST #24	439	
DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	DIST #23 CITY SQUARE WEST PROJECT	CHASKA CREEK INDUSTRIAL PROJECT	TEMPORARY TRANSFER AUTHORITY	TOTALS
\$ 121,630	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 2,226,401	\$ 2,882,013
-	-	-	-	-	-	-	2,528
-	-	-	-	-	-	-	79,015
684	-	-	-	-	-	-	4,636
<u>\$ 122,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 2,226,401</u>	<u>\$ 2,968,192</u>
\$ 43	\$ -	\$ -	\$ 121	\$ 455	\$ -	\$ -	\$ 2,902
-	-	1,314	-	-	-	-	1,314
-	20,567	75,676	64,118	830,655	43,583	-	1,034,599
-	-	-	-	-	-	-	2,248,909
<u>43</u>	<u>20,567</u>	<u>76,990</u>	<u>64,239</u>	<u>831,110</u>	<u>43,583</u>	<u>-</u>	<u>3,287,724</u>
-	-	-	-	-	-	-	2,032
-	-	-	-	-	-	-	79,015
-	-	-	-	-	-	-	81,047
122,271	-	-	-	-	-	2,226,401	2,882,510
-	(20,567)	(76,990)	(64,239)	(831,110)	(43,574)	-	(3,283,089)
<u>122,271</u>	<u>(20,567)</u>	<u>(76,990)</u>	<u>(64,239)</u>	<u>(831,110)</u>	<u>(43,574)</u>	<u>2,226,401</u>	<u>(400,579)</u>
<u>\$ 122,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 2,226,401</u>	<u>\$ 2,968,192</u>

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, 2022

	426	427	428	429	431	432
	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
REVENUES:						
Taxes:						
Tax Increment (Charges)	\$ 524,750	\$ 266,988	\$ 128,801	\$ 12,841	\$ 83,823	\$ (4,686)
Charges For Services:						
Other Charges for Services	-	-	-	-	-	-
Investment Earnings	10,496	2,654	230	7	187	2,222
TOTAL REVENUES	535,246	269,642	129,031	12,848	84,010	(2,464)
EXPENDITURES:						
Current:						
General Government	-	-	-	-	-	-
Economic Development	169,885	192,927	650	10,300	17,110	15,144
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Interest	-	-	100,660	-	3,537	-
TOTAL EXPENDITURES	169,885	192,927	101,310	10,300	20,647	15,144
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	365,361	76,715	27,721	2,548	63,363	(17,608)
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	-	-	-	-
Transfers Out	(1,570,000)	(300,000)	(42,500)	-	-	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,570,000)	(300,000)	(42,500)	-	-	(80,000)
NET CHANGE IN FUND BALANCES	(1,204,639)	(223,285)	(14,779)	2,548	63,363	(97,608)
FUND BALANCES (DEFICITS), JANUARY 1	1,323,177	351,338	(2,231,830)	1,580	(26,977)	344,341
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 118,538	\$ 128,053	\$ (2,246,609)	\$ 4,128	\$ 36,386	\$ 246,733

433	434	435	436	437	438	439	
DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	DIST #23 CITY SQUARE WEST PROJECT	DIST #24 CHASKA CREEK INDUSTRIAL PROJECT	TEMPORARY TRANSFER AUTHORITY	TOTALS
\$ 267,788	\$ 8,746	\$ 28,191	\$ -	\$ -	\$ -	\$ -	\$ 1,317,242
-	-	-	-	-	10,000	-	10,000
2,592	-	1	-	-	9	1,401	19,799
270,380	8,746	28,192	-	-	10,009	1,401	1,347,041
-	810	2,977	2,303	30,237	1,884	-	38,211
196,751	300	550	10,201	18,701	15,470	-	647,989
-	-	-	-	227,021	-	-	227,021
-	-	-	-	-	-	-	104,197
196,751	1,110	3,527	12,504	275,959	17,354	-	1,017,418
73,629	7,636	24,665	(12,504)	(275,959)	(7,345)	1,401	329,623
-	-	-	-	-	-	2,225,000	2,225,000
(355,000)	(8,000)	(26,000)	-	-	-	-	(2,381,500)
(355,000)	(8,000)	(26,000)	-	-	-	2,225,000	(156,500)
(281,371)	(364)	(1,335)	(12,504)	(275,959)	(7,345)	2,226,401	173,123
403,642	(20,203)	(75,655)	(51,735)	(555,151)	(36,229)	-	(573,702)
\$ 122,271	\$ (20,567)	\$ (76,990)	\$ (64,239)	\$ (831,110)	\$ (43,574)	\$ 2,226,401	\$ (400,579)

Nonmajor Budgeted Special Revenue and Capital Project Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2022

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, 2022**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 6,000	\$ 6,031	\$ 31
Intergovernmental:			
State:			
Market Value Credit	-	1	1
Charges For Services	2,400	3,200	800
Investment Earnings	300	1,963	1,663
TOTAL REVENUES	8,700	11,195	2,495
<u>EXPENDITURES:</u>			
Current:			
Public Works:			
Other Services And Charges	13,500	13,939	(439)
NET CHANGE IN FUND BALANCES	(4,800)	(2,744)	2,056
FUND BALANCES, JANUARY 1	261,374	261,374	-
FUND BALANCES, DECEMBER 31	\$ 256,574	\$ 258,630	\$ 2,056

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, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 182,989	\$ 184,279	\$ 1,290
Intergovernmental:			
State:			
Market Value Credit	-	26	26
Charges For Services	172,500	183,305	10,805
Special Assessments	40,000	47,912	7,912
Investment Earnings (Charges)	(5,400)	(13,861)	(8,461)
Leases	32,400	21,333	(11,067)
Other:			
Payments	-	25,674	25,674
TOTAL REVENUES	422,489	448,668	26,179
<u>EXPENDITURES:</u>			
Current:			
Economic Development:			
Other Services And Charges	402,789	370,280	32,509
Debt Service:			
Principal	16,800	-	16,800
Interest	2,900	-	2,900
TOTAL EXPENDITURES	422,489	370,280	52,209
NET CHANGE IN FUND BALANCES	-	78,388	78,388
FUND BALANCES (DEFICITS), JANUARY 1	(971,927)	(989,127)	17,200
FUND BALANCES (DEFICITS), DECEMBER 31	\$ (971,927)	\$ (910,739)	\$ 95,588

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
Property	\$ 3,751,317	\$ 3,751,317	\$ 1,171,372	\$ (2,579,945)
Intergovernmental:				
State:				
Market Value Credit	-	-	520	520
Grants	188,000	188,000	-	(188,000)
Charges For Services	30,500	30,500	23,955	(6,545)
Investment Earnings	-	-	22,118	22,118
Leases	106,000	106,000	145,503	39,503
Other Revenue	-	-	51,103	51,103
TOTAL REVENUES	4,075,817	4,075,817	1,414,571	(2,661,246)
EXPENDITURES:				
Current:				
General Government	10,000	10,000	57,409	(47,409)
Public Safety	188,000	188,000	4,805	183,195
Public Works	-	-	4,697	(4,697)
Debt Service:				
Issuance Costs And Fiscal Agent Fees	50,000	50,000	-	50,000
Capital Outlay:				
Furniture And Equipment:				
General Government	93,500	93,500	73,704	19,796
Public Safety	468,000	319,000	2,657,958	(2,338,958)
Public Works	220,000	220,000	230,594	(10,594)
Parks, Recreation and Arts	-	-	109,570	(109,570)
Leased Equipment:				
Public Safety	-	-	361,342	(361,342)
TOTAL EXPENDITURES	1,029,500	880,500	3,500,079	(2,619,579)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,046,317	3,195,317	(2,085,508)	(5,280,825)
OTHER FINANCING SOURCES (USES):				
Transfers In	28,000	28,000	28,000	-
Transfers Out	(3,511,317)	(3,660,317)	(835,803)	2,824,514
Bonds Issued	437,000	437,000	-	(437,000)
Lease Proceeds	-	-	360,990	360,990
Sale of Capital Assets	-	-	32,000	32,000
TOTAL OTHER FINANCING SOURCES (USES)	(3,046,317)	(3,195,317)	(414,813)	2,780,504
NET CHANGE IN FUND BALANCES	-	-	(2,500,321)	(2,500,321)
FUND BALANCES, JANUARY 1	1,219,936	1,219,936	1,219,936	-
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 1,219,936	\$ 1,219,936	\$ (1,280,385)	\$ (2,500,321)

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.
- **The Loop at Chaska Fund:**
This fund is used to account for the operation of the City's 9-hole barrier-free 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, 2022

	SEWER	THE LOOP AT CHASKA	CHASKA TOWN COURSE	STORM WATER	TOTALS
ASSETS					
Current Assets:					
Cash And Investments	\$ 434,596	\$ 4,726	\$ 493,675	\$ 467,514	\$ 1,400,511
Restricted Assets:					
Cash And Investments	-	113,068	-	-	113,068
Receivables:					
Special Assessments	2,086	-	-	947	3,033
Accounts					
Current	459,874	-	250	169,315	629,439
Unbilled	558,276	-	-	164,443	722,719
Allowance For Uncollectible Accounts	(13,185)	-	(4)	(5,003)	(18,192)
Interest	1,479	-	2,538	4,890	8,907
Due From Other Funds	750,000	-	1,250,000	1,750,000	3,750,000
Due From Other Governments	-	-	-	45,000	45,000
Inventories	5,108	-	55,524	-	60,632
Total Current Assets	2,198,234	117,794	1,801,983	2,597,106	6,715,117
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	466,545	466,545
Construction In Progress	-	3,659,470	90,538	260,744	4,010,752
Buildings	255,000	10,891	8,013,896	604,308	8,884,095
Other Improvements	-	27,970	568,183	132,172	728,325
Furniture And Equipment	1,145,192	33,779	2,462,355	481,156	4,122,482
Infrastructure	6,771,589	-	-	8,269,276	15,040,865
Leased Land Improvements	-	611,824	-	-	611,824
Leased Equipment	-	-	21,729	-	21,729
Less: Accumulated Depreciation and Amortization	(2,006,357)	(80,085)	(9,893,077)	(1,321,207)	(13,300,726)
Total Net Capital Assets	6,165,424	4,263,849	1,263,624	8,892,994	20,585,891
TOTAL ASSETS	8,363,658	4,381,643	3,065,607	11,490,100	27,301,008
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan Deferments	189,166	-	226,999	113,500	529,665
OPEB Plan Deferments	742	-	1,097	174	2,013
TOTAL DEFERRED OUTFLOWS OF RESOURCES	189,908	-	228,096	113,674	531,678
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 8,553,566	\$ 4,381,643	\$ 3,293,703	\$ 11,603,774	\$ 27,832,686
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 121,451	\$ 107,206	\$ 8,279	\$ 21,025	\$ 257,961
Salaries Payable	11,536	-	12,334	3,445	27,315
Deposits Payable	-	-	334,397	-	334,397
Compensated Absences	56,911	-	81,917	10,492	149,320
Accrued Interest Payable	48,723	15,501	22	32,493	96,739
Due To Other Governments	21,060	5	1,880	5,204	28,149
Interfund Payable	15,937	-	185,750	57,333	259,020
Revenue Bonds Payable	255,914	130,000	-	152,851	538,765
Lease Liability	-	2,830	4,161	-	6,991
Other Post Employment Benefits	399	-	587	93	1,079
Unearned Revenue	2,071	-	-	28,797	30,868
Total Current Liabilities	534,002	255,542	629,327	311,733	1,730,604
Noncurrent Liabilities:					
Compensated Absences	8,820	-	47,105	7,553	63,478
Advance From Other Funds	72,361	-	1,017,908	62,336	1,152,605
Revenue Bonds Payable	3,623,130	3,299,000	-	2,368,331	9,290,461
Lease Liability	-	600,657	16,533	-	617,190
Other Post Employment Benefits	20,649	-	30,532	4,830	56,011
Net Pension Liability	594,794	-	713,753	356,877	1,665,424
Total Noncurrent Liabilities	4,319,754	3,899,657	1,825,831	2,799,927	12,845,169
TOTAL LIABILITIES	4,853,756	4,155,199	2,455,158	3,111,660	14,575,773
DEFERRED INFLOWS OF RESOURCES					
Pension Plan Deferments	12,505	-	15,006	7,503	35,014
OPEB Plan Deferments	13,417	-	19,837	3,138	36,392
TOTAL DEFERRED INFLOWS OF RESOURCES	25,922	-	34,843	10,641	71,406
NET POSITION					
Net Investment In Capital Assets	4,515,818	245,384	1,242,930	6,992,884	12,997,016
Unrestricted	(841,930)	(18,940)	(439,228)	1,488,589	188,491
TOTAL NET POSITION	3,673,888	226,444	803,702	8,481,473	13,185,507
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 8,553,566	\$ 4,381,643	\$ 3,293,703	\$ 11,603,774	\$ 27,832,686

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>SEWER</u>	<u>THE LOOP AT CHASKA</u>	<u>CHASKA TOWN COURSE</u>	<u>STORM WATER</u>	<u>TOTALS</u>
OPERATING REVENUES:					
Sales	\$ 5,666,239	\$ -	\$ 3,016,808	\$ 1,954,589	\$ 10,637,636
OPERATING EXPENSES:					
Production	3,095,565	-	-	-	3,095,565
Distribution / Collections	795,294	-	-	586,069	1,381,363
Administration	958,929	42,940	2,547,551	784,566	4,333,986
Depreciation And Amortization	197,970	12,821	484,959	267,481	963,231
TOTAL OPERATING EXPENSES	5,047,758	55,761	3,032,510	1,638,116	9,774,145
OPERATING INCOME (LOSS)	618,481	(55,761)	(15,702)	316,473	863,491
NON-OPERATING REVENUES:					
Investment Earnings	6,466	1,049	10,067	18,526	36,108
Intergovernmental	2,768	-	3,127	41,563	47,458
Gain on Sale Of Capital Assets	-	-	10,206	-	10,206
TOTAL NON-OPERATING REVENUES	9,234	1,049	23,400	60,089	93,772
NON-OPERATING EXPENSES:					
Interest	107,674	136,117	26,169	71,023	340,983
Fiscal Agent Fees	795	-	-	595	1,390
TOTAL NON-OPERATING EXPENSES	108,469	136,117	26,169	71,618	342,373
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	519,246	(190,829)	(18,471)	304,944	614,890
CAPITAL CONTRIBUTIONS	1,365,918	106,250	-	1,853,774	3,325,942
TRANSFERS IN (OUT)					
Transfers In	180,000	244,000	-	203,617	627,617
Transfers Out	(177,000)	-	(12,300)	(246,000)	(435,300)
TOTAL TRANSFERS IN (OUT)	3,000	244,000	(12,300)	(42,383)	192,317
CHANGE IN NET POSITION	1,888,164	159,421	(30,771)	2,116,335	4,133,149
NET POSITION, JANUARY 1	1,785,724	67,023	834,473	6,365,138	9,052,358
NET POSITION, DECEMBER 31	\$ 3,673,888	\$ 226,444	\$ 803,702	\$ 8,481,473	\$ 13,185,507

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	SEWER	THE LOOP AT CHASKA	CHASKA TOWN COURSE	STORM WATER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts From Customers and Users	\$ 5,553,026	\$ -	\$ 3,088,912	\$ 1,950,707	\$ 10,592,645
Payments to Suppliers	(4,015,625)	(247,816)	(1,107,644)	(849,714)	(6,220,799)
Payments to Employees	(724,556)	1,270	(1,417,537)	(463,622)	(2,604,445)
Net Cash Provided (Used) By Operating Activities	812,845	(246,546)	563,731	637,371	1,767,401
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers From Other Funds	180,000	-	-	203,617	383,617
Transfers To Other Funds	(177,000)	-	(12,300)	(246,000)	(435,300)
Due From Other Funds	(750,000)	-	(1,250,000)	(155,000)	(2,155,000)
Intergovernmental	2,768	-	3,127	41,563	47,458
Net Cash Provided (Used) By Non-Capital Financing Activities	(744,232)	-	(1,259,173)	(155,820)	(2,159,225)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Contributions	-	106,250	-	147,310	253,560
Principal Paid On Bonds	(239,365)	(131,000)	-	(142,600)	(512,965)
Principal Paid On Leases	-	(8,337)	(1,035)	-	(9,372)
Interest And Fiscal Charges on Bonds & Leases	(121,021)	(120,616)	(120)	(78,956)	(320,713)
Proceeds From Sale Of Capital Assets	-	-	10,206	-	10,206
Construction And Acquisition of Capital Assets	(14,772)	(186,822)	(334,808)	(671,256)	(1,207,658)
Transfers From Other Funds	-	244,000	-	-	244,000
Interfund Loan Payments To Other Funds	(15,075)	-	488,828	(57,333)	416,420
Interest Payments On Interfund Loans	(4,792)	-	(26,027)	(5,625)	(36,444)
Net Cash Provided (Used) By Capital And Related Financing Activities	(395,025)	(96,525)	137,044	(808,460)	(1,162,966)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest On Investments	4,987	1,049	8,557	16,486	31,079
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(321,425)	(342,022)	(549,841)	(310,423)	(1,523,711)
CASH AND CASH EQUIVALENTS, January 1	756,021	459,816	1,043,516	777,937	3,037,290
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 434,596</u>	<u>\$ 117,794</u>	<u>\$ 493,675</u>	<u>\$ 467,514</u>	<u>\$ 1,513,579</u>
CASH AND CASH EQUIVALENTS:					
Cash And Investments	\$ 434,596	\$ 4,726	\$ 493,675	\$ 467,514	\$ 1,400,511
Restricted Assets-Bonds:					
Cash And Investments For Construction	-	113,068	-	-	113,068
Total Cash And Cash Equivalents	<u>\$ 434,596</u>	<u>\$ 117,794</u>	<u>\$ 493,675</u>	<u>\$ 467,514</u>	<u>\$ 1,513,579</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 618,481	\$ (55,761)	\$ (15,702)	\$ 316,473	\$ 863,491
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:					
Depreciation And Amortization Expense	197,970	12,821	484,959	267,481	963,231
Allowance For Uncollectible Accounts	(68)	-	-	(113)	(181)
(Increase) Decrease In Assets And Deferred Outflows:					
Special Assessments	3,578	-	-	13,708	17,286
Accounts Receivable	(113,130)	-	1,154	(16,674)	(128,650)
Due From Other Governments	-	-	-	33,500	33,500
Inventory	554	-	(31,041)	-	(30,487)
Deferred Outflows	65,101	-	78,058	(12,141)	131,018
Increase (Decrease) In Liabilities And Deferred Inflows:					
Accounts Payable	117,064	(198,006)	101	(55,274)	(136,115)
Salaries Payable	639	-	140	63	842
Deposits Payable	-	-	70,950	-	70,950
Compensated Absences Payable	3,720	-	9,430	5,974	19,124
Net Pension Liability	269,172	-	323,007	226,628	818,807
Due To Other Governments	(50,065)	(5,600)	(7,824)	3,400	(60,089)
Unearned Revenue	(3,593)	-	-	(34,303)	(37,896)
Other Post Employment Benefits	(23,741)	-	(25,827)	(2,511)	(52,079)
Deferred Inflows	(272,837)	-	(323,674)	(108,840)	(705,351)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 812,845</u>	<u>\$ (246,546)</u>	<u>\$ 563,731</u>	<u>\$ 637,371</u>	<u>\$ 1,767,401</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Transfers Of Capital Assets	\$ 1,150,166	\$ -	\$ -	\$ 1,348,195	\$ 2,498,361
Contributions of Capital Assets	\$ 215,752	\$ -	\$ -	\$ 358,269	\$ 574,021
Amortization Of Bond Premiums	\$ 14,602	\$ -	\$ -	\$ 11,274	\$ 25,876
Acquisition of Leased Assets	\$ -	\$ 611,824	\$ 21,729	\$ -	\$ 633,553

This part of the City of Chaska's Annual Comprehensive Financial Report 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.

Table 1 – Net Position by Component

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

Table 6 – General Governmental Tax Revenues by Source

- **Revenue Capacity:**

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

Table 7 – Tax Capacity Value and Estimated Actual Value of Real and Personal Property

Table 8 – Property Tax Rates – Direct and Overlapping Governments

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

Table 14 – Legal Debt Margin Information

Table 15 – Pledged Revenue Coverage

- **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

Table 17 – Principal Employers

- **Operating Information:**

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

Table 18 – Full-Time Equivalent City Government Employees by Function/Program

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 Annual Comprehensive Financial Report for the relevant year(s).

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

	FISCAL YEAR			
	2013	2014	2015 (1)	2016
Governmental Activities				
Net Investment In Capital Assets	\$ 118,818,535	\$ 125,511,881	\$ 127,278,758	\$ 132,552,673
Restricted	25,069,356	24,001,479	14,955,015	14,175,353
Unrestricted	<u>(2,173,764)</u>	<u>(3,712,091)</u>	<u>(20,840)</u>	<u>(640,332)</u>
Total Governmental Activities Net Position:	<u><u>\$ 141,714,127</u></u>	<u><u>\$ 145,801,269</u></u>	<u><u>\$ 142,212,933</u></u>	<u><u>\$ 146,087,694</u></u>
Business-Type Activities				
Net Investment In Capital Assets	\$ 25,818,904	\$ 27,939,635	\$ 33,274,260	\$ 31,821,470
Restricted	4,451,868	4,030,287	5,190,437	5,609,821
Unrestricted	<u>13,378,058</u>	<u>13,818,352</u>	<u>(919,545)</u>	<u>1,918,324</u>
Total Business-Type Activities Net Position:	<u><u>\$ 43,648,830</u></u>	<u><u>\$ 45,788,274</u></u>	<u><u>\$ 37,545,152</u></u>	<u><u>\$ 39,349,615</u></u>
Primary Government				
Net Investment In Capital Assets	\$ 144,637,439	\$ 153,451,516	\$ 160,553,018	\$ 164,374,143
Restricted	29,521,224	28,031,766	20,145,452	19,785,174
Unrestricted	<u>11,204,294</u>	<u>10,106,261</u>	<u>(940,385)</u>	<u>1,277,992</u>
Total Primary Government Net Position:	<u><u>\$ 185,362,957</u></u>	<u><u>\$ 191,589,543</u></u>	<u><u>\$ 179,758,085</u></u>	<u><u>\$ 185,437,309</u></u>

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

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

(3) The City implemented GASB Statement No. 87 in 2022. Net position for previous years have not been restated.

Table 1

FISCAL YEAR					
2017	2018 (2)	2019	2020	2021	2022 (3)
\$ 137,122,192	\$ 146,659,763	\$ 143,383,394	\$ 134,205,413	\$ 141,167,187	\$ 150,575,322
19,807,677	20,434,329	16,956,396	16,683,713	19,532,032	18,560,127
(2,060,473)	(11,503,698)	(9,838,641)	(3,239,169)	(4,703,055)	(5,433,372)
<u>\$ 154,869,396</u>	<u>\$ 155,590,394</u>	<u>\$ 150,501,149</u>	<u>\$ 147,649,957</u>	<u>\$ 155,996,164</u>	<u>\$ 163,702,077</u>
\$ 30,523,279	\$ 33,206,537	\$ 32,618,078	\$ 37,138,756	\$ 40,160,983	\$ 47,152,434
17,986,742	16,111,606	16,407,157	16,866,244	16,714,615	15,356,458
(7,433,427)	(7,147,929)	(8,973,291)	(10,744,178)	(4,074,040)	(2,601,306)
<u>\$ 41,076,594</u>	<u>\$ 42,170,214</u>	<u>\$ 40,051,944</u>	<u>\$ 43,260,822</u>	<u>\$ 52,801,558</u>	<u>\$ 59,907,586</u>
\$ 167,645,471	\$ 179,866,300	\$ 176,001,472	\$ 171,344,169	\$ 181,328,170	\$ 197,727,756
37,794,419	36,545,935	33,363,553	33,549,957	36,246,647	33,916,585
(9,493,900)	(18,651,627)	(18,811,932)	(13,983,347)	(8,777,095)	(8,034,678)
<u>\$ 195,945,990</u>	<u>\$ 197,760,608</u>	<u>\$ 190,553,093</u>	<u>\$ 190,910,779</u>	<u>\$ 208,797,722</u>	<u>\$ 223,609,663</u>

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

	Fiscal Year									
	2013	2014	2015 (1)(2)	2016	2017	2018 (3)	2019	2020	2021	2022 (6)
EXPENSES										
Governmental Activities										
General Government	\$ 4,590,619	\$ 4,960,161	\$ 5,627,642	\$ 5,975,566	\$ 6,603,240	\$ 6,025,119	\$ 6,466,463	\$ 6,404,435	\$ 6,308,239	\$ 7,582,962
Economic Development	1,445,963	1,853,189	8,778,959	1,078,389	2,005,808	4,352,049	1,682,326	1,353,256	1,184,162	1,963,279
Public Safety	4,705,235	4,977,668	4,764,269	6,878,111	6,063,781	6,189,888	6,805,386	8,940,448	7,542,110	11,018,862
Public Works	9,758,311	8,850,036	8,488,231	8,566,638	9,042,167	10,088,913	26,781,348	16,348,045	14,663,395	13,902,073
Parks, Recreation And Arts	779,705	765,955	1,210,234	1,067,514	1,286,155	1,526,003	1,636,562	1,622,431	1,761,967	4,005,037
Interest On Long-Term Debt	1,361,830	1,037,857	1,330,444	1,424,886	1,264,604	1,550,437	1,522,276	1,812,949	1,709,519	1,676,423
Total Governmental Activities Expenses:	22,641,663	22,444,866	30,199,779	24,991,104	26,265,755	29,732,409	44,894,361	36,481,564	33,169,392	40,408,636
Business-type Activities										
Electric	31,058,570	32,528,332	33,417,358	35,236,356	35,744,098	38,896,423	35,599,483	36,587,314	41,793,193	47,590,197
Water	2,794,378	2,817,249	2,785,714	2,859,401	2,883,350	3,015,694	3,391,370	3,680,044	3,605,735	3,601,725
Sewer	2,843,831	3,104,992	3,150,447	3,254,994	3,494,259	3,801,595	4,091,831	4,560,553	4,676,438	5,154,941
Chaska Community Center	3,854,763	3,816,200	4,077,426	4,419,881	4,536,723	4,752,021	4,716,992	4,822,493	4,381,300	4,934,083
The Loop at Chaska (7)	151,575	163,112	183,136	240,047	193,856	189,814	187,568	177,696	23,721	191,878
Chaska Town Course	2,148,077	2,193,635	2,310,651	2,433,909	2,512,410	2,452,056	2,505,095	2,485,892	2,765,627	3,065,247
Turbine Generator	1,505,608	1,623,074	1,730,079	1,057,383	1,019,671	1,016,539	1,023,865	921,659	867,361	832,886
Internet Service Provider (4)	604,813	488,728	293,951	168,783	-	159,357	-	-	-	-
Storm Water	541,700	536,364	760,340	993,816	980,334	1,072,424	1,173,012	1,268,421	1,308,391	1,716,611
Chaska Curling Center (2)	-	3,391	835,012	1,516,260	2,330,918	2,635,334	2,419,331	2,200,635	2,215,831	2,378,347
Total Business-type Activities Expenses:	45,503,315	47,275,077	49,544,114	52,180,830	53,880,459	57,991,257	55,108,547	56,704,707	61,637,597	69,465,915
Total Primary Government Expenses:	\$ 68,144,978	\$ 69,719,943	\$ 79,743,893	\$ 77,171,934	\$ 80,146,214	\$ 87,723,666	\$ 100,002,908	\$ 93,186,271	\$ 94,806,989	\$ 109,514,551
PROGRAM REVENUES										
Governmental Activities										
Charges For Services										
General Government	\$ 2,465,448	\$ 2,548,055	\$ 3,440,547	\$ 3,381,482	\$ 3,716,746	\$ 4,235,869	\$ 4,522,047	\$ 4,775,856	\$ 4,988,367	\$ 5,560,975
Economic Development	163,426	167,000	70,340	77,421	76,000	80,000	85,000	85,000	177,435	203,833
Public Safety	267,962	271,613	219,590	180,603	263,033	331,251	240,462	907,268	1,823,406	2,270,380
Public Works	1,290,754	1,328,069	1,876,750	2,516,820	1,882,531	2,178,832	1,794,876	1,877,244	2,927,311	6,447,527
Parks, Recreation And Arts	462,884	281,805	132,621	317,749	182,462	429,577	652,394	655,261	559,749	2,458,046
Operating Grants And Contributions	1,234,843	854,330	667,025	626,278	1,477,224	777,833	10,909,953	7,010,170	3,729,076	976,529
Capital Grants And Contributions	5,285,987	4,968,378	6,737,538	8,226,427	14,086,637	7,951,347	2,644,120	2,296,609	11,685,438	13,399,011
Total Governmental Activities Program Revenues:	11,171,304	10,419,240	13,144,411	15,328,780	21,684,633	15,984,709	20,848,852	17,607,408	25,890,782	31,316,301
Business-type Activities										
Charges for Services										
Electric	33,831,735	34,673,309	35,565,149	37,500,384	37,542,385	41,193,202	41,203,336	43,028,104	49,019,072	55,020,552
Water	2,528,547	2,409,274	2,534,074	2,714,932	2,768,225	2,861,416	2,921,859	3,372,280	4,004,847	4,319,046
Sewer	2,948,150	3,177,511	3,267,600	3,423,610	3,601,281	3,789,275	4,136,124	4,612,317	4,986,322	5,666,239
Chaska Community Center	2,840,092	3,081,500	3,246,108	2,735,432	3,163,971	3,085,972	3,264,746	1,830,242	2,163,808	2,791,020
The Loop at Chaska (7)	155,706	151,454	192,164	170,732	167,726	154,621	136,903	204,789	59	-
Chaska Town Course	1,724,149	1,807,559	2,089,861	2,137,035	2,133,510	1,966,812	2,105,154	2,536,210	3,006,247	3,016,808
Turbine Generator	2,065,965	2,014,655	1,842,662	1,781,846	1,719,136	1,650,846	1,576,477	1,495,484	1,422,057	1,366,151
Internet Service Provider (4)	489,466	397,692	173,816	103,569	117,718	100,033	-	-	-	-
Storm Water	782,202	840,052	912,936	969,248	1,097,344	1,581,812	1,688,118	1,756,180	2,131,730	1,954,589
Chaska Curling Center (2)	-	-	65,022	1,173,795	1,221,472	1,299,997	1,240,291	641,658	915,179	1,403,440
Operating Grants And Contributions	-	-	-	100,379	99,052	142,669	141,351	145,088	66,775	-
Capital Grants And Contributions	351,542	693,238	181,839	647,918	704,759	198,433	678,369	881,172	4,712,247	1,523,889
Total Business-type Activities Program Revenues:	47,717,454	49,246,244	50,071,231	53,458,880	54,239,153	57,981,471	59,094,046	60,398,787	72,506,656	77,128,509
Total Primary Government Program Revenues:	\$ 58,888,758	\$ 59,665,484	\$ 63,215,642	\$ 68,787,660	\$ 75,923,786	\$ 73,966,180	\$ 79,942,898	\$ 78,007,195	\$ 98,397,438	\$ 108,444,810
NET EXPENSE / REVENUE										
Governmental Activities	\$ (11,470,359)	\$ (12,025,626)	\$ (17,055,368)	\$ (9,662,324)	\$ (4,581,122)	\$ (13,747,700)	\$ (24,045,509)	\$ (18,874,156)	\$ (7,278,610)	\$ (8,732,335)
Business-type Activities	2,214,139	1,971,167	527,117	1,278,050	358,694	(9,786)	3,985,499	3,695,080	10,869,059	7,662,594
Total Primary Government Net Expense:	\$ (9,256,220)	\$ (10,054,459)	\$ (16,528,251)	\$ (8,384,274)	\$ (4,222,428)	\$ (13,757,486)	\$ (20,060,010)	\$ (15,179,076)	\$ 3,590,449	\$ (1,069,741)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	\$ 10,104,762	\$ 10,703,248	\$ 9,063,743	\$ 8,189,403	\$ 9,089,057	\$ 10,129,998	\$ 10,805,084	\$ 11,731,744	\$ 12,625,690	\$ 14,033,350
Franchise Taxes	3,355,672	3,656,724	4,079,404	4,224,548	4,300,526	4,576,985	752,914	763,101	768,243	770,755
Unrestricted Grants and Contributions	58,761	491,545	530,868	585,679	310,188	26,334	42,379	2,110,628	129,545	10,150
Investment Earnings	41,179	429,177	264,180	247,788	253,578	400,814	428,710	189,473	136,732	361,050
Other	267,711	365,919	545,596	510,860	416,642	366,702	277,822	428,225	475,224	510,567
Transfers	855,816	466,155	5,086,416	(221,383)	(1,007,167)	(769,471)	6,649,355	4,927,249	4,081,951	3,921,201
Transfers - Capital Assets (5)	-	-	-	-	-	-	-	(4,127,456)	(2,592,568)	(3,168,825)
Total Governmental Activities:	14,683,901	16,112,768	19,570,207	13,537,085	13,362,824	14,731,362	18,956,264	16,022,964	15,624,817	16,438,248
Business-type Activities										
Unrestricted Grants and Contributions	-	-	-	-	41,184	211	283	165	689	616
Investment Earnings	419,145	550,131	455,526	241,753	260,708	362,111	407,297	134,799	57,955	110,438
Other	133,823	84,301	63,440	63,277	59,226	82,857	138,006	178,627	102,416	84,756
Transfers	(855,816)	(466,155)	(5,086,416)	221,383	1,007,167	769,471	(6,649,355)	(4,927,249)	(4,081,951)	(3,921,201)
Transfers - Capital Assets (5)	-	-	-	-	-	-	-	-	2,592,568	3,168,825
Total Business-type Activities:	(302,848)	168,277	(4,567,450)	526,413	1,368,285	1,214,650	(6,103,789)	(486,202)	(1,328,323)	(556,566)
Total Primary Government:	\$ 14,381,053	\$ 16,281,045	\$ 15,002,757	\$ 14,063,498	\$ 14,731,109	\$ 15,946,012	\$ 12,852,495	\$ 15,536,762	\$ 14,296,494	\$ 15,881,682
CHANGE IN NET POSITION										
Governmental Activities	\$ 3,213,542	\$ 4,087,142	\$ 2,514,839	\$ 3,874,761	\$ 8,781,702	\$ 983,662	\$ (5,089,245)	\$ (2,851,192)	\$ 8,346,207	\$ 7,705,913
Business-type Activities	1,911,291	2,139,444	(4,040,333)	1,804,463	1,726,979	1,204,864	(2,118,270)	3,208,878	9,540,736	7,106,028
Total Primary Government:	\$ 5,124,833	\$ 6,226,586	\$ (1,525,494)	\$ 5,679,224	\$ 10,508,681	\$ 2,188,526	\$ (7,207,515)	\$ 357,686	\$ 17,886,943	\$ 14,811,941

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

- (1) The City implemented GASB Statement No. 68 in 2015. Change in Net Position for previous years have not been restated.
- (2) Chaska Curling Center fund was established in 2015.
- (3) The City implemented GASB Statement No. 75 in 2018. Change in Net Position for previous years have not been restated.
- (4) The Internet Service Provider fund closed in 2018.
- (5) Starting in 2020, Transfers of Capital Assets will be shown separately from Operating Transfers.
- (6) The City implemented GASB Statement No. 87 in 2022. Change in Net Position for previous years have not been restated.
- (7) Par 30 golf course has been renamed The Loop at 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)	
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 (2)	9,702,004	1,103,080	-	302,522	450,392	11,557,998
2020	10,546,479	1,185,265	-	300,269	462,832	12,494,845
2021	11,318,040	1,307,650	-	311,830	456,413	13,393,933
2022	12,716,108	1,317,242	-	307,061	463,694	14,804,105

(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			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	739,540	891,416	852,664	924,378
Assigned	-	-	-	-
Unassigned	1,965,790	1,644,738	2,232,766	1,615,179
Total General Fund:	\$ 2,705,330	\$ 2,536,154	\$ 3,085,430	\$ 2,539,557
General Fund % Change	-10.99%	-6.25%	21.66%	-17.69%
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	15,968,896	19,114,183	11,557,173	8,022,515
Committed	1,068,969	1,912,764	3,368,508	2,456,381
Assigned	4,732,649	5,529,159	6,845,131	6,646,255
Unassigned, Reported In:				
Special Revenue Funds	(259,844)	(1,242,278)	(1,451,333)	(701,789)
Capital Project Funds	(7,456,476)	(11,708,398)	(6,914,737)	(5,224,315)
Total All Other Governmental Funds:	\$ 14,054,194	\$ 13,605,430	\$ 13,404,742	\$ 11,199,047
All Other Governmental Funds % Change	-3.75%	-3.19%	-1.48%	-16.45%
Total Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	15,968,896	19,114,183	11,557,173	8,022,515
Committed	1,808,509	2,804,180	4,221,172	3,380,759
Assigned	4,732,649	5,529,159	6,845,131	6,646,255
Unassigned	(5,750,530)	(11,305,938)	(6,133,304)	(4,310,925)
Total Governmental Funds:	\$ 16,759,524	\$ 16,141,584	\$ 16,490,172	\$ 13,738,604
Total Governmental Funds % Change	-4.99%	-3.69%	2.16%	-16.69%

Table 4

FISCAL YEAR					
2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ 53,268	\$ 54,866	\$ 119,345
908,494	1,010,606	1,133,435	970,088	1,204,624	1,277,890
-	-	-	448,864	447,206	474,561
1,103,421	1,078,348	777,426	460,243	1,324,228	1,781,459
<u>\$ 2,011,915</u>	<u>\$ 2,088,954</u>	<u>\$ 1,910,861</u>	<u>\$ 1,932,463</u>	<u>\$ 3,030,924</u>	<u>\$ 3,653,255</u>
-20.78%	3.83%	-8.53%	1.13%	56.84%	20.53%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,707
11,726,442	10,712,645	13,546,921	13,411,432	12,986,899	17,462,282
2,889,920	3,746,951	4,487,945	5,353,884	3,489,302	1,622,817
8,571,632	8,011,826	8,511,304	9,235,585	10,039,314	15,330,498
(793,665)	(1,096,949)	(1,008,180)	(985,110)	(1,002,310)	(926,248)
<u>(5,637,984)</u>	<u>(15,082,217)</u>	<u>(8,565,055)</u>	<u>(3,325,670)</u>	<u>(7,012,273)</u>	<u>(13,146,160)</u>
<u>\$ 16,756,345</u>	<u>\$ 6,292,256</u>	<u>\$ 16,972,935</u>	<u>\$ 23,690,121</u>	<u>\$ 18,500,932</u>	<u>\$ 20,365,896</u>
49.62%	-62.45%	169.74%	39.58%	-21.90%	10.08%
\$ -	\$ -	\$ -	\$ 53,268	\$ 54,866	\$ 142,052
11,726,442	10,712,645	13,546,921	13,411,432	12,986,899	17,462,282
3,798,414	4,757,557	5,621,380	6,323,972	4,693,926	2,900,707
8,571,632	8,011,826	8,511,304	9,684,449	10,486,520	15,805,059
<u>(5,328,228)</u>	<u>(15,100,818)</u>	<u>(8,795,809)</u>	<u>(3,850,537)</u>	<u>(6,690,355)</u>	<u>(12,290,949)</u>
<u>\$ 18,768,260</u>	<u>\$ 8,381,210</u>	<u>\$ 18,883,796</u>	<u>\$ 25,622,584</u>	<u>\$ 21,531,856</u>	<u>\$ 24,019,151</u>
36.61%	-55.34%	125.31%	35.69%	-15.97%	11.55%

CITY OF CHASKA, MINNESOTA

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

	FISCAL YEAR			
	2013	2014	2015	2016
<u>REVENUES</u>				
Taxes	\$ 13,502,612	\$ 14,386,746	\$ 13,150,434	\$ 12,470,764
Licenses and Permits	1,135,211	995,263	1,259,621	1,033,383
Intergovernmental	2,919,055	2,568,108	2,678,760	2,772,705
Charges for Services	3,388,069	3,470,471	4,387,691	5,316,461
Fines and Forfeitures	123,687	128,966	95,736	104,226
Special Assessments	3,918,217	2,867,959	2,076,637	2,121,412
Other Revenue	1,237,814	794,135	1,103,179	600,089
Total Revenue	26,224,665	25,211,648	24,752,058	24,419,040
<u>EXPENDITURES</u>				
General Government	4,077,218	4,361,531	4,889,132	5,228,459
Economic Development	1,460,259	1,899,514	8,766,389	1,070,364
Public Safety	4,411,566	4,513,886	4,837,862	5,270,617
Public Works	6,249,199	7,269,352	6,686,444	4,537,040
Parks, Recreation and Arts	517,843	837,886	1,086,472	828,065
Debt Service:				
Principal	5,427,723	4,948,206	5,398,720	3,013,768
Interest	1,396,806	1,109,996	1,115,857	1,429,478
Issuance Costs & Fiscal Agent Fees	112,905	95,788	353,521	4,725
Capital Outlay	4,075,585	7,367,993	13,778,776	5,633,034
Total Expenditures	27,729,104	32,404,152	46,913,173	27,015,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,504,439)	(7,192,504)	(22,161,115)	(2,596,510)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	7,641,975	6,622,433	14,212,528	6,242,220
Transfers Out	(6,786,159)	(6,156,278)	(8,968,112)	(6,423,134)
Bonds Issued	4,245,000	5,785,000	16,025,000	-
Refunding Bonds Issued	580,000	-	-	-
Premium on Bonds Issued	123,513	317,245	1,156,342	-
Capital Lease Issued	-	-	-	-
Payments to Refunded Bond Escrow Agent	(5,210,000)	-	-	-
Lease Proceeds	-	-	-	-
Sale of Capital Assets	29,032	6,164	83,945	25,856
Total Other Financing Sources (Uses)	623,361	6,574,564	22,509,703	(155,058)
NET CHANGE IN FUND BALANCES	\$ (881,078)	\$ (617,940)	\$ 348,588	\$ (2,751,568)
Expenditures for Capitalized Assets (1)	\$ 5,063,042	\$ 12,451,676	\$ 19,782,837	\$ 12,340,550
Debt Service as a Percentage of Noncapital Expenditures	30.11%	30.36%	24.01%	30.28%

(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						
2017	2018	2019	2020	2021	2022	
\$ 13,420,767	\$ 14,709,783	\$ 11,550,747	\$ 12,501,723	\$ 13,381,311	\$ 14,818,067	
1,302,593	928,825	910,342	943,410	1,836,260	2,284,612	
2,653,945	1,726,502	11,747,098	10,254,538	5,185,714	9,407,131	
5,717,156	6,220,296	6,299,265	7,213,755	8,571,378	14,418,565	
113,158	109,319	72,456	55,563	49,047	49,224	
2,835,792	2,350,349	2,535,593	1,970,086	4,100,056	2,039,491	
659,861	1,151,947	1,165,778	796,000	699,768	1,054,551	
26,703,272	27,197,021	34,281,279	33,735,075	33,823,534	44,071,641	
5,630,604	5,696,448	5,986,973	5,941,684	6,052,154	7,123,734	
1,919,188	3,183,480	1,590,071	1,332,462	1,200,386	1,863,194	
5,738,341	6,193,049	6,498,679	8,215,497	8,342,505	9,258,613	
5,213,582	7,699,681	6,922,693	6,188,270	9,007,484	7,219,707	
1,140,929	1,062,569	1,052,775	935,834	1,285,840	3,233,202	
3,061,302	2,901,859	3,323,855	6,200,609	8,373,410	3,747,070	
1,380,700	1,618,919	1,718,079	2,026,111	2,084,534	1,949,607	
250,271	11,850	319,028	286,253	104,030	60,153	
9,808,124	8,295,131	20,187,457	12,731,606	8,681,661	15,715,603	
34,143,041	36,662,986	47,599,610	43,858,326	45,132,004	50,170,883	
(7,439,769)	(9,465,965)	(13,318,331)	(10,123,251)	(11,308,470)	(6,099,242)	
4,624,645	4,297,144	17,758,206	14,860,764	10,351,559	13,146,149	
(5,617,190)	(5,252,205)	(10,082,386)	(9,923,825)	(6,240,450)	(9,142,602)	
10,870,000	-	14,735,000	11,290,000	4,940,000	4,190,000	
1,455,000	-	1,740,000	2,580,000	-	-	
1,125,229	-	1,015,807	320,429	319,635	-	
-	-	14,290	-	-	-	
-	-	(1,360,000)	(2,280,000)	(2,180,000)	-	
-	-	-	-	-	360,990	
11,741	33,976	-	14,671	26,998	32,000	
12,469,425	(921,085)	23,820,917	16,862,039	7,217,742	8,586,537	
\$ 5,029,656	\$ (10,387,050)	\$ 10,502,586	\$ 6,738,788	\$ (4,090,728)	\$ 2,487,295	
\$ 16,094,547	\$ 16,582,006	\$ 6,758,755	\$ 9,230,118	\$ 16,651,724	\$ 17,848,607	
24.61%	22.51%	12.35%	23.76%	36.72%	17.62%	

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)	
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 (4)	9,694,753	1,103,080	-	302,522	450,392	11,550,747
2020	10,553,357	1,185,265	-	300,269	462,832	12,501,723
2021	11,305,418	1,307,650	-	311,830	456,413	13,381,311
2022	12,730,070	1,317,242	-	307,061	463,694	14,818,067

(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) There were three (3) TIF districts 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
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
2020	26,467,511	9,696,784	496,454	437,324	(3,698,495)	4,336,565
2021	27,243,413	10,004,871	527,544	511,600	(3,959,880)	4,521,556
2022	28,838,975	10,314,040	554,959	530,046	(4,068,054)	4,920,087

Source: Carver County Auditor

Table 7

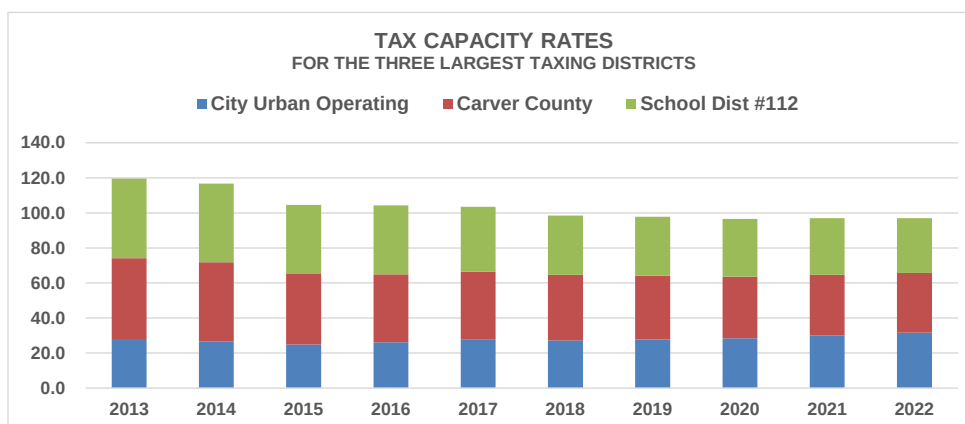
TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE		ADJUSTED TAX CAPACITY VALUE	CITY TOTAL DIRECT TAX RATE	EDA TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL MARKET VALUE REAL & PERSONAL	ADJ TAX CAPACITY VALUE AS A PERCENTAGE OF ACTUAL VALUE
\$	(4,543,317)	\$ 18,362,108	28.075	0.411	\$ 2,020,207,000	0.91%
	(4,464,026)	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%
	(1,209,027)	36,527,116	28.425	0.313	3,281,441,700	1.11%
	(1,215,297)	37,633,807	30.068	0.475	3,368,610,400	1.12%
	(1,355,539)	39,734,514	31.625	0.458	3,536,714,700	1.12%

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

TAXES PAYABLE YEAR	DIRECT RATES			OVERLAPPING RATES (2)				TOTAL DIRECT AND OVERLAPPING RATES (1)
	CITY URBAN OPERATING	RURAL (1)	CITY ECONOMIC DEVELOPMENT AUTHORITY	COUNTY	COUNTY COMMUNITY DEVELOPMENT AUTHORITY	INDEPENDENT SCHOOL DISTRICT #112	SPECIAL DISTRICTS (3)	
2013	28.075	14.038	0.411	46.115	1.799	45.319	5.069	(4) 126.790
2014	26.586	13.293	0.391	45.211	1.759	44.917	4.072	122.936
2015	24.928	14.957	1.574	40.488	1.589	39.120	3.422	111.122
2016	26.118	18.283	1.519	38.880	1.701	39.245	3.614	111.077
2017	27.564	22.051	1.557	38.851	1.731	37.005	3.615	110.323
2018	27.234	24.511	1.503	37.436	1.640	33.837	3.347	104.997
2019	27.678	27.678	1.497	36.488	1.626	33.631	3.300	104.220
2020	28.425	28.425	0.313	35.179	1.598	33.006	3.061	101.584
2021	30.068	30.068	0.475	34.634	1.664	32.327	2.876	102.045
2022	31.625	31.625	0.458	34.170	1.635	31.220	2.753	101.861

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. Beginning in 2019, the annexed area is 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 to 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, Mosquito Control, and Carver County Rail Authority.
- (4) 2013 rate includes the Carver County Water Management Organization.



PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	ASSESSED 2021 - PAYABLE 2022				ASSESSED 2012 - PAYABLE 2013			
	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.	\$ 27,054,600	\$ 539,592	1	1.36%	\$ 21,804,300	\$ 434,586	1	2.37%
Aurora Investments LLC	22,512,300	430,951	2	1.08%	16,836,300	321,514	3	1.75%
CenterPoint Energy Minnegasco	19,864,000	396,530	3	1.00%	*	*	*	*
Arrow Hazeltine Shores LLC	23,258,300	290,729	4	0.73%	*	*	*	*
Aurora-Chaska Medical LLC	32,023,700	281,058	5	0.71%	23,924,300	209,784	7	1.14%
Via West Inc.	13,894,000	277,130	6	0.70%	*	*	*	*
Chaska Heights Senior Living LLC	21,878,700	273,484	7	0.69%	*	*	*	*
Target Corp	13,549,500	270,240	8	0.68%	12,288,100	245,012	6	1.33%
SB Chaska Partners LLC	21,142,600	264,283	9	0.67%	*	*	*	*
RCS-RCA Oak Ridge LLC	13,646,000	236,096	10	0.59%	*	*	*	*
Ameriprise Financial Inc.	*	*	*	*	21,346,300	397,387	2	2.16%
Hazeltine National Golf Club	*	*	*	*	15,941,700	284,463	4	1.55%
Fluoroware Inc.	*	*	*	*	12,393,900	245,628	5	1.34%
Kohl's Illinois Inc.	*	*	*	*	8,854,400	176,338	8	0.96%
Northern Star Co.	*	*	*	*	8,278,900	164,828	9	0.90%
FSI International Inc.	*	*	*	*	8,180,100	162,852	10	0.89%
	<u>\$ 208,823,700</u>	<u>\$ 3,260,093</u>		<u>8.21%</u>	<u>\$ 149,848,300</u>	<u>\$ 2,642,392</u>		<u>14.39%</u>

Source: Carver County Auditor

(1) Assessed 2022 values are determined as of January 2, 2021

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		
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
2020	10,516,131	(1,679)	10,514,452	47,705	10,562,157
2021	11,412,924	(1,632)	11,411,292	(26,381)	11,384,911
2022	12,672,429	(1,716)	12,670,713	12,408	12,683,121

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
\$ 5,011,429	98.77%	\$ 61,909	\$ 5,073,338	100.00%
5,179,682	99.30%	37,330	5,216,146	100.00%
6,889,114	99.15%	52,974	6,942,088	99.91%
7,649,215	99.45%	39,058	7,688,273	99.96%
8,348,563	99.69%	25,864	8,374,427	100.00%
9,053,269	99.73%	23,823	9,077,092	100.00%
9,642,349	99.71%	4,792	9,647,141	99.76%
10,539,422	99.78%	17,493	10,556,915	99.95%
11,353,727	99.73%	27,939	11,381,666	99.97%
12,659,037	99.81%	-	12,659,037	99.81%

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 (4)	GENERAL OBLIGATION TAX INCREMENT BONDS	GENERAL OBLIGATION ABATEMENT BONDS	GENERAL OBLIGATION IMPROVEMENT BONDS	GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	NOTES PAYABLE	LEASES	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL GOVERNMENTAL ACTIVITIES DEBT
2013	\$ 1,320,000	\$ 3,120,000	\$ 7,235,000	\$ 405,000	\$ 18,870,000	\$ -	\$ -	\$ 144,994	\$ -	\$ 610,991	\$ 31,705,985
2014	1,190,000	2,755,000	3,835,000	405,000	23,610,000	-	-	136,788	-	842,462	32,774,250
2015	975,000	2,315,000	945,000	405,000	27,705,000	-	10,085,000	128,068	-	1,908,544	44,466,612
2016	740,000	1,835,000	850,000	405,000	25,510,000	-	10,085,000	119,300	-	1,783,175	41,327,475
2017	2,605,000	1,635,000	1,220,000	2,430,000	30,995,000	-	9,815,000	107,998	-	2,785,053	51,593,051
2018	2,505,000	1,880,000	1,125,000	630,000	29,405,000	720,000	9,545,000	96,139	-	2,587,041	48,493,180
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	3,400,438	61,112,012
2020 (3)	3,185,000	6,440,000	3,100,000	610,000	32,310,000	570,000	16,805,000	70,652	10,313	3,428,009	66,528,974
2021	2,780,000	5,920,000	2,990,000	575,000	28,205,000	495,000	16,515,000	-	7,555	3,345,308	60,832,863
2022	2,345,000	9,635,000	2,950,000	540,000	26,200,000	420,000	15,885,000	-	333,398 (5)	3,058,945	61,367,343

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.
- (3) Governmental Activities Other General Obligation Bonds include Temporary GO Bonds issued in 2019 with an outstanding balance of \$5,150,000.
- (4) Governmental Activities Other General Obligation Bonds include both permanent and temporary GO State Aid Street Bonds issued in 2021 and 2022.
- (5) City implemented GASB 87 in 2022.

Table 11

BUSINESS-TYPE ACTIVITIES									
GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	LEASE PURCHASE BONDS	FINANCED PURCHASE PAYABLE	LEASES	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL BUSINESS-TYPE ACTIVITIES DEBT	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ⁽¹⁾	PER CAPITA ⁽¹⁾
\$ 11,700,000	\$ 37,125,000	\$ -	\$ -	\$ -	\$ 894,630	\$ 49,719,630	\$ 81,425,615	5.51%	3,282
11,370,000	35,625,000	-	-	-	840,869	47,835,869	80,610,119	5.09%	3,190
16,170,000	46,970,000	-	-	-	3,524,126	66,664,126	111,130,738	6.69%	4,340
15,745,000	45,435,000	-	-	-	3,289,591	64,469,591	105,797,066	6.10%	4,002
15,820,000	52,015,000	-	-	-	3,572,665	71,407,665	123,000,716	6.67%	4,566
15,100,000	47,050,000	-	145,571	-	3,305,892	65,601,463	114,094,643	5.80%	4,131
17,220,000	44,125,000	-	101,541	-	3,169,083	64,615,624	125,727,636	6.15%	4,540
25,450,000	42,540,000	-	54,528	-	4,058,492	72,103,020	138,631,994	6.55%	4,985
16,720,000	37,360,000	3,560,000	280,594	-	3,575,299	61,495,893	122,328,756	5.44%	4,380
15,420,000	34,220,000	3,429,000	234,292	627,906 (5)	3,216,727	57,147,925	118,515,268	5.27%	4,243

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)					
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
2020	46,215,000	2,927,265	25,450,000	666,467	8,661,721	66,597,011	2.03%		2,395
2021	40,965,000	2,930,192	16,720,000	508,354	9,020,876	52,102,670	1.55%		1,865
2022	42,090,000	2,677,507	15,420,000	462,349	9,013,681	51,636,175	1.46%		1,849

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, general obligation state aid street 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, 2022
(UNAUDITED)

	DEBT OUTSTANDING	PERCENT OF DEBT APPLICABLE TO CITY	AMOUNT OF DEBT APPLICABLE TO CITY
DIRECT DEBT			
City of Chaska and Chaska EDA	<u>\$ 61,367,343 (1)</u>	100.00%	<u>\$ 61,367,343</u>
OVERLAPPING DEBT			
Carver County	18,031,939	21.72%	3,916,537
Carver County CDA	25,550,000 (2)	-	-
Independent School District 112	146,024,000	37.16%	54,262,518
Metropolitan Council	<u>1,717,186,171 (3)</u>	0.78%	<u>13,394,052</u>
Total Overlapping Debt	<u>1,906,792,110</u>		<u>71,573,108</u>
Total Direct and Overlapping Debt	<u>\$ 1,968,159,453</u>		<u>\$ 132,940,451</u>

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, lease purchase, and revenue bonds reported in the enterprise funds.
Includes premium related to governmental activities general obligation bonds and notes payable.
Includes GASB 87 lease liabilities related to governmental activities.
- (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)**

	2013	2014	2015	2016
Market Value	\$ 2,020,207,000	\$ 2,121,003,200	\$ 2,380,806,300	\$ 2,573,342,000
Debt Limit - 3% of Market Value (A)	60,606,210	63,630,096	71,424,189	77,200,260
Amount of Debt Applicable to Debt Limit:				
GO Improvement Bonds and				
Equipment Certificates	1,480,000	3,895,000	3,680,000	3,180,000
Capital Improvement Plan Refunding	1,195,000	750,000	295,000	-
Lease Obligations issued by the EDA	6,610,000	6,315,000	32,360,000	32,045,000
Installment Purchase Revenue Debt	-	-	-	-
Lease Purchase Bonds	-	-	-	-
Total Debt Applicable to Debt Limit	9,285,000	10,960,000	36,335,000	35,225,000
Legal Debt Margin	\$ 51,321,210	\$ 52,670,096	\$ 35,089,189	\$ 41,975,260
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (B)	15.32%	17.22%	50.87%	45.63%

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

2017	2018	2019	2020	2021	2022
\$ 2,652,305,300	\$ 2,847,274,600	\$ 3,007,913,300	\$ 3,281,441,700	\$ 3,368,610,400	\$ 3,536,714,700
79,569,159	85,418,238	90,237,399	98,443,251	101,058,312	106,101,441
4,765,000	4,385,000	5,070,000	4,475,000	3,760,000	3,010,000
-	-	-	-	-	-
32,390,000	28,690,000	27,105,000	25,060,000	23,450,000	21,780,000
-	-	-	7,815,000.00	7,815,000	7,485,000
-	-	-	-	3,560,000	3,429,000
37,155,000	33,075,000	32,175,000	37,350,000	38,585,000	35,704,000
\$ 42,414,159	\$ 52,343,238	\$ 58,062,399	\$ 61,093,251	\$ 62,473,312	\$ 70,397,441
46.70%	38.72%	35.66%	37.94%	38.18%	33.65%

CITY OF CHASKA, MINNESOTA

 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FISCAL YEAR	OPERATING 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								
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)	
2020	1,080,081 (6)	9,400	1,070,681	280,000	470,271	750,271	1.43	
2021	1,017,433	7,746	1,009,687	290,000	567,152	857,152	1.18	
2022	746,625	7,626	738,999	630,000	541,050	1,171,050	0.63	
ELECTRIC ENTERPRISE FUND: LAST TEN FISCAL YEARS								
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	
2020	43,028,104	34,972,958	8,055,146	430,000	295,545	725,545	11.10	
2021	49,019,072	39,995,030	9,024,042	425,000 (7)	291,138	716,138	12.60	
2022	55,020,552	45,758,924	9,261,628	430,000	269,375	699,375	13.24	
WATER ENTERPRISE FUND: LAST TEN FISCAL YEARS								
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	
2020	3,372,280	2,353,522	1,018,758	625,000	381,098	1,006,098	1.01	
2021	4,004,847	2,441,121	1,563,726	740,440 (8)	443,557	1,183,997	1.32	
2022	4,319,046	2,577,302	1,741,744	918,035	150,150	1,068,185	1.63	
SEWER ENTERPRISE FUND: EIGHT FISCAL YEARS								
2015	\$ 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	
2020	4,612,317	4,300,056	312,261	125,000	99,796	224,796	1.39	
2021	4,986,322	4,406,445	579,877	203,561	124,337	327,898	1.77	
2022	5,666,239	4,849,788	816,451	239,365	120,226	359,591	2.27	
COMMUNITY CENTER ENTERPRISE FUND: LAST TEN FISCAL YEARS								
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)	
2020	1,830,242	3,737,706	(1,907,464)	3,075,000	154,030	3,229,030	(0.59)	
2021	2,163,808	3,455,882	(1,292,074)	295,000	171,186	466,186	(2.77)	
2022	2,791,020	3,933,413	(1,142,393)	320,000	133,600	453,600	(2.52)	

FISCAL YEAR	OPERATING REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE						
				PRINCIPAL	INTEREST	TOTAL							
THE LOOP AT CHASKA ENTERPRISE FUND: TWO FISCAL YEARS													
2021	(1) \$	59 (9) \$	(43,856) (9) \$	43,915	\$ -	\$ -	\$ -	-					
2022		-	42,940	(42,940)	131,000	114,953	245,953	(0.17)					
TURBINE GENERATOR ENTERPRISE FUND: LAST TEN FISCAL YEARS													
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 (5)		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
2020		1,495,484		320,756		1,174,728		1,220,000		862,250		2,082,250	0.56
2021		1,422,057		328,146		1,093,911		1,275,000		801,250		2,076,250	0.53
2022		1,366,151		331,016		1,035,135		1,340,000		737,500		2,077,500	0.50
STORM WATER ENTERPRISE FUND: EIGHT 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
2020		1,756,180		1,004,334		751,846		80,000		64,226		144,226	5.21
2021		2,131,730		1,014,679		1,117,051		115,999		82,028		198,027	5.64
2022		1,954,589		1,370,635		583,954		142,600		80,011		222,611	2.62
CURLING CENTER ENTERPRISE FUND: EIGHT 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)
2020		641,658		1,105,354		(463,696)		1,000,000		472,636		1,472,636	(0.31)
2021		915,179		1,150,177		(234,998)		1,025,000		446,260		1,471,260	(0.16)
2022		1,403,440		1,342,839		60,601		1,050,000		416,850		1,466,850	0.04

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

- (1) First year shown is first year of issuance.
- (2) Includes interest revenue for years 2013 - 2019. For 2020 and future years, interest revenue is not included.
- (3) Does not include depreciation or transfers to other funds.
- (4) Includes principal and interest payment of revenue bonds only.
- (5) 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.
- (6) In 2020, Transfers were included to be consistent with Note 7 - Long Term Liabilities, Revenue Pledged
- (7) 2021 principal payment does not include \$2,160,000 paid from refunding bond investments to refund the 2011 Electric Utility Revenue Bonds.
- (8) 2021 principal payment does not include \$7,670,000 paid from refunding bond investments to refund the 2011 GO Water Revenue Bonds.
- (9) The Loop at Chaska (formerly known as Par 30 Golf Course) was closed for construction in 2021 and 2022, resulting in minimal operating revenues. The negative operating expense is due to negative pension expense of \$78,504 offsetting other operating expenses of \$34,648.

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)
2013	24,811	9,143	\$ 1,477,197,318	\$ 59,538	34.2	6,086	4.31%
2014	25,270	9,278	1,584,075,220	62,686	35.6	5,797	3.70%
2015	25,607	9,492	1,661,330,946	64,878	35.7	5,854	3.20%
2016	26,439	9,823	1,733,473,035	65,565	36.2	5,700	3.30%
2017	26,941	10,012	1,845,323,795	68,495	36.1	5,662	3.00%
2018	27,622	10,136	1,967,459,816	71,228	36.0	5,561	2.50%
2019	27,692	10,228	2,043,254,220	73,785	36.2	5,725	2.80%
2020	27,810	10,438	2,117,369,970	76,137	36.2	5,769	5.20%
2021	27,931	10,508	2,250,177,222	80,562	36.2	5,700 (6)	3.00%
2022	27,931 (7)	10,508 (7)	2,250,177,222 (7)	80,562 (7)	37.4	5,687	2.20%

(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, Chaska City, MN.

(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 Carver County (not seasonally adjusted). (Number of people estimated by place of residence).

(6) Guardian Angels School permanently closed in 2020. Enrollment that year was 64 students.

(7) 2022 data is not available at this time. Data is from 2021, and will be updated as it becomes available.

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2022			2013		
	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (1)	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
ISD #112/Eastern Carver County	1,567	1	12.41%	1,100	1	9.24%
Beckman-Coulter, Inc	850	2	6.73%	750	4	6.20%
Entegris Inc	777	3	6.15%	350	7	2.94%
Carver County	727	4	5.76%	815	3	6.85%
City of Chaska (2)	535	5	4.24%	*	*	*
Apex International, MFG	400	6	3.17%	*	*	*
Old National Bank (3)	400	6	3.17%	*	*	*
Lake Region Manufacturing Co., Inc	370	8	2.93%	745	5	6.26%
Import Specialties, Inc.	250	9	1.98%	*	*	*
TEL-FSI, Inc (4)	140	10	1.11%	850	2	7.14%
Sanofi Diagnostics Pasteur, Inc	*	*	*	415	6	3.49%
Century Link	*	*	*	210	8	1.76%
The Bernard Group	*	*	*	210	8	1.76%
Maximum Graphics	*	*	*	190	10	1.60%
Total:	6,016		47.63%	5,635		47.24%

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 2020.

(2) Includes seasonal and part-time employees

(3) Formerly known as Klein Financial, Inc

(4) Formerly known as FSI International. Updated count from employer (2022)

* 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)**

FUNCTION/PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31			
	2013	2014	2015	2016
General Government	28.8	29.4 (1)	30.2	31.2 (1)
Public Safety				
Police Department	32.8	30.0	30.0	31.9
Fire Department	6.4	8.8	11.5	11.1
Building Inspections (5)	0.0	0.0	0.0	0.0
Public Works	21.2	20.3	19.5	20.9
Parks, Recreation and Arts	5.7	5.6	4.6	7.2
Electric	15.9	17.0	17.6	17.6
Water	7.0	7.4	7.6	7.1
Sewer	6.7	7.2	7.0	6.9
Chaska Community Center	37.7	37.1	37.7	38.8
The Loop at Chaska (8)	2.4	2.3	2.6	2.7
Chaska Town Course	17.9	17.9	18.6	19.3
Internet Service Provider	2.3	1.0	0.0 (2)	0.0
Storm Water	2.3	2.6	2.7	3.1
Chaska Curling/Event Center	N/A	N/A	1.0 (3)	6.0
Total	186.9	186.4	190.6	203.5

Source: City of Chaska Payroll.

- (1) Includes election judges which increases General Government totals by a range of 1 - 1.2 equivalent employees each election year.
- (2) Residential internet service ended in 2015 and Chaska.Net employee moved to General Government.
- (3) Curling/Event Center opened 2015.
- (4) KPMG Golf Tournament 2019 required extra Police & Fire Hours
- (5) Building Inspectors were previously included in General Government.
- (6) Closed for reconstruction at the end of the 2020 season.
- (7) Park maintenance was moved from Public Works to Park, Recreation and Arts.
- (8) Par 30 golf course has been renamed The Loop at Chaska

Table 18

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31								
2017	2018		2019		2020		2021	2022
29.7	32.2	(1)	32.2		31.9	(1)	29.9	32.6 (1)
31.5	32.7		35.1 (4)		35.8		35.7	37.3
12.3	14.1		16.1 (4)		16.3		16.3	18.2
0.0	0.0		0.0		5.6		6.6	6.9
22.1	24.6		25.0		25.2		24.7	12.0 (7)
7.0	7.7		9.4		8.2		8.2	22.3 (7)
17.4	16.0		17.2		19.3		17.5	19.2
7.1	6.8		6.8		6.8		6.4	6.3
7.1	6.9		6.8		6.8		6.4	6.3
39.0	38.1		39.1		35.4		31.8	35.3
2.6	2.4		2.5		2.3		0.0 (6)	0.0
18.5	18.4		18.7		18.0		20.2	19.4
0.0	0.0		0.0		0.0		0.0	0.0
3.2	2.9		2.9		2.9		2.4	3.9
8.6	9.2		9.6		8.2		7.4	8.2
206.0	211.9		221.5		222.6		213.4	227.9

CITY OF CHASKA, MINNESOTA

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

FUNCTION / PROGRAM	FISCAL YEAR			
	2013	2014	2015	2016
Electric				
Number of Connections (Billed)	9,887	10,054	9,912	10,002
Purchased KWH Power Wholesale				
From MMPA	355,358,125	360,570,327	360,908,813	367,267,226
Total kWh Sales	342,701,568	347,410,769	350,780,886	355,853,340
Total kWh Received (8)	-	-	-	-
Peak kW Demand	76,147	72,641	70,061	77,637
Water				
Number of Connections (Billed)	6,448	6,613	6,797	6,912
Total Water Pumped (Gallons)	1,089,134,000	1,036,324,000	1,030,518,000	1,040,547,000
Total Water Sold (Gallons)	1,031,696,000	972,503,000	991,284,000	1,016,915,000
Average Daily Usage (Gallons Per Day)	2,827,000	2,664,392	2,715,847	2,786,000
System Peak Day (Gallons Per Day)	6,847,000	6,429,000	6,007,000	7,047,000
Sewer (10)				
Number of Connections (Billed)	6,380	6,545	6,710	6,827
Total Gallons Treated (Gallons)	920,399,000	930,431,000	931,203,000	924,965,000
Storm Water				
Number of Utility Customers (Billed)	7,954	8,051	8,153	8,292
Internet Service Provider (5)				
Number of Connections (Billed)	1,080	730	2	2
Golf Courses				
Town Course Rounds / Golfers	28,519	31,199	34,253	33,403
The Loop at Chaska (Par 30) Rounds / Golfers (11)	14,982	14,907	15,560	14,810
Par 30 Rounds / Foot Golf (4)	-	-	1,925	1,108
General Government / Building Department				
Building Permits And Market Value				
Commercial, Industrial And Public (1)				
Permits	44	51	43	38
Market Value (7)	\$ 37,794,640	\$ 11,117,620	\$ 26,204,786	\$ 14,769,385
Single Family Homes And Townhomes (2)				
Permits	130	138	135	134
Market Value	\$ 34,957,157	\$ 35,216,150	\$ 35,690,048	\$ 34,199,578
Condos, Apartments And Multi-Family Homes (2)				
Permits	8	6	1	10
Market Value	\$ 3,317,416	\$ 5,005,291	\$ 17,000,000	\$ 6,303,563
Misc. Residential And Other Bldgs (3)				
Permits	620	591	658	1,234
Market Value (6)	\$ 6,337,948	\$ 6,642,933	\$ 8,275,817	\$ 15,058,650
Total Building Permits:	802	786	837	1,416
Total Market Value:	\$ 82,407,161	\$ 57,981,994	\$ 87,170,651	\$ 70,331,176

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 which was offered through the 2019 season.
 (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. 2021 was a record year for miscellaneous residential permits for alterations/additions.
 (7) 2017 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
 (9) Par 30 closed for construction at the end of the 2020 season.
 (10) Sewer Service through Metropolitan Council Environmental Services
 (11) Par 30 golf course has been renamed The Loop at Chaska

Table 19

FISCAL YEAR					
2017	2018	2019	2020	2021	2022
10,240	10,296	10,488	10,618	10,739	11,000
364,637,712	383,993,272	388,005,113	399,816,088	415,067,637	419,512,809
354,994,175	371,631,841	374,349,964	383,968,650	403,721,262	408,983,778
1,267	29,118	38,945	94,676	232,636	449,364
73,472	78,428	77,413	80,485	85,839	86,662
7,063	7,151	7,260	7,362	7,487	7,720
1,071,455,000	1,037,845,000	1,030,142,000	1,100,289,000	1,232,289,000	1,223,274,000
1,029,698,000	981,943,000	986,551,000	1,056,638,979	1,177,971,910	1,166,580,000
2,821,000	2,843,411	2,822,000	2,895,000	3,227,320	3,196,109
6,554,000	6,579,000	5,939,000	6,589,000	7,376,000	7,824,000
6,916	6,999	7,093	7,186	7,304	7,545
912,076,000	845,848,000	870,838,000	882,570,979	909,148,000	895,871,000
8,364	8,438	8,517	8,615	8,728	9,152
2	2	-	-	-	-
32,642	30,157	29,374	38,550	42,715	39,094
14,130	13,206	13,020	20,488	- (9)	-
681	647	380	-	-	-
45	49	34	47	44	344
\$ 69,759,098	\$ 14,207,139	\$ 6,587,100	\$ 8,694,470	\$ 22,041,285	\$ 76,853,099
103	78	114	113	226	177
\$ 24,339,375	\$ 18,788,936	\$ 31,901,390	\$ 28,362,364	\$ 74,768,560	\$ 57,411,144
-	1	-	-	-	3
\$ -	\$ 17,500,000	\$ -	\$ -	\$ -	\$ 25,407,216
678	570	636	917	1,363	2,063
\$ 11,310,594	\$ 7,125,660	\$ 7,365,467	\$ 14,342,105	\$ 23,491,778	\$ 19,902,467
826	698	784	1,077	1,633	2,587
\$ 105,409,067	\$ 57,621,735	\$ 45,853,957	\$ 51,398,939	\$ 120,301,623	\$ 179,573,926

CITY OF CHASKA, MINNESOTA

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

FUNCTION/PROGRAM	FISCAL YEAR			
	2013	2014	2015	2016
Public Safety				
Police:				
Stations	1	1	1	1
Fire:				
Stations	1	1	1	1
Number of Fire Hydrants (Private)	1,865	414 (2)	416	422
Number of Fire Hydrants (Public)		1,371 (2)	1,390	1,393
Public Works				
Miles of Streets:				
City / Local	78.19	76.81 (1)	77.78	78.36
City MSA	20.47	20.95	20.95	20.94
Parks, Recreation and Arts				
Number of Parks	26	26	26	26
Acres of Parks	970	970	970	973
Miles of Trails	66	66	67	67
Golf Courses	2	2	2	2
Electric				
Number of Substations	4	4	3 (3)	3
Water				
Water Mains (Miles)	151	153	154	155
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)	4,800,000	4,800,000	4,800,000	4,800,000

Source: City Departments

- (1) Decrease in City / Local Streets due to Common Boundary Mileage per State Aid Division.
 (2) Count of hydrants was recalculated per City GIS system resulting in an adjustment downward of 80 hydrants. Prior years have not been restated.
 (3) Closed the Chaska Downtown Substation to convert it into a switching station.

Table 20

FISCAL YEAR					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
1	1	1	1	1	1
494	517	518	521	526	525
1,393	1,431	1,450	1,504	1,521	1,531
79.17	79.36	80.71	81.70	83.65	86.50
20.94	20.79	20.79	22.92	22.98	22.98
26	26	28	28	28	29
973	973	985	985	985	992
68	68	69	70.5	70.5	71.0
2	2	2	2	2	2
3	4	4	4	4	4
155	160	163	169	172	174
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

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

\$10,895,000*

CITY OF CHASKA, MINNESOTA

GENERAL OBLIGATION BONDS, SERIES 2023A

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Bonds") will be received by the City of Chaska, Minnesota (the "City") on Monday, December 4, 2023 (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the 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 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 bids@bakertilly.com, 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 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 BONDS

The 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, 2024. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

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

2025	\$365,000	2030	\$490,000	2035	\$620,000	2040	\$645,000
2026	\$405,000	2031	\$520,000	2036	\$650,000	2041	\$675,000
2027	\$425,000	2032	\$545,000	2037	\$685,000	2042	\$710,000
2028	\$445,000	2033	\$570,000	2038	\$715,000	2043	\$745,000
2029	\$470,000	2034	\$600,000	2039	\$615,000		

*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the 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 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.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the 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 Bonds. Individual purchases of the 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 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 Bonds, will be required to deposit the Bonds with DTC.

REGISTRAR/PAYING AGENT

U.S. Bank Trust Company, National Association, will serve as the registrar/paying agent (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, 2033, and on any day thereafter, to redeem Bonds due on or after February 1, 2034. 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 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 Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments filed against benefited properties for repayment of a portion of the Bonds. The proceeds of the Bonds will be used to (i) finance various street improvement projects within the City, (ii) finance the acquisition of various items of capital equipment; and (iii) pay the costs associated with the issuance of the Bonds.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the 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 \$10,895,000 (Par) plus accrued interest, if any, on the total principal amount of the Bonds. 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.

Proposals for the 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 herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

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 Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Bonds of the same maturity shall bear a single rate from the date of the 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 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 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 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, Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a proposal is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the 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 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 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 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 \$108,950 (the “Deposit”) no later than 1:00 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 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 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 Bonds. If the 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 Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

CUSIP NUMBERS

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

SETTLEMENT

On or about December 28, 2023, the 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 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 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 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 Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the 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 bids@bakertilly.com. The Preliminary Official Statement will also be made available at <https://bondcalendar.bakertilly.com/>.

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 Bonds, together with any other information required by law. By awarding the 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 November 6, 2023

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) *Issuer* 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 Issuer (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 Issuer[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 Issuer[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) **Issuer** 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 Issuer (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 Issuer[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 Issuer[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)

CITY OF CHASKA, MINNESOTA
\$10,895,000* General Obligation Bonds, Series 2023A

For the Bonds of this City which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$_____ (which may not be less than \$10,895,000 (Par)) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2025	_____ %	_____ %	_____ %	2035	_____ %	_____ %	_____ %
2026	_____ %	_____ %	_____ %	2036	_____ %	_____ %	_____ %
2027	_____ %	_____ %	_____ %	2037	_____ %	_____ %	_____ %
2028	_____ %	_____ %	_____ %	2038	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2039	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2040	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2041	_____ %	_____ %	_____ %
2032	_____ %	_____ %	_____ %	2042	_____ %	_____ %	_____ %
2033	_____ %	_____ %	_____ %	2043	_____ %	_____ %	_____ %
2034	_____ %	_____ %	_____ %				

Designation of Term Maturities

Years of Term Maturities _____

In making this offer on the sale date of December 4, 2023 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated November 17, 2023 including the City's right to modify the principal amount of the Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _____.

Account Members

Account Manager

By: _____

Phone: _____

.....
The foregoing proposal has been accepted by the City.

Attest: _____

Date: _____

Phone: 651-223-3000

Email: bids@bakertilly.com

* Preliminary; subject to change.

CLAIMS ROSTER REPORT

FOR COUNCIL MEETING:

December 4, 2023

Paid and Unpaid Invoices:

Check #'s 349373-349514

\$1,302,362.89

Paid Electronic Invoices:

Wire #'s 3922-3947

\$5,777,373.95

Amount for Approval-Council Meeting:

December 4, 2023

\$7,079,736.84

City of Chaska

VENDOR INVOICE LIST

Checks

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100897 4IMPRINT INC										
26298475		11/22/2023	120523	349391	901.17	901.17	12/24/2023	INV	PD	HRC-Fold up flyers & t
CHECK DATE: 12/05/2023										
103825 ACUSHNET COMPANY										
916801897		11/06/2023	120523	349392	155.08	155.08	12/06/2023	INV	PD	RESALE
CHECK DATE: 12/05/2023										
108061 ERNST ENTERPRISES INC										
120265		11/13/2023	120523	349393	210,500.00	210,500.00	12/13/2023	INV	PD	CTC CLUBHOUSE-NEW ROOF
CHECK DATE: 12/05/2023										
120862		11/22/2023	120523	349393	25,915.00	25,915.00	12/22/2023	INV	PD	LOOP CLUBHOUSE SIDING,
CHECK DATE: 12/05/2023										
100073 AMARIL UNIFORM CO					236,415.00					
IV252921		11/17/2023	120523	349394	304.92	304.92	12/17/2023	INV	PD	C. ROHLIK - FR CLOTHIN
CHECK DATE: 12/05/2023										
IV253061		11/22/2023	120523	349394	1,007.99	1,007.99	12/22/2023	INV	PD	T. JENSEN INITIAL FR C
CHECK DATE: 12/05/2023										
107005 AMERICAN ENVIRONMENTAL LLC					1,312.91					
3327		11/15/2023	120523	349395	17,995.00	17,995.00	12/15/2023	INV	PD	VACCED/CLEANED STORM S
CHECK DATE: 12/05/2023										
100119 SHAKOPEE VALLEY FORD										
367780FOW		11/15/2023	120523	349396	44.22	44.22	12/15/2023	INV	PD	#707 EVAP SELINOID EMI
CHECK DATE: 12/05/2023										
368071FOW		11/21/2023	120523	349396	621.92	621.92	12/21/2023	INV	PD	#1192 ALTERNATOR & BEL
CHECK DATE: 12/05/2023										
368073FOW		11/21/2023	120523	349396	452.94	452.94	12/21/2023	INV	PD	#709 WATER PUMPS W/ BO
CHECK DATE: 12/05/2023										
368254FOW		11/21/2023	120523	349396	140.46	140.46	12/21/2023	INV	PD	#709 OIL SEPARATOR & B
CHECK DATE: 12/05/2023										

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 1

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100122 ARAMARK REFRESHMENT SERVICES					1,259.54					
7685278 CHECK DATE: 12/05/2023		11/11/2023	120523	349398	52.84	52.84	12/11/2023	INV	PD	HOT CHOCOLATE-FD
7707422 CHECK DATE: 12/05/2023		11/14/2023	120523	349397	81.14	81.14	12/14/2023	INV	PD	Coffee for the breakro
106918 ARTHUR CLESEN INC					133.98					
11481-00 CHECK DATE: 12/05/2023		11/14/2023	120523	349399	10,101.47	10,101.47	12/14/2023	INV	PD	UPGRADED IRRIGATION SA
100146 ASPEN MILLS INC										
323653 CHECK DATE: 12/05/2023		11/22/2023	120523	349400	159.98	159.98	12/22/2023	INV	PD	DUTY UNIFORM-LOVEJOY
323654 CHECK DATE: 12/05/2023		11/22/2023	120523	349400	206.54	206.54	12/22/2023	INV	PD	DUTY UNIFORM-SCHROECKE
323655 CHECK DATE: 12/05/2023		11/22/2023	120523	349400	29.70	29.70	12/22/2023	INV	PD	DUTY UNIFORM-PAYNE
323656 CHECK DATE: 12/05/2023		11/22/2023	120523	349400	227.26	227.26	12/22/2023	INV	PD	DUTY UNIFORM-NUNEZ
100155 AUBURN MANOR					623.48					
DEC 2023 CHECK DATE: 12/05/2023	230004	12/01/2023	120523	349401	200.00	200.00	12/31/2023	INV	PD	DEC SENIOR CITIZEN DON
100174 BAUER BUILT TIRE AND BATTERY										
180297520 CHECK DATE: 12/05/2023		11/21/2023	120523	349402	179.26	179.26	12/21/2023	INV	PD	#239 REAR TIRES
103816 BAYCOM INC										
EQUIPINV_045173 CHECK DATE: 12/05/2023		08/15/2023	120523	349403	6,749.00	6,749.00	12/21/2023	INV	PD	#1231 TOUGHBOOK & EQUI
111713 BENEFIT BASHERS										
2013468.002		11/25/2023	120523	349513	500.00	500.00	12/25/2023	INV	PD	RFD DEPOSIT FOR 10/27

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 2

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 12/05/2023										
105387 BENJAMIN BUS INC										
120341		11/07/2023	120523	349405	525.00	525.00	12/07/2023	INV	PD	Treks & Trails Oct Fie
CHECK DATE: 12/05/2023										
100188 BERRY COFFEE COMPANY										
809020		11/15/2023	120523	349406	67.30	67.30	12/15/2023	INV	PD	CCC coffee
CHECK DATE: 12/05/2023										
102279 BOLTON & MENK INC										
0324484		11/15/2023	120523	349407	151,367.39	151,367.39	12/15/2023	INV	PD	TH 41 & CSAH 61 IMPROV
CHECK DATE: 12/05/2023										
100214 BORDER STATES INDUSTRIES INC										
927410625	230255	11/20/2023	120523	349408	821.19	821.19	12/25/2023	INV	PD	CONNECT PED 4,6,8 COV'
CHECK DATE: 12/05/2023										
927418169	230256	11/21/2023	120523	349408	1,034.29	1,034.29	12/25/2023	INV	PD	ELBOW LOAD BREAK 1/0 A
CHECK DATE: 12/05/2023										
100226 BRAUN INTERTEC CORPORATION										
8366820		11/22/2023	120523	349409	5,428.00	5,428.00	12/22/2023	INV	PD	CREEK RD UTILITY & ST/
CHECK DATE: 12/05/2023										
100254 BRYAN ROCK PRODUCTS INC										
62175		11/15/2023	120523	349410	5,866.72	5,866.72	12/15/2023	INV	PD	AG LIME & CTC PATH COR
CHECK DATE: 12/05/2023										
100275 CALLAWAY GOLF										
936080858		03/06/2023	120523	349411	284.96	284.96	07/04/2023	INV	PD	RESALE, INTEREST
CHECK DATE: 12/05/2023										
100314 CARVER COUNTY IS/GIS DEPT										
INTINV-398		11/15/2023	120523	349412	3,056.82	3,056.82	12/15/2023	INV	PD	GIS SHARED POSITION -
CHECK DATE: 12/05/2023										

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 3

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100323 CDW GOVERNMENT INC										
MW99072		11/06/2023	120523	349413	3,120.00	3,120.00	12/06/2023	INV	PD	VEEAM DATA PLATFORM LI
CHECK DATE:	12/05/2023									
MZ82305		11/09/2023	120523	349413	14.51	14.51	12/09/2023	INV	PD	ADAPTER-FIRE INSPECTOR
CHECK DATE:	12/05/2023									
NB15138		11/10/2023	120523	349413	1,823.73	1,823.73	12/10/2023	INV	PD	SURFACE/DOCK-CCC RESOU
CHECK DATE:	12/05/2023									
NC63990		11/15/2023	120523	349413	160.80	160.80	12/15/2023	INV	PD	IT TOOLS
CHECK DATE:	12/05/2023									
NC64289		11/15/2023	120523	349413	303.23	303.23	12/15/2023	INV	PD	UPS FOR LOOP MAINT BLD
CHECK DATE:	12/05/2023									
					5,422.27					
100332 CENTERPOINT ENERGY RESOURCES CORP										
109045922/OCT23		11/03/2023	112123-2	349373	7,532.51	7,532.51	12/01/2023	INV	PD	OCT 1661 PARK RIDGE DR
CHECK DATE:	11/21/2023									
109052076/OCT23		11/03/2023	112123-2	349373	4,200.70	4,200.70	12/01/2023	INV	PD	OCT 1611 PARK RIDGE DR
CHECK DATE:	11/21/2023									
120012646/OCT23		11/03/2023	112823	349386	117.43	117.43	12/01/2023	INV	PD	OCT LOOP CLUBHOUSE GAS
CHECK DATE:	11/28/2023									
120164413/OCT23		11/03/2023	112823	349386	195.44	195.44	12/01/2023	INV	PD	OCT LOOP MAINT BLDG GA
CHECK DATE:	11/28/2023									
80000146268/OCT23		11/10/2023	112123-2	349373	2,214.91	2,214.91	12/07/2023	INV	PD	OCT GAS SVC
CHECK DATE:	11/21/2023									
80000167793/OCT23		11/10/2023	112123-2	349373	53.55	53.55	12/07/2023	INV	PD	OCT CITY PKS GAS SVC
CHECK DATE:	11/21/2023									
80000167843/OCT23		11/10/2023	112123-2	349373	2,139.98	2,139.98	12/07/2023	INV	PD	OCT GAS SVC
CHECK DATE:	11/21/2023									
					16,454.52					
100337 QWEST CORPORATION										
313196254/NOV23		11/18/2023	112823	349387	288.30	288.30	12/14/2023	INV	PD	NOV CITY HALL LOC PHN
CHECK DATE:	11/28/2023									
313249294/NOV23		11/11/2023	112123-2	349374	57.61	57.61	12/07/2023	INV	PD	NOV TC MAINT LOC PHN S
CHECK DATE:	11/21/2023									
313408124/NOV23		11/11/2023	112123-2	349374	69.15	69.15	12/07/2023	INV	PD	NOV TC MAINT LOC PHN S
CHECK DATE:	11/21/2023									

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 4

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID	AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
					415.06						
100379	CITY OF CHANHASSEN										
120260		11/08/2023	120523	349414	1,923.60	1,923.60	12/14/2023	INV	PD		CDT Jersey Boys Lunch/
CHECK DATE: 12/05/2023											
100363	CHASKA HISTORICAL SOCIETY										
120257		11/13/2023	120523	349415	1,242.00	1,242.00	12/14/2023	INV	PD		(6) Haunting Tours - 0
CHECK DATE: 12/05/2023											
100350	CHASKA, CITY OF										
120404		11/20/2023	120523	349416	1,917.00	1,917.00	12/05/2023	INV	PD		Final Site Plan-Public
CHECK DATE: 12/05/2023											
110240	CINTAS CORPORATION NO 2										
5184726025		11/17/2023	120523	349417	119.66	119.66	12/17/2023	INV	PD		1st Aide refill-PD
CHECK DATE: 12/05/2023											
109942	MANSFIELD TOP SERVICES INC										
32009021279		12/01/2023	120523	349418	3,491.25	3,491.25	12/31/2023	INV	PD		DEC CURL/EVENT CLEANIN
CHECK DATE: 12/05/2023											
42009009837		11/28/2023	120523	349418	518.44	518.44	12/28/2023	INV	PD		OCT EVENT CTR LABOR
CHECK DATE: 12/05/2023											
42009009845		11/28/2023	120523	349418	732.24	732.24	12/28/2023	INV	PD		EXTRA DAYS TO COVER PT
CHECK DATE: 12/05/2023											
42009009848		11/28/2023	120523	349418	301.88	301.88	12/28/2023	INV	PD		NOV EVENT CTR LABOR
CHECK DATE: 12/05/2023											
					5,043.81						
100436	COMCAST CORPORATION										
0036243/NOV23-TC		11/07/2023	112123-2	349375	239.90	239.90	12/02/2023	INV	PD		NOV CLUBHOUSE CABLE
CHECK DATE: 11/21/2023											
0055482/NOV23-FD		11/12/2023	112123-2	349375	6.81	6.81	12/07/2023	INV	PD		NOV FD CABLE
CHECK DATE: 11/21/2023											
120343		11/09/2023	112123-2	349375	80.48	80.48	12/04/2023	INV	PD		Nov PD Cable
CHECK DATE: 11/21/2023											
187610202		11/15/2023	113023	349390	775.00	775.00	12/15/2023	INV	PD		NOV CITY HALL FIBER
CHECK DATE: 11/30/2023											

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 5

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
105466 COMPUTER INTEGRATION TECHNOLOGIES INC					1,102.19					
361975		11/15/2023	120523	349419	5,811.50	5,811.50	12/15/2023	INV	PD	NOV OFFICE 365 AGREEME
CHECK DATE: 12/05/2023										
362728		11/15/2023	120523	349419	260.70	260.70	12/15/2023	INV	PD	DEC CYBER SECURITY TRA
CHECK DATE: 12/05/2023										
110239 COMPUTERSHARE TRUST COMPANY NA					6,072.20					
2265517		09/29/2023	120523	349420	4,500.00	4,500.00	12/17/2023	INV	PD	2015A TRUSTEE FEE
CHECK DATE: 12/05/2023										
107686 CONCENTRA HEALTH SERVICES INC										
16928976		10/23/2023	112123-2	349376	120.00	120.00	12/13/2023	INV	PD	DRUG TESTING
CHECK DATE: 11/21/2023										
106301 CORE AND MAIN LP										
T850424		11/17/2023	120523	349421	258.32	258.32	12/17/2023	INV	PD	REPAIR SLEEVE
CHECK DATE: 12/05/2023										
T958201		11/16/2023	120523	349421	223.55	223.55	12/16/2023	INV	PD	METER SEAL WIRE
CHECK DATE: 12/05/2023										
100488 DAKOTA COUNTY TECHNICAL COLLEGE					481.87					
1186556		10/25/2023	120523	349422	500.00	500.00	11/27/2023	INV	PD	Pursuit Refresher - #4
CHECK DATE: 12/05/2023										
100490 DAKOTA SUPPLY GROUP										
S103256810.001	230254	11/17/2023	120523	349423	3,210.42	3,210.42	12/25/2023	INV	PD	CONNECT PED 4 COVRD 35
CHECK DATE: 12/05/2023										
111685 REEM DANIAL										
Oct 2023		10/31/2023	120523	349424	30.99	30.99	12/07/2023	INV	PD	Oct Zumba Sub 10/23/23
CHECK DATE: 12/05/2023										
107812 SCOTT CONGDON										

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 6

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID	AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
7093-1		11/26/2023	120523	349425	51.00		51.00	12/26/2023	INV	PD	Business Cards-Ashley
CHECK DATE: 12/05/2023											
7093-2		11/26/2023	120523	349425	51.00		51.00	12/26/2023	INV	PD	Business Cards-Krista
CHECK DATE: 12/05/2023											
103870 DIVERSIFIED PLUMBING AND HEATING INC					102.00						
P23-0518		11/28/2023	120523	349426	509.39		509.39	12/22/2023	INV	PD	RFD PLUMBING METER FEE
CHECK DATE: 12/05/2023											
100549 DORSEY AND WHITNEY LLP											
3928555		11/21/2023	120523	349427	565.00		565.00	12/21/2023	INV	PD	TIF 15 DECERTIFICATION
CHECK DATE: 12/05/2023											
3928556		11/21/2023	120523	349427	4,059.00		4,059.00	12/21/2023	INV	PD	ERNST HOUSE PROJECT
CHECK DATE: 12/05/2023											
3928557		11/21/2023	120523	349427	171.76		171.76	12/21/2023	INV	PD	CHASKA BLDG CTR SITE
CHECK DATE: 12/05/2023											
100589 ELECTRICAL MATERIALS COMPANY					4,795.76						
410993	230257	11/28/2023	120523	349428	820.57		820.57	12/28/2023	INV	PD	RISER 4: PVC UGUARD 10
CHECK DATE: 12/05/2023											
109044 EQUIPMENT MANAGEMENT COMPANY											
63075		11/17/2023	120523	349429	2,655.00		2,655.00	12/17/2023	INV	PD	TIP FOR EXTRACTION TOO
CHECK DATE: 12/05/2023											
100649 FEDERAL EXPRESS CORPORATION											
8-318-69387		11/15/2023	112123-2	349377	35.39		35.39	11/30/2023	INV	PD	UB SHIPPING FROM US BA
CHECK DATE: 11/21/2023											
100653 FERGUSON ENTERPRISES INC											
0467467-1		11/17/2023	120523	349430	1,078.99		1,078.99	12/17/2023	INV	PD	DIG TRAILER TOOLS
CHECK DATE: 12/05/2023											
0482563		11/16/2023	120523	349430	60.43		60.43	12/17/2023	INV	PD	STAINLESS BUSHING FOR
CHECK DATE: 12/05/2023											

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 7

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID	AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
109953	SUMMER RUSTAD				1,139.42						
1391	CHECK DATE: 12/05/2023	11/27/2023	120523	349431	594.23	594.23	12/27/2023	INV	PD	TC	GARDENING JUL
1412	CHECK DATE: 12/05/2023	11/27/2023	120523	349431	1,651.22	1,651.22	12/27/2023	INV	PD	TC	GARDENING AUG-OCT
101463	GOPHER STATE ONE CALL				2,245.45						
3080285	CHECK DATE: 11/21/2023	08/31/2023	112123-3	349385	927.45	927.45	09/30/2023	INV	PD		AUGUST LOCATES
100759	WW GRAINGER INC										
9888997229	CHECK DATE: 12/05/2023	10/31/2023	120523	349432	25.33	25.33	11/30/2023	INV	PD		IRRIGATION PARTS-TC
9888997237	CHECK DATE: 12/05/2023	10/31/2023	120523	349432	192.80	192.80	11/30/2023	INV	PD		IRRIGATION PARTS-TC
100785	HACH COMPANY				218.13						
13807489	CHECK DATE: 12/05/2023	11/09/2023	120523	349433	705.50	705.50	12/09/2023	INV	PD		CONFIGURE CHEMICAL TES
111474	PAUL HAUGO										
13407	CHECK DATE: 12/05/2023	11/22/2023	120523	349434	500.00	500.00	12/22/2023	INV	PD		MATERIAL TESTING LOOP
13408	CHECK DATE: 12/05/2023	11/22/2023	120523	349434	500.00	500.00	12/22/2023	INV	PD		MATERIAL TESTING LOOP
100810	HAWKINS INC				1,000.00						
6624979	CHECK DATE: 12/05/2023	11/15/2023	120523	349435	30.00	30.00	12/30/2023	INV	PD		DEMURRAGE
100848	HIGH TECH CLEANING INC										
19487	CHECK DATE: 12/05/2023	11/20/2023	120523	349436	969.23	969.23	12/20/2023	INV	PD		MSB-CLEANING SUPPLIES

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 8

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
100859 HOISINGTON KOEGLER GROUP INC										
022-046-14 CHECK DATE: 12/05/2023		11/10/2023	120523	349437	4,457.50	4,457.50	12/10/2023	INV	PD	CITY SQUARE PARK RENOV
100889 INTERNATIONAL CITY MGMT ASSN RETIREMENT CORP										
2023/1117-ICMA CHECK DATE: 11/21/2023		11/17/2023	112123-2	349378	4,981.36	4,981.36	11/17/2023	INV	PD	111723 Payroll - 457 &
109884 IDENTISYS INCORPORATED										
637931 CHECK DATE: 12/05/2023		09/25/2023	120523	349514	146.12	146.12	10/25/2023	INV	PD	Employee Badge Materia
104751 IMPACT MAILING OF MINNESOTA INC										
208755 CHECK DATE: 12/05/2023		11/22/2023	120523	349439	8,299.13	8,299.13	12/22/2023	INV	PD	Nov Bills
208768 CHECK DATE: 12/05/2023		11/22/2023	120523	349439	1,358.30	1,358.30	12/22/2023	INV	PD	Nov Reminders
208770 CHECK DATE: 12/05/2023		11/22/2023	120523	349439	587.79	587.79	12/22/2023	INV	PD	Nov Finals
					10,245.22					
100939 JANNINGS ACOUSTICS INC (NEED NEW W-9)										
36639 CHECK DATE: 12/05/2023		11/27/2023	120523	349440	2,260.00	2,260.00	12/27/2023	INV	PD	LOOP MAINT CEILING TIL
100950 JIRIK SOD FARMS INC										
52991 CHECK DATE: 12/05/2023		11/14/2023	120523	349441	1,708.13	1,708.13	12/14/2023	INV	PD	SOD FOR LOOP
102031 TYCO FIRE & SECURITY (US) MANAGEMENT INC										
51399297 CHECK DATE: 12/05/2023		11/10/2023	120523	349442	777.00	777.00	12/22/2023	INV	PD	FIRE SYS SVC-TC MAINT
101043 LANO EQUIPMENT INC										
01-1039597 CHECK DATE: 12/05/2023		11/16/2023	120523	349443	1,700.00	1,700.00	12/16/2023	INV	PD	BOBCAT RENTAL-CTC CART

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlist

Page 9

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
01-1040204		11/20/2023	120523	349443	115.32	115.32	12/20/2023	INV	PD	#124 STROBE LIGHTING H
CHECK DATE: 12/05/2023										
101056 LEAGUE OF MINNESOTA CITIES					1,815.32					
8641		11/17/2023	120523	349444	2,733.16	2,733.16	12/17/2023	INV	PD	Insured vehicle hit cl
CHECK DATE: 12/05/2023										
107698 LTR INTERMEDIATE HOLDINGS INC										
2622054		11/11/2023	120523	349445	832.50	832.50	12/11/2023	INV	PD	TIRE RECYCLING
CHECK DATE: 12/05/2023										
101097 LOCATORS & SUPPLIES INC										
0311221-IN		11/27/2023	120523	349446	280.00	280.00	12/27/2023	INV	PD	WINTER GLOVES
CHECK DATE: 12/05/2023										
105139 LUBE TECH AND PARTNERS LLC										
3358390		11/20/2023	120523	349447	5,501.47	5,501.47	12/20/2023	INV	PD	WO# 15122 BLUFF CREEK
CHECK DATE: 12/05/2023										
3359452		11/21/2023	120523	349448	153.62	153.62	12/21/2023	INV	PD	GREASE FOR EQUIPMENT
CHECK DATE: 12/05/2023										
111211 TIMOTHY AARON LUNDGREN					5,655.09					
1050		11/28/2023	120523	349449	28,983.28	28,983.28	12/28/2023	INV	PD	LOOP BUILDINGS SUPERVI
CHECK DATE: 12/05/2023										
105710 MACQUEEN EMERGENCY GROUP										
P22220		11/15/2023	120523	349450	1,029.44	1,029.44	12/15/2023	INV	PD	FF GLOVES
CHECK DATE: 12/05/2023										
P22290		11/17/2023	120523	349450	187.38	187.38	12/17/2023	INV	PD	FIRE HOOKS FOR TRUCK
CHECK DATE: 12/05/2023										
P22405		11/21/2023	120523	349450	3,498.05	3,498.05	12/21/2023	INV	PD	FF GEAR-FIRE BOOTS
CHECK DATE: 12/05/2023										
111712 MALLRATS BAND					4,714.87					
180		11/21/2023	120523	349451	2,750.00	2,750.00	12/04/2023	INV	PD	F&I 2024 Deposit-Mallr

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 10

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 12/05/2023										
101168 MELCHERT HUBERT SJODIN PLLP										
170400		11/15/2023	120523	349452	1,186.40	1,186.40	12/15/2023	INV	PD	GENERAL FUND
CHECK DATE: 12/05/2023										
170401		11/15/2023	120523	349452	646.80	646.80	12/15/2023	INV	PD	COUNCIL MTGS
CHECK DATE: 12/05/2023										
170402		11/15/2023	120523	349452	1,055.45	1,055.45	12/15/2023	INV	PD	PLANNING & ZONING
CHECK DATE: 12/05/2023										
170403		11/15/2023	120523	349452	1,812.85	1,812.85	12/15/2023	INV	PD	ELECTRIC DEPARTMENT
CHECK DATE: 12/05/2023										
170404		11/15/2023	120523	349452	41.80	41.80	12/15/2023	INV	PD	THE LOOP GOLF COURSE
CHECK DATE: 12/05/2023										
170405		11/15/2023	120523	349452	382.80	382.80	12/15/2023	INV	PD	212 INDUSTRIAL-CITY LA
CHECK DATE: 12/05/2023										
170406		11/15/2023	120523	349452	567.60	567.60	12/15/2023	INV	PD	UNITED PROPERTIES-COST
CHECK DATE: 12/05/2023										
170407		11/15/2023	120523	349452	1,201.20	1,201.20	12/15/2023	INV	PD	RIVERTOWN HEIGHTS
CHECK DATE: 12/05/2023										
170408		11/15/2023	120523	349452	209.00	209.00	12/15/2023	INV	PD	CCC LEASES
CHECK DATE: 12/05/2023										
170409		11/15/2023	120523	349452	2,589.38	2,589.38	12/15/2023	INV	PD	CLOUD HQ
CHECK DATE: 12/05/2023										
170410		11/15/2023	120523	349452	237.60	237.60	12/15/2023	INV	PD	PUBLIC SAFETY BUILDING
CHECK DATE: 12/05/2023										
170411		11/15/2023	120523	349452	3,564.00	3,564.00	12/15/2023	INV	PD	CIRCLE THE BRICK TRAIL
CHECK DATE: 12/05/2023										
170412		11/15/2023	120523	349452	585.20	585.20	12/15/2023	INV	PD	NEW AMI SYSTEM
CHECK DATE: 12/05/2023										
170413		11/15/2023	120523	349452	2,823.00	2,823.00	12/15/2023	INV	PD	WEST OAK TRAIL VACATIO
CHECK DATE: 12/05/2023										
170418		11/15/2023	120523	349452	1,821.60	1,821.60	12/15/2023	INV	PD	MUELLER SYSTEMS ARBITR
CHECK DATE: 12/05/2023										
101187 METRO SALES INC					18,724.68					
INV2407216		11/17/2023	120523	349453	136.00	136.00	12/17/2023	INV	PD	Ricoh MP C3003 color

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 11

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 12/05/2023										
INV2410109		11/21/2023	120523	349453	11.35	11.35	12/21/2023	INV	PD	Ricoh/MP C3003 color-f
CHECK DATE: 12/05/2023										
INV2411281		11/24/2023	120523	349453	122.00	122.00	12/24/2023	INV	PD	DEC FD COPIER
CHECK DATE: 12/05/2023										
101196 MID COUNTY COOP #122622					269.35					
59004		11/15/2023	112123-2	349379	1,447.21	1,447.21	11/25/2023	INV	PD	360 GLS DIESEL-TC
CHECK DATE: 11/21/2023										
59005		11/15/2023	112123-2	349379	293.35	293.35	11/25/2023	INV	PD	91 GLS GAS-TC
CHECK DATE: 11/21/2023										
101199 MID COUNTY COOP #122665					1,740.56					
18206		11/22/2023	120523	349454	119.96	119.96	12/22/2023	INV	PD	PROPANE FOR FORKLIFT
CHECK DATE: 12/05/2023										
111591 MIDLAND GLASS CO INC										
49676		11/20/2023	120523	349455	408.00	408.00	12/20/2023	INV	PD	LOOP CLUBHOUSE-GLAZING
CHECK DATE: 12/05/2023										
101194 MIDWEST AQUA CARE INC										
2839		11/05/2023	120523	349456	5,710.00	5,710.00	12/05/2023	INV	PD	VEGETATION CONTROL ON
CHECK DATE: 12/05/2023										
111104 MILLER MENDEL INC										
4982		11/14/2023	120523	349457	574.00	574.00	12/14/2023	INV	PD	eSOPH Background Syste
CHECK DATE: 12/05/2023										
101217 MINNESOTA CHILD SUPPORT PMT CTR										
PR1117230014462992		11/17/2023	112123-2	349381	109.14	109.14	11/17/2023	INV	PD	111723 Payroll - Child
CHECK DATE: 11/21/2023										
PR1117230015806598		11/17/2023	112123-2	349380	461.46	461.46	11/17/2023	INV	PD	111723 Payroll - Child
CHECK DATE: 11/21/2023										
101229 MINNESOTA DEPT OF EMPLOYMENT					570.60					

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 12

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
46	230003	12/01/2023	120523	349458	2,433.64	2,433.64	12/15/2023	INV	PD	FORMACOAAT LLC LOAN REP
CHECK DATE: 12/05/2023										
101247 MINNESOTA MUNICIPAL UTILITIES ASSN										
62872		11/16/2023	120523	349459	2,640.00	2,640.00	12/16/2023	INV	PD	2024 TRANSFORMER SCHOO
CHECK DATE: 12/05/2023										
101231 MINNESOTA FIRE CHIEFS ASSOCIATION										
6579		11/14/2023	120523	349460	285.00	285.00	12/14/2023	INV	PD	2024 FF TRAINING-DECKE
CHECK DATE: 12/05/2023										
6580		11/15/2023	120523	349460	285.00	285.00	12/15/2023	INV	PD	2024 FF TRAINING-PETER
CHECK DATE: 12/05/2023										
6582		11/15/2023	120523	349460	285.00	285.00	12/15/2023	INV	PD	2024 FF TRAINING-PETER
CHECK DATE: 12/05/2023										
6584		11/15/2023	120523	349460	285.00	285.00	12/15/2023	INV	PD	2024 FF TRAINING-CODY-
CHECK DATE: 12/05/2023										
6586		11/16/2023	120523	349460	285.00	285.00	12/16/2023	INV	PD	2024 FF TRAINING-CODY-
CHECK DATE: 12/05/2023										
7023		11/17/2023	120523	349460	285.00	285.00	12/17/2023	INV	PD	2024 FF TRAINING-GAREI
CHECK DATE: 12/05/2023										
					1,710.00					
101276 MINNESOTA VALLEY ELECTRIC COOPERATIVE										
107051510/NOV23		11/21/2023	120523	349461	20.73	20.73	12/16/2023	INV	PD	NOV 82ND ST & HWY 41 S
CHECK DATE: 12/05/2023										
778320601/NOV23		11/21/2023	120523	349461	110.16	110.16	12/16/2023	INV	PD	NOV CHEVALLE LIFT STAT
CHECK DATE: 12/05/2023										
780272000/NOV23		11/21/2023	120523	349461	15.73	15.73	12/16/2023	INV	PD	NOV CHEVALLE IRRIGATIO
CHECK DATE: 12/05/2023										
781796600/NOV23		11/21/2023	120523	349461	21.63	21.63	12/16/2023	INV	PD	NOV 1599 OAK CREEK PAS
CHECK DATE: 12/05/2023										
					168.25					
101351 MN DEPARTMENT OF TRANSPORTATION										
P00017885		11/15/2023	120523	349462	937.15	937.15	12/15/2023	INV	PD	TH 41/CSAH 61 TESTING
CHECK DATE: 12/05/2023										

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlist

Page 13

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
105995	MONEY MOVERS INC									
161022	CHECK DATE: 12/05/2023	10/05/2023	120523	349463	20.00	20.00	11/05/2023	INV	PD	Sep Health Ins Reimb,
161705	CHECK DATE: 12/05/2023	11/04/2023	120523	349463	23.10	23.10	12/04/2023	INV	PD	Oct Health Ins Reimb
103236	MRA-THE MANAGEMENT ASSOCIATION				43.10					
00448341	CHECK DATE: 12/05/2023	11/06/2023	120523	349464	138.75	138.75	12/06/2023	INV	PD	OCT JOB EVAL-CURL/EVEN
103088	SID TOOL CO INC									
96766447	CHECK DATE: 12/05/2023	11/14/2023	120523	349465	7.60	7.60	12/14/2023	INV	PD	STOCK-SCREWS
101330	MINNESOTA SOUTH CENTRAL INVESTIGATORS COALITION IN									
0030	CHECK DATE: 12/05/2023	11/27/2023	120523	349466	300.00	300.00	12/07/2023	INV	PD	2024 MSCIC CONF-MOORE,
101354	MTI DISTRIBUTING INC #700767									
1362713-00	CHECK DATE: 12/05/2023	10/26/2023	120523	349467	61,559.87	61,559.87	11/26/2023	INV	PD	#529 GREENSMaster 3360
1411663-00	CHECK DATE: 12/05/2023	11/20/2023	120523	349467	-13,359.38	-13,359.38	12/20/2023	CRM	PD	#529, #561 TRADE-INS
1411751-00	CHECK DATE: 12/05/2023	11/14/2023	120523	349467	1,752.62	1,752.62	12/14/2023	INV	PD	MOTOR FOR FWY MOWER
106657	MUNICIPAL ASSET MANAGEMENT INC				49,953.11					
01132022M24	CHECK DATE: 11/21/2023	11/07/2023	112123-2	349382	4,983.31	4,983.31	12/13/2023	INV	PD	CCC FITNESS EQUIP LEAS
111595	MWK CONSTRUCTION INC									
24	CHECK DATE: 12/05/2023	11/15/2023	120523	349468	23,273.50	23,273.50	12/15/2023	INV	PD	LOOP CLUBHOUSE FRAMING
101253	BUSINESS PLANNING CONCEPTS INC									

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 14

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
383600122023		11/01/2023	120523	349469	144.00	144.00	12/10/2023	INV	PD	DEC PERA LIFE PREMIUMS
CHECK DATE: 12/05/2023										
110570 ODP BUSINESS SOLUTIONS LLC										
340917234001		11/06/2023	120523	349470	10.07	10.07	12/09/2023	INV	PD	Sharpie Gel Pens for B
CHECK DATE: 12/05/2023										
340917961001		11/04/2023	120523	349470	51.98	51.98	12/09/2023	INV	PD	Ball Point Pens for B1
CHECK DATE: 12/05/2023										
341332389001-1		11/14/2023	120523	349470	33.98	33.98	12/16/2023	INV	PD	2024 Calendars-John S,
CHECK DATE: 12/05/2023										
341332389001-2		11/14/2023	120523	349470	14.39	14.39	12/16/2023	INV	PD	2024 Calendar-Wendy
CHECK DATE: 12/05/2023										
341332389001-3		11/14/2023	120523	349470	36.78	36.78	12/16/2023	INV	PD	2024 Desk Calendars-De
CHECK DATE: 12/05/2023										
341332389001-4		11/14/2023	120523	349470	21.59	21.59	12/16/2023	INV	PD	2024 Calendar-Ann L
CHECK DATE: 12/05/2023										
341366311001		11/14/2023	120523	349470	7.19	7.19	12/16/2023	INV	PD	2024 wall calendar for
CHECK DATE: 12/05/2023										
341877139001		11/15/2023	120523	349471	202.05	202.05	12/15/2023	INV	PD	Paper
CHECK DATE: 12/05/2023										
					378.03					
101465 ON SITE SANITATION INC										
0001606602		09/21/2023	120523	349472	1,236.00	1,236.00	10/21/2023	INV	PD	Restrooms for Latin Fe
CHECK DATE: 12/05/2023										
0001642911		11/25/2023	120523	349472	172.00	172.00	12/25/2023	INV	PD	PAR 30
CHECK DATE: 12/05/2023										
0001642912		11/25/2023	120523	349472	146.00	146.00	12/25/2023	INV	PD	ATHLETIC PARK - NOVEMB
CHECK DATE: 12/05/2023										
					1,554.00					
111664 PARK CONSTRUCTION COMPANY										
2		11/16/2023	120523	349473	229,348.41	229,348.41	12/16/2023	INV	PD	CTC CART PATH PAVING-P
CHECK DATE: 12/05/2023										
101530 PING INC										
17240125		11/15/2023	120523	349474	185.25	185.25	01/15/2024	INV	PD	RESALE
CHECK DATE: 12/05/2023										

City of Chaska

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
17247720		11/21/2023	120523	349474	416.88	416.88	01/21/2024	INV	PD	RESALE
CHECK DATE: 12/05/2023										
					602.13					
101571 PREMIUM WATERS INC										
417080-10-23		10/31/2023	112823	349388	26.87	26.87	11/30/2023	INV	PD	CLUBHOUSE WATER
CHECK DATE: 11/28/2023										
104479 PRIME COLLEGE PAINTERS INC										
120914		11/02/2023	120523	349475	5,950.00	5,950.00	12/02/2023	INV	PD	ST LIGHT POLE PAINTING
CHECK DATE: 12/05/2023										
103055 QUALITY PROPANE INC										
5092740		11/13/2023	120523	349476	107.87	107.87	12/13/2023	INV	PD	Zamboni LP Gas
CHECK DATE: 12/05/2023										
5155571		11/20/2023	120523	349476	93.56	93.56	12/20/2023	INV	PD	Zamboni LP Gas
CHECK DATE: 12/05/2023										
					201.43					
107855 STAPLES INC										
35552556		11/07/2023	120523	349478	77.27	77.27	12/07/2023	INV	PD	OFFICE SUPPLIES
CHECK DATE: 12/05/2023										
35650262-1		11/13/2023	120523	349477	17.99	17.99	12/13/2023	INV	PD	2024 Desk Calendar for
CHECK DATE: 12/05/2023										
35650262-2		11/13/2023	120523	349477	12.99	12.99	12/13/2023	INV	PD	Post it notes for work
CHECK DATE: 12/05/2023										
35676997		11/14/2023	120523	349478	128.56	128.56	12/14/2023	INV	PD	BREAKROOM SUPPLIES
CHECK DATE: 12/05/2023										
35677213-1		11/14/2023	120523	349477	17.99	17.99	12/14/2023	INV	PD	2024 Desk Calendar for
CHECK DATE: 12/05/2023										
35677213-2		11/14/2023	120523	349477	53.97	53.97	12/14/2023	INV	PD	Cups and forks for the
CHECK DATE: 12/05/2023										
35677213-3		11/14/2023	120523	349477	29.48	29.48	12/14/2023	INV	PD	Manilla envelopes for
CHECK DATE: 12/05/2023										
35701938		11/15/2023	120523	349478	40.97	40.97	12/15/2023	INV	PD	BREAKROOM SUPPLIES
CHECK DATE: 12/05/2023										
35702598		11/15/2023	120523	349478	33.93	33.93	12/15/2023	INV	PD	OFFICE SUPPLIES

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 16

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 12/05/2023										
35703313-1		11/15/2023	120523	349477	12.59	12.59	12/15/2023	INV	PD	Softsoap for Breakroom
CHECK DATE: 12/05/2023										
35703313-2		11/15/2023	120523	349477	12.99	12.99	12/15/2023	INV	PD	Roller Gel Pens for wo
CHECK DATE: 12/05/2023										
35778051		11/20/2023	120523	349477	29.18	29.18	12/20/2023	INV	PD	Mini sheets permanent
CHECK DATE: 12/05/2023										
					467.91					
101684 R & R SPECIALTIES OF WISCONSIN INC										
0080534-IN		11/27/2023	120523	349479	70.00	70.00	12/27/2023	INV	PD	Zamboni Blade Sharpeni
CHECK DATE: 12/05/2023										
101605 RAINBOW TREE COMPANY										
183128		11/16/2023	120523	349480	7,450.00	7,450.00	12/16/2023	INV	PD	HOLIDAY TREE SET UP
CHECK DATE: 12/05/2023										
102495 RANDYS LANDSCAPE PLUS LLC										
9627		11/20/2023	120523	349481	696.00	696.00	12/20/2023	INV	PD	LOOP CLUBHOUSE-BLACK D
CHECK DATE: 12/05/2023										
101616 RDO EQUIPMENT COMPANY										
P0935470		11/17/2023	120523	349482	3,827.75	3,827.75	12/17/2023	INV	PD	#727 14" REEMER FOR BO
CHECK DATE: 12/05/2023										
107393 RIVER CITY TILE & UNDERLAYMENT										
6059		11/20/2023	120523	349483	8,907.23	8,907.23	12/20/2023	INV	PD	FLOORING AT LOOP CLUBH
CHECK DATE: 12/05/2023										
101738 SCHILLING SUPPLY COMPANY										
941375-00		11/20/2023	120523	349484	354.60	354.60	12/20/2023	INV	PD	wipes for the Studios
CHECK DATE: 12/05/2023										
941574-00		11/21/2023	120523	349484	610.92	610.92	12/21/2023	INV	PD	Cleaning Supplies-CCC
CHECK DATE: 12/05/2023										
					965.52					
101859 STANDARD & POORS GLOBAL RATINGS										

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
11464959		11/20/2023	120523	349485	21,000.00	21,000.00	12/20/2023	INV	PD	ANALYTICAL SVCS-SERIES
CHECK DATE: 12/05/2023										
101860 STANDARD SPRING PARTS										
402189		11/27/2023	120523	349486	364.44	364.44	12/27/2023	INV	PD	#2708 DRIVER SIDE LEAF
CHECK DATE: 12/05/2023										
101850 STANTEC CONSULTING SERVICES INC										
2154438		11/08/2023	120523	349487	4,008.50	4,008.50	12/08/2023	INV	PD	RECORD PLAN/BASE MAP U
CHECK DATE: 12/05/2023										
2154439		11/08/2023	120523	349487	587.00	587.00	12/08/2023	INV	PD	SE COLLECTOR
CHECK DATE: 12/05/2023										
2154440		11/08/2023	120523	349487	107,475.70	107,475.70	12/08/2023	INV	PD	CREEK RD TRUNK SEWER P
CHECK DATE: 12/05/2023										
2154441		11/08/2023	120523	349487	2,087.50	2,087.50	12/08/2023	INV	PD	NE COLLECTOR IN SW ARE
CHECK DATE: 12/05/2023										
2154442		11/08/2023	120523	349487	4,752.00	4,752.00	12/08/2023	INV	PD	BAVARIA RD TURN LNS @
CHECK DATE: 12/05/2023										
2154443		11/08/2023	120523	349487	14,909.03	14,909.03	12/08/2023	INV	PD	HILL TOWER REVISIONS
CHECK DATE: 12/05/2023										
2154444		11/08/2023	120523	349487	2,007.50	2,007.50	12/08/2023	INV	PD	PAR 30 (THE LOOP) GOLF
CHECK DATE: 12/05/2023										
2154445		11/08/2023	120523	349487	202.00	202.00	12/08/2023	INV	PD	STORMWATER REVIEW-CANT
CHECK DATE: 12/05/2023										
2154446		11/08/2023	120523	349487	1,100.50	1,100.50	12/08/2023	INV	PD	STORMWATER REVIEW-RIVE
CHECK DATE: 12/05/2023										
2154447		11/08/2023	120523	349487	1,666.50	1,666.50	12/08/2023	INV	PD	STORMWATER REVIEW-CHES
CHECK DATE: 12/05/2023										
2154448		11/08/2023	120523	349487	373.00	373.00	12/08/2023	INV	PD	WELL NOS 4,5,6 AND 8 R
CHECK DATE: 12/05/2023										
2154449		11/08/2023	120523	349487	7,548.33	7,548.33	12/08/2023	INV	PD	CREEK RD INDUSTRIAL ST
CHECK DATE: 12/05/2023										
2154450		11/08/2023	120523	349487	2,535.50	2,535.50	12/08/2023	INV	PD	WELL 7 WTP
CHECK DATE: 12/05/2023										
2154451		11/08/2023	120523	349487	11,419.14	11,419.14	12/08/2023	INV	PD	2022 DT RECONSTRUCTION
CHECK DATE: 12/05/2023										
2154452		11/08/2023	120523	349487	5,605.55	5,605.55	12/08/2023	INV	PD	HUNDERTMARK ELEVATED T

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 18

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 12/05/2023										
2154453		11/08/2023	120523	349487	2,917.47	2,917.47	12/08/2023	INV	PD	MCKNIGHT WETLAND BANK
CHECK DATE: 12/05/2023										
2154454		11/08/2023	120523	349487	13,076.75	13,076.75	12/08/2023	INV	PD	WELLS 11 & 12
CHECK DATE: 12/05/2023										
2154456		11/08/2023	120523	349487	3,675.00	3,675.00	12/08/2023	INV	PD	REPLACEMENT OF EXISTIN
CHECK DATE: 12/05/2023										
2154457		11/08/2023	120523	349487	3,092.00	3,092.00	12/08/2023	INV	PD	PAR 30 (THE LOOP) NATI
CHECK DATE: 12/05/2023										
2155021		11/08/2023	120523	349487	22,651.25	22,651.25	12/08/2023	INV	PD	GENERAL ENGINEERING
CHECK DATE: 12/05/2023										
110200 STERICYCLE INC					211,690.22					
8005291639		11/18/2023	120523	349488	127.35	127.35	12/18/2023	INV	PD	October Shredding-PD
CHECK DATE: 12/05/2023										
101892 STUART C IRBY CO										
S013820612.001	230252	11/16/2023	120523	349489	1,050.00	1,050.00	12/16/2023	INV	PD	INST CT 200:5 BAR (3)
CHECK DATE: 12/05/2023										
107958 TACONIC MAINTENANCE										
13928		11/17/2023	120523	349490	380.00	380.00	12/17/2023	INV	PD	PRETREATMENT FOR ICE/S
CHECK DATE: 12/05/2023										
111672 STANLEY TEKIELA										
120369		11/16/2023	120523	349491	150.00	150.00	12/17/2023	INV	PD	Wolves Presentation -C
CHECK DATE: 12/05/2023										
109940 THE HUNTINGTON NATIONAL BANK										
8603283		11/11/2023	112123-2	349383	284.93	284.93	12/03/2023	INV	PD	FD EQUIP LEASE PMT 54
CHECK DATE: 11/21/2023										
104908 TIMESAVER OFF SITE SECRETARIAL INC										
M28700		11/14/2023	120523	349492	514.75	514.75	12/14/2023	INV	PD	HRC 10/26, COUNCIL 11/
CHECK DATE: 12/05/2023										

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
101977 TOLL COMPANY										
70012539		11/03/2023	120523	349493	2,675.00	2,675.00	12/14/2023	INV	PD	MSB TANK LEASES/CCC HE
CHECK DATE: 12/05/2023										
106577 TWIN CITY HARDWARE COMPANY INC										
PSI2231053		11/16/2023	120523	349494	50.93	50.93	12/16/2023	INV	PD	LOOP-LOCK HARDWARE (CL
CHECK DATE: 12/05/2023										
102028 TWIN CITY WATER CLINIC INC										
19882		11/08/2023	120523	349495	100.00	100.00	12/08/2023	INV	PD	LOOP-MAINT SHED HYDRAN
CHECK DATE: 12/05/2023										
19915		11/16/2023	120523	349495	600.00	600.00	12/16/2023	INV	PD	CLOVER FIELD HYDRANT T
CHECK DATE: 12/05/2023										
110053 TX CHILD SUPPORT SDU					700.00					
PR1117230012725283		11/17/2023	112123-2	349384	115.38	115.38	11/17/2023	INV	PD	111723 Payroll - Child
CHECK DATE: 11/21/2023										
102250 TYLER BUSINESS FORMS										
Invoice-88467		11/17/2023	120523	349496	776.27	776.27	12/17/2023	INV	PD	PAYROLL & AP TAX FORMS
CHECK DATE: 12/05/2023										
Invoice-88732		11/22/2023	120523	349496	67.74	67.74	12/22/2023	INV	PD	AP TAX FORMS-1099-NEC
CHECK DATE: 12/05/2023										
102037 ULINE INC					844.01					
170892462		11/13/2023	120523	349497	238.72	238.72	12/13/2023	INV	PD	JOB TICKET HOLDERS-BLD
CHECK DATE: 12/05/2023										
102056 GREAT RIVER ENERGY										
M1-21223		11/27/2023	120523	349498	27,593.24	27,593.24	12/27/2023	INV	PD	ANNUAL SCADA LICENSE
CHECK DATE: 12/05/2023										
107745 US BANK NATIONAL ASSOCIATION										
516080058		11/21/2023	112823	349389	439.53	439.53	12/15/2023	INV	PD	CCC COLOR COPIER LEASE
CHECK DATE: 11/28/2023										

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 20

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
104522 US FOODS INC										
5962541		11/16/2023	120523	349499	191.31	191.31	12/16/2023	INV	PD	OCT DISH MACHINE RENTA
CHECK DATE: 12/05/2023										
107687 UNIVERSAL PROTECTION SERVICE LP										
14939612		11/02/2023	120523	349500	254.70	254.70	12/02/2023	INV	PD	Event Ctr Security 10/
CHECK DATE: 12/05/2023										
14975597		11/09/2023	120523	349500	394.79	394.79	12/09/2023	INV	PD	Event Ctr Security 11/
CHECK DATE: 12/05/2023										
14995426		11/16/2023	120523	349500	216.50	216.50	12/16/2023	INV	PD	Event Ctr Security 11/
CHECK DATE: 12/05/2023										
102104 VESSCO INC					865.99					
092516		11/20/2023	120523	349501	359.95	359.95	12/20/2023	INV	PD	POT PERM HEAD
CHECK DATE: 12/05/2023										
102115 VIKING AUTOMATIC SPRINKLER CO										
1025-F308932		11/17/2023	120523	349502	880.00	880.00	12/17/2023	INV	PD	HISTORY CENTER FIRE AL
CHECK DATE: 12/05/2023										
105593 VERNON ALAN WAGNER										
120370		11/16/2023	120523	349503	325.00	325.00	12/01/2023	INV	PD	Santa for Santa Visits
CHECK DATE: 12/05/2023										
120371		11/16/2023	120523	349504	375.00	375.00	12/03/2023	INV	PD	Santa for Tree Lightin
CHECK DATE: 12/05/2023										
120372		11/16/2023	120523	349505	175.00	175.00	12/11/2023	INV	PD	Santa for Donuts with
CHECK DATE: 12/05/2023										
102143 WATER CONSERVATION SERVICES INC					875.00					
13617		11/27/2023	120523	349506	531.44	531.44	12/27/2023	INV	PD	LEAK LOCATE-6042 NOREX
CHECK DATE: 12/05/2023										
13631		11/27/2023	120523	349506	409.24	409.24	12/27/2023	INV	PD	LEAK LOCATE-1085 PIONE
CHECK DATE: 12/05/2023										

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 21

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
102146	WATER SPECIALTY OF MINNESOTA INC				940.68					
13084		11/10/2023	120523	349507	3,965.45	3,965.45	12/10/2023	INV	PD	Pool Chemicals
CHECK DATE: 12/05/2023										
111575	FORCED AIR INC									
0106560-IN		11/16/2023	120523	349508	33,000.00	33,000.00	12/16/2023	INV	PD	LOOP MAINTENANCE BUILD
CHECK DATE: 12/05/2023										
0106561-IN		11/16/2023	120523	349508	12,690.00	12,690.00	12/16/2023	INV	PD	LOOP MAINTENANCE HVAC
CHECK DATE: 12/05/2023										
0106562-IN		11/16/2023	120523	349508	7,235.00	7,235.00	12/16/2023	INV	PD	LOOP CLUBHOUSE HVAC EQ
CHECK DATE: 12/05/2023										
0106563-IN		11/16/2023	120523	349508	7,885.00	7,885.00	12/16/2023	INV	PD	LOOP CLUBHOUSE HVAC LA
CHECK DATE: 12/05/2023										
102166	WESCO DISTRIBUTION INC				60,810.00					
317175	230250	11/09/2023	120523	349509	2,349.89	2,349.89	12/09/2023	INV	PD	SW CAB BASEMENT MVI SG
CHECK DATE: 12/05/2023										
317704	230251	11/10/2023	120523	349509	2,087.50	2,087.50	12/10/2023	INV	PD	SW CAB BASEMENT MVI SG
CHECK DATE: 12/05/2023										
320282	230253	11/16/2023	120523	349509	275.64	275.64	12/16/2023	INV	PD	CONNECT PED 4 COV-350
CHECK DATE: 12/05/2023										
102181	WIEMANN, JAIME				4,713.03					
120503		10/26/2023	120523	349510	41.00	41.00	12/22/2023	INV	PD	MILEAGE-NIHCA CONF IN
CHECK DATE: 12/05/2023										
102189	WM MUELLER & SONS									
295227		11/14/2023	120523	349511	113.46	113.46	12/25/2023	INV	PD	MANHOLE/VALVE/POTHOLE
CHECK DATE: 12/05/2023										
295286		11/15/2023	120523	349511	122.76	122.76	12/25/2023	INV	PD	MANHOLE/VALVE/POTHOLE
CHECK DATE: 12/05/2023										
295347		11/16/2023	120523	349511	1,143.15	1,143.15	12/25/2023	INV	PD	MANHOLE/VALVE PATCHING
CHECK DATE: 12/05/2023										
295399		11/17/2023	120523	349511	1,276.67	1,276.67	12/25/2023	INV	PD	MANHOLE/VALVE/PATH ON

Report generated: 12/01/2023 07:12
 User: 8482mrob
 Program ID: apinvlst

Page 22

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 12/05/2023										
295460		11/20/2023	120523	349511	203.20	203.20	12/25/2023	INV	PD	MANHOLE/VALVE/POTHOLE
CHECK DATE: 12/05/2023										
295511		11/21/2023	120523	349511	196.80	196.80	12/25/2023	INV	PD	MANHOLE/VALVE/POTHOLE
CHECK DATE: 12/05/2023										
102232 ZIERMAN, JAMES L					3,056.04					
120504		11/17/2023	120523	349512	125.11	125.11	12/27/2023	INV	PD	MILEAGE-INSPECTIONS W/
CHECK DATE: 12/05/2023										
					125.11					
261 INVOICES					1,302,362.89					

** END OF REPORT - Generated by Michelle Robbin **

VENDOR INVOICE LIST

Electronic Payments

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
105243 ALERUS FINANCIAL										
C148360		11/03/2023	112023-2	3936	119.00	119.00	11/20/2023	DIR	PD	OCT PARTICIPANT FEES
CHECK DATE: 11/20/2023										
100385 CHASKA FIRE DEPT RELIEF ASSN										
2023/10-CFDRA		11/17/2023	111723	3922	16,304.00	16,304.00	11/17/2023	DIR	PD	OCT-23 FIRE RELIEF ASS
CHECK DATE: 11/17/2023										
107490 GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY										
120295		11/17/2023	112023	3933	7,132.73	7,132.73	11/20/2023	DIR	PD	111723 Payroll - HCSP
CHECK DATE: 11/20/2023										
107744 GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY										
120296		11/17/2023	112023	3934	925.00	925.00	11/20/2023	DIR	PD	111723 Payroll - MNDGP
CHECK DATE: 11/20/2023										
110382 ENTERPRISE FM TRUST										
FBN4887842		11/04/2023	112023-3	3938	11,255.23	11,255.23	11/20/2023	DIR	PD	NOV FLEET LEASES
CHECK DATE: 11/20/2023										
101756 MII LIFE INCORPORATED										
16705155		11/08/2023	112123-4	3940	153.00	153.00	11/21/2023	DIR	PD	NOV FSA PARTICIPANT FE
CHECK DATE: 11/21/2023										
40807544		11/21/2023	112223-3	3942	772.23	772.23	11/22/2023	DIR	PD	11/22/23 FSA REIMB-HEA
CHECK DATE: 11/22/2023										
40810682		11/28/2023	112923	3947	4,772.07	4,772.07	11/29/2023	DIR	PD	11/29/23 FSA REIMB-HEA
CHECK DATE: 11/29/2023										
100927 INTERNAL REVENUE SERVICE					5,697.30					
120289		11/17/2023	111723-2	3928	193,532.48	193,532.48	11/17/2023	DIR	PD	111723 Payroll - SS, M
CHECK DATE: 11/17/2023										
101346 MINNESOTA COMMISSIONER OF REVENUE										
2023/1031-CC		10/31/2023	111723	3925	12,247.41	12,247.41	11/17/2023	DIR	PD	OCT-23 CARVER CTY TRAN
CHECK DATE: 11/17/2023										

Report generated: 12/01/2023 07:13
 User: 8482mrob
 Program ID: apinvlist

Page 1

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
2023/1031-MH CHECK DATE: 11/17/2023		10/31/2023	111723	3926	5,414.31	5,414.31	11/17/2023	DIR	PD	OCT-23 METRO HOUSING S
2023/1031-MT CHECK DATE: 11/17/2023		10/31/2023	111723	3927	16,268.45	16,268.45	11/17/2023	DIR	PD	OCT-23 METRO TRANSPORT
2023/1031-SLS/UB CHECK DATE: 11/17/2023		10/31/2023	111723	3923	166,950.50	166,950.50	11/17/2023	DIR	PD	OCT-23 GEN/UB SALES TA
2023/1031-USE CHECK DATE: 11/17/2023		10/31/2023	111723	3924	15,961.20	15,961.20	11/17/2023	DIR	PD	OCT-23 USE TAX
					216,841.87					
101343 MINNESOTA DEPT OF REVENUE-PAYROLL WIRES										
120290 CHECK DATE: 11/20/2023		11/17/2023	112023	3931	38,043.04	38,043.04	11/20/2023	DIR	PD	111723 Payroll - MN St
101344 MINNESOTA REVENUE-COLLECTIONS										
PR111723 CHECK DATE: 11/20/2023		11/17/2023	111723-2	3935	476.89	476.89	11/20/2023	DIR	PD	PR111723 WAGE LEVY
101249 MINNESOTA MUNICIPAL POWER AGENCY										
3958 CHECK DATE: 11/20/2023		11/02/2023	112023-2	3937	3,004,099.37	3,004,099.37	11/20/2023	DIR	PD	OCT ELECTRIC SVC W/ EV
101376 NATIONWIDE RETIREMENT SOLUTIONS(USCM)										
120291 CHECK DATE: 11/20/2023		11/17/2023	112023	3939	33,493.15	33,493.15	11/20/2023	DIR	PD	111723 Payroll - 457 C
106955 NATIONWIDE RETIREMENT SOLUTIONS(USCM)										
120294 CHECK DATE: 11/17/2023		11/17/2023	111723-2	3930	6,652.42	6,652.42	11/17/2023	DIR	PD	111723 Payroll - Roth
111003 NICOLET NATIONAL BANK										
2023/12/01 DS CHECK DATE: 11/29/2023		11/29/2023	112923	3946	189,493.14	189,493.14	11/29/2023	DIR	PD	12/1 DS PMT-2021 BONDS
104668 OPTUM BANK INC										
120293 CHECK DATE: 11/20/2023		11/17/2023	112023	3932	20,082.73	20,082.73	11/20/2023	DIR	PD	111723 Payroll - HSA C

Report generated: 12/01/2023 07:13
 User: 8482mrob
 Program ID: apinvlst

Page 2

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	CHECK RUN	CHECK #	INVOICE NET	PAID AMOUNT	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
101498 PCARD										
2023/1113-PC CHECK DATE: 11/21/2023		11/13/2023	WIRE_001	3941	104,608.41	104,608.41	11/21/2023	DIR	PD	NOV 2023 PCARD PURCHAS
<i>Detail to Follow</i>										
101506 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION										
120292 CHECK DATE: 11/17/2023		11/17/2023	111723-2	3929	134,384.66	134,384.66	11/17/2023	DIR	PD	111723 Payroll - PERA
102066 US BANK										
2023/12/01DS-1620-II CHECK DATE: 11/29/2023		11/29/2023	112923	3945	206,250.00	206,250.00	11/29/2023	DIR	PD	12/1 DS PMT-2017A-US B
2023/12/01DS-2020A/B CHECK DATE: 11/22/2023		11/22/2023	112223-3	3943	439,341.12	439,341.12	11/22/2023	DIR	PD	12/1 DS PMT-2020A/2020
2023/12/01DS-2020D/E CHECK DATE: 11/29/2023		11/29/2023	112923	3944	1,148,641.41	1,148,641.41	11/29/2023	DIR	PD	12/1 DS PMT-2020D, 202
26 INVOICES					5,777,373.95					

** END OF REPORT - Generated by Michelle Robbin **

**PURCHASE CARD TRANSACTIONS
NOVEMBER 2023 STATEMENT**

CCC	10/25/23	TARGET	18.76	PUBLIC SAFETY OPEN HOUSE AT CCC-TREATS
CCC	11/2/23	WIX.COM	324.00	CHASKA CARES MUSIC FEST WEBSITE RENEWAL
CCC	11/4/23	ADOBE SYSTEMS	114.98	CREATIVE CLOUD ALL APPS
CCC	11/7/23	WASTE CONNECTIONS	984.04	GARBAGE PICKUP
CCC	11/8/23	COMCAST	42.00	NOV CCC CABLE
CCC	11/8/23	COMCAST	301.45	NOV FITNESS CABLE
CCC	10/17/23	FACEBOOK	24.64	CHASKA CARES MUSIC FEST ADVERTISING
CCC	10/17/23	FACEBOOK	31.64	LATIN MUSIC & FOOD FEST ADVERTISING
FINANCE	10/27/23	GREATLAND	5.49	Q3 2023 PAYROLL TAX FILING RECEIPT
PUBLIC WORKS	11/8/23	HOME DEPOT	6.86	CLEANING SUPPLIES FOR PARKS
PARK & REC	10/18/23	TARGET	14.58	CRICUT VINYL & TRANSFER PAPER FOR CRAFT CLASS
PARK & REC	11/1/23	MICHAELS ARTS AND CRAFT S	80.00	SIGNS FOR DIY CRAFT CLASS
PARK & REC	11/1/23	MICHAELS ARTS AND CRAFT S	60.00	SIGNS FOR DIY CRAFT CLASS
PARK & REC	11/8/23	TARGET	49.99	CAKE FOR AOA B'DAY CELEBRATION
PARK & REC	10/17/23	AMAZON.COM	121.34	PICKLEBALL LEAGUE PRIZES
INFORMATION TECHNOLO	10/24/23	AMAZON.COM	842.08	Security Cameras for The LOOP
INFORMATION TECHNOLO	10/26/23	HOME DEPOT	37.68	Equipment For IT
INFORMATION TECHNOLO	10/31/23	HOME DEPOT	-7.98	Credit for IT Item return
INFORMATION TECHNOLO	10/31/23	HOME DEPOT	28.94	Tools for IT
INFORMATION TECHNOLO	10/31/23	HOME DEPOT	172.95	Equipment Purchase for IT
INFORMATION TECHNOLO	11/7/23	HOME DEPOT	3.42	IT equipment purchase
INFORMATION TECHNOLO	11/7/23	HOME DEPOT	31.87	Tools for IT
INFORMATION TECHNOLO	11/8/23	HOME DEPOT	7.28	IT Equipment Purchase
INFORMATION TECHNOLO	11/9/23	MICRO CENTER	523.94	TV for Community Development and IT Equipment
INFORMATION TECHNOLO	11/11/23	AMAZON.COM	119.95	IT Cable Management Equipment Purchase
WATER/SEWER	10/27/23	USPS	150.35	DR3900 SHIPPING
WATER/SEWER	10/31/23	HOME DEPOT	88.57	WTP- VINEGAR & MARKERS FOR PLOWING
FIRE	10/12/23	MN IAAI	40.00	TRAINING FOR FIRE INSPECTOR
FIRE	10/23/23	HOME DEPOT	29.80	WOOD STUDS FOR TRAINING
FIRE	10/26/23	SAVOY PIZZA CHASKA PAYTRO	176.00	DINNER FOR INTERVIEW PANEL
FIRE	11/1/23	SUBWAY	104.85	DINNER FOR INTERVIEW PANEL-FM
FIRE	11/8/23	CUB FOODS	34.48	DINNER ITEMS FOR INTERVIEW PANEL-FM
POLICE	10/20/23	AMAZON.COM	72.43	Various office supplies
ELECTRIC	10/17/23	AMAZON.COM	37.79	EYE WASH FOR SUBSTATIONS
ELECTRIC	10/18/23	HOME DEPOT	61.74	BOLT CUTTERS
ELECTRIC	10/20/23	W.W. GRAINGER	412.02	EMERGENCY LIGHTS-BLUFF CREEK SUBSTATION
ELECTRIC	10/26/23	AMAZON.COM	300.00	KWH METERS FOR ENERGY AUDITS
CCC	10/17/23	AMAZON.COM	151.89	RESISTANCE BANDS
CCC	10/17/23	GAME ONE	519.41	9/11 NEVER FORGET T-SHIRTS
CCC	10/17/23	GAME ONE	387.35	9/11 NEVER FORGET TSHIRTS
CCC	10/17/23	GAME ONE	23.98	5-5-5 TSHIRTS
PUBLIC WORKS	10/13/23	HOME DEPOT	83.82	GARBAGE CANS AND BUCKETS
PUBLIC WORKS	10/31/23	HOME DEPOT	16.34	GLOVES
PUBLIC WORKS	10/31/23	HOME DEPOT	77.66	EPOXY & CAULKING GUN
PUBLIC WORKS	11/1/23	HOME DEPOT	36.98	ELBOWS FOR HEATER
PUBLIC WORKS	11/2/23	HOME DEPOT	47.88	SUPPLIES FOR FAN COIL AIR TEST
PUBLIC WORKS	11/6/23	HOME DEPOT	90.42	SCREWS/DRILL BITS
CCC	10/20/23	LITTLE CAESARS PIZZA	37.45	PIZZA-PNO
CCC	11/3/23	LITTLE CAESARS PIZZA	29.96	PIZZA-PNO
ADMINISTRATION	10/21/23	CANVA INC	238.80	ANNUAL SUBSCRIPTION FOR WEB-BASED GRAPHIC CREATIONS
ADMINISTRATION	11/2/23	SQUARE WEEBLY	13.00	CHRISTMAS IN MAY WEBSITE HOSTING FEE
ADMINISTRATION	11/3/23	MINNESOTA CONNECT	40.00	MEMBERSHIP FOR KRISTA M.
ADMINISTRATION	11/6/23	VERTEX UNMANNED	199.00	PREP CLASS FOR FAA KNOWLEDGE EXAM FOR DRONE USE
ADMINISTRATION	11/11/23	SOUTHWEST METRO CHAMBER	80.00	REGISTRATION FOR CHRISTIAN MEYER'S FATHER AND PERSONAL ASSISTANT
ADMINISTRATION	11/11/23	SOUTHWEST METRO CHAMBER	80.00	REGISTRATION FOR JACK WORM AND CHRISTIAN MEYER
MSB	10/12/23	WALGREENS	12.98	SYMPATHY CARDS
MSB	10/16/23	WORKPLACE SERVICES DIVISI	100.00	CITY HALL ANNUAL ELEVATOR OPERATING LICENSE
MSB	10/16/23	WORKPLACE SERVICES DIVISI	100.00	CITY HALL ANNUAL OPERATING LICENSE
MSB	10/18/23	COOPERS FOODS	95.40	SAFETY MEETING
MSB	11/2/23	WASTE CONNECTIONS	871.69	MSB-GARBAGE
MSB	11/2/23	WASTE CONNECTIONS	241.96	FIRE STATION-GARBAGE
MSB	11/2/23	WASTE CONNECTIONS	761.47	CITY HALL-GARBAGE
MSB	11/2/23	WASTE CONNECTIONS	229.89	VETERAN'S PARK-GARBAGE
MSB	11/2/23	WASTE CONNECTIONS	540.92	WINKLE PARK
MSB	11/2/23	WASTE CONNECTIONS	540.92	BOUNTIFUL BASKET-GARBAGE
MSB	11/2/23	WASTE CONNECTIONS	180.41	THE LOOP-GARBAGE
MSB	11/2/23	WASTE CONNECTIONS	409.38	TOWN COURSE-GARBAGE
MSB	11/2/23	PLUNKETT'S PEST CONTROL	54.19	WEST CREEK SUBSTATION
MSB	11/6/23	PLUNKETT'S PEST CONTROL	89.02	WTP
MSB	11/6/23	PLUNKETT'S PEST CONTROL	54.19	LAKE HAZELTINE SUBSTATION
MSB	11/6/23	PLUNKETT'S PEST CONTROL	61.20	KLEIN MANSION
MSB	11/6/23	PLUNKETT'S PEST CONTROL	54.19	BLUFF CREEK SUBSTATION
MSB	11/7/23	AMAZON.COM	269.98	DRIVEWAY MARKERS
MSB	11/7/23	MENARDS	196.60	OFFICE CHRISTMAS TREE
MSB	11/8/23	POLLUTION CONTROL AGENCY	390.00	M. HAEFNER WASTEWATER & COLLECTION CONFERENCE
MSB	11/8/23	POLLUTION CONTROL AGENCY	390.00	L. WECKMAN WASTEWATER & COLLECTION CONFERENCE
MSB	11/8/23	POLLUTION CONTROL AGENCY	390.00	D. ABRAHAM WASTEWATER & COLLECTION CONFERENCE
MSB	11/8/23	MN POLLUTION CONTROL SERV	8.39	CREDIT CARD SERVICE FEE-WASTEWATER CONFERENCE
MSB	11/8/23	MN POLLUTION CONTROL SERV	8.39	CREDIT CARD SERVICE FEE-WASTEWATER CONFERENCE
MSB	11/8/23	MN POLLUTION CONTROL SERV	8.39	CREDIT CARD SERVICE FEE-WASTEWATER CONFERENCE

**PURCHASE CARD TRANSACTIONS
NOVEMBER 2023 STATEMENT**

POLICE	10/18/23	MSP AIRPORT	135.00	Parking at airport - Travel to San Diego CA for IACP Conference
POLICE	10/14/23	MARRIOTT	1,528.16	Lodging - IACP Conference - San Diego CA
FINANCE	10/26/23	MINNESOTA SOCIETY OF CPA	168.00	CPE COURSE REGISTRATION
FINANCE	10/31/23	MINNESOTA SOCIETY OF CPA	148.00	CPE COURSE REGISTRATION
PUBLIC WORKS	10/11/23	HOME DEPOT	177.00	PLYWOOD FOR LOOP
PUBLIC WORKS	10/12/23	HOME DEPOT	127.00	LOOP POLY SHEET
PUBLIC WORKS	10/16/23	HOME DEPOT	34.30	LOOP PLYWOOD
PUBLIC WORKS	10/16/23	HOME DEPOT	13.75	ELECTRIC SUPPLIES
PUBLIC WORKS	10/17/23	HOME DEPOT	156.47	OFFICE SUPPLIES
PUBLIC WORKS	10/19/23	HOME DEPOT	67.75	HAND TOOLS
PUBLIC WORKS	10/25/23	HOME DEPOT	194.36	OUTLETS & DOOR CLOSER
PUBLIC WORKS	10/27/23	MENARDS	35.92	END CAP
PUBLIC WORKS	10/27/23	MENARDS	1,958.11	LOOP CLUBHOUSE AND MAINTENANCE SUPPLIES
PUBLIC WORKS	10/26/23	HOME DEPOT	118.74	PUMPKIN CARVING SUPPLIES
PUBLIC WORKS	10/26/23	HOME DEPOT	52.93	CONCRETE ANCHORS
PUBLIC WORKS	11/4/23	AMAZON.COM	300.23	CCC ROOFTOP DISCONNECT
PUBLIC WORKS	11/3/23	HOME DEPOT	82.39	TIMERS
PUBLIC WORKS	11/6/23	AMAZON.COM	131.96	GARAGE DOOR OPENERS
PUBLIC WORKS	11/6/23	HOME DEPOT	459.86	DATA CABLE
PUBLIC WORKS	11/7/23	AMAZON.COM	300.23	CCC ROOFTOP DISCONNECT
PUBLIC WORKS	11/6/23	HOME DEPOT	32.48	PLYWOOD
PUBLIC WORKS	11/8/23	AMAZON.COM	186.00	BOLLARD COVERS FOR CLUBHOUSE-LOOP
PUBLIC WORKS	11/7/23	HOME DEPOT	262.83	ELECTRIC SUPPLIES-CONDUIT, COUPLINGS AND STRAPS
PUBLIC WORKS	11/9/23	AMAZON.COM	205.99	BOLLARDS FOR CLUBHOUSE-LOOP
PUBLIC WORKS	11/8/23	HOME DEPOT	15.84	ELECTRIC SUPPLIES
CCC	10/16/23	AMERICAN RED CROSS	144.00	FIRST AID/CPR TRAINING
CCC	10/16/23	AMERICAN RED CROSS	72.00	FIRST AID/CPR TRAINING
CCC	10/25/23	AMERICAN RED CROSS	720.00	FIRST AID/CPR TRAINING
CCC	11/1/23	AMERICAN RED CROSS	36.00	FIRST AID/CPR TRAINING
POLICE	11/7/23	HOPE FOR HEROES	181.22	Emotional Survival for Law Enforcement books for new hires
POLICE	11/1/23	CIRCLE K	125.00	Fleet car wash
POLICE	11/7/23	AMAZON.COM	35.98	Corkboard
POLICE	11/7/23	AMAZON.COM	62.76	Planner, card holder, calendar
POLICE	11/8/23	AMAZON.COM	-35.98	REFUND of corkboard
CURLING CENTER	11/10/23	CROOKED PINT ALE HOUSE	72.88	JR 1 DAY BONSPIEL-POP
POLICE	10/13/23	AMAZON.COM	31.12	Office Supplies - Message flags
POLICE	10/17/23	AMAZON.COM	19.79	Breakroom supplies - Paper plates
POLICE	10/19/23	AMAZON.COM	26.25	Breakroom supplies - Knives
POLICE	10/31/23	AMAZON.COM	15.00	Breakroom supplies - Pepper
POLICE	11/1/23	TRANSUNION	110.40	Data Processing
FIRE	10/13/23	AMAZON.COM	129.88	TOOLS-DASH CAM W/ RECORDER, WIRELESS MOUSE
FIRE	10/13/23	AMAZON.COM	13.51	TOOLS-MEMORY CARD WITH ADAPTER
FIRE	10/13/23	AMAZON.COM	55.99	TOOLS FOR TRUCK-SPILL CONTAINMENT PUTTY
FIRE	10/17/23	HAZMAT RESOURCE	582.25	HAZMAT FOAM LEAK PLUGS
FIRE	10/21/23	COMFORT INN	1,096.23	CONFERENCE LODGING
FIRE	10/21/23	COMFORT INN	1,096.23	CONFERENCE LODGING
FIRE	10/21/23	COMFORT INN	1,096.23	CONFERENCE LODGING
FIRE	11/1/23	AMAZON.COM	124.99	NEW TAHOE-WEATHERBEATER LINERS
FIRE	11/4/23	THEFIRE STORE.COM	247.44	STREAMLIGHT AD/DC SHOULDER STRAP
FIRE	11/8/23	THEFIRE STORE.COM	726.22	SITUATIONAL AWARENESS CAMERA, SAFETY WAND FLASHLIGHTS
FIRE	11/7/23	HOME DEPOT	10.87	BATTERIES FOR KEYFOBS
INFORMATION TECHNOLO	10/20/23	MICRO CENTER	81.90	Forensic PC RAM upgrade
INFORMATION TECHNOLO	10/25/23	HOME DEPOT	20.94	Network jack hardware
INFORMATION TECHNOLO	11/3/23	AMAZON.COM	111.97	McKnight Park Camera Replacement
INFORMATION TECHNOLO	11/6/23	AMAZON.COM	-111.97	McKnight Camera Replacement REFUND
COMMUNITY DEVELOPME	10/30/23	AMERICAN CITY BUSINESS JO	70.00	BUSINESS JOURNAL SUBSCRIPTION
TOWN COURSE	10/16/23	HOME DEPOT	84.49	SHOVELS
TOWN COURSE	10/19/23	TRUE-SURFACE BY TURFLI	1,744.00	ROLLER PARTS
TOWN COURSE	10/29/23	RUNNINGS FARM & FLEET	259.98	W. VANDERLINDE INITIAL CLOTHING
TOWN COURSE	10/30/23	SEWER SERVICES, INC	488.99	1 LOAD PUMPED - SEWER
TOWN COURSE	10/31/23	AMAZON.COM	94.99	W. VANDERLINDE INITIAL CLOTHING
TOWN COURSE	11/2/23	UNIVERSITY OF MINNESOTA	290.00	PESTICIDE RECERTIFICATION
PUBLIC WORKS	10/16/23	HOME DEPOT	18.87	MAINTENANCE SUPPLIES
PUBLIC WORKS	10/17/23	HOME DEPOT	7.81	ADAPTERS AND PVC BUSHINGS
PUBLIC WORKS	10/17/23	HOME DEPOT	9.15	BUSHINGS
PUBLIC WORKS	11/6/23	HOME DEPOT	32.91	SCREWDRIVERS AND BITS
CCC	10/12/23	W.W. GRAINGER	103.79	FAN
CCC	10/13/23	W.W. GRAINGER	159.63	BATTERIES
CCC	10/16/23	CINTAS	102.97	CCC RUG SERVICE
CCC	10/16/23	CINTAS	102.97	CCC RUG SERVICE
CCC	10/16/23	DELTA AIRLINES	517.80	FLIGHT TO MAINTENANCE MANAGER COURSE
CCC	10/19/23	UNIVERSITY OF MINNESOTA	470.00	PROJECT MGMT COURSE REGISTRATION-KELSI
CCC	10/30/23	CINTAS	102.97	CCC RUG SERVICE
CCC	10/30/23	CINTAS	102.97	CCC RUG SERVICE
CCC	10/30/23	CINTAS	590.00	AED MAINTENANCE
CCC	11/7/23	W.W. GRAINGER	226.37	OPERATING SUPPLIES-HOSE ADAPTER, BATTERY
CCC	11/8/23	CINTAS	102.97	CCC RUG SERVICE
CCC	11/10/23	W.W. GRAINGER	19.77	PLUMBING O-RINGS
FINANCE	10/25/23	GOVERNMENT FINANCE OFFIC	149.00	GAAFR PLUS SUBSCRIPTION
ELECTRIC	10/18/23	FIRECOM	10,110.76	HEADSETS - BORE RIG

**PURCHASE CARD TRANSACTIONS
NOVEMBER 2023 STATEMENT**

ELECTRIC	10/23/23	MENARDS	23.94	COUPLERS FOR PULLING WIRE
CCC	10/11/23	SAMS CLUB	297.72	CANDY, WATER, PIE, COFFEE
CCC	10/12/23	VON HANSON'S MEATS	154.16	BRATS & BUNS FOR OKTOBERFEST
CCC	10/19/23	SAMS CLUB	19.96	CHEESE-HALLOWEEN SPUD BAR
CCC	10/20/23	SAMS CLUB	88.06	CANDY FOR HALLOWEEN JAMBOREE
CCC	10/25/23	TARGET	83.91	HOLIDAY PAPER GOODS-NAPKINS, PLATES, SCONES
CCC	10/25/23	DOLLAR TREE	17.50	SEASON DECORE-NAPKINS, BASKETS, TABLE COVERS
CCC	10/25/23	SAMS CLUB	468.28	CANDY, CHIPS, SALSA, BUTTER, CANDY FOR HALLOWEEN
CCC	10/25/23	ALDI SUPERMARKET	5.18	SPUD BAR-CHEESE, PEANUTS
CCC	10/27/23	COOPERS FOODS	130.77	BAKED POTATOES & DELIVERY, CANDY CORN
CCC	10/27/23	CUB FOODS	29.88	SPUD BAR-CHEESE, BUTTER, GREEN ONIONS
CCC	10/28/23	SAMS CLUB	24.46	HALLOWEEN JAMBOREE-CANDY CORN
CCC	10/28/23	JOSEPH'S GRILL	100.00	LUNCH TRIP DEPOSIT
CCC	11/2/23	CONTINENTAL CLAY - MINNEA	59.50	POTTERY SUPPLIES FOR ADAPTIVE PROGRAMS
CCC	11/9/23	COOPERS FOODS	1,529.61	THANKSGIVING MEALS, CAN OPENER, CRANBERRIES
CCC	11/8/23	SAMS CLUB	162.84	COFFEE, SPONGES, WATER, NAPKINS, JUICE
ELECTRIC	10/13/23	MIDWEST SAFETY SOLUTI	147.00	SOLAR LABELS
ELECTRIC	10/12/23	HOME DEPOT	36.57	BATTERIES FOR LOCATOR
ELECTRIC	10/16/23	HOME DEPOT	123.48	PROPANE TORCH
ELECTRIC	10/30/23	ZORO TOOLS	1,309.19	MULTITAP CONNECTOR
ELECTRIC	10/31/23	ZORO TOOLS	3,514.15	MULTITAP CONNECTOR
PARK & REC	10/16/23	TARGET	44.29	SNACKS, JUICE, COTTONBALLS FOR CRAFT
PARK & REC	11/1/23	TARGET	26.16	LITTLE TURKEY TIME SNACKS
PARK & REC	11/2/23	TARGET	10.47	CRAFT SUPPLY-GLUE, POPCORN
PARK & REC	11/4/23	CHUCK E. CHEESE'S	209.86	KIDS DAY OUT-LUNCH
ADMINISTRATION	11/8/23	GOOGLE	1.49	STORAGE SPACE FOR PICTURES, VIDEOS
PARK & REC	10/24/23	GAME ONE	203.88	PARKS & REC RUN
PARK & REC	11/7/23	GAME ONE	770.44	WALKTOBER 2023 TSHIRTS
PARK & REC	11/7/23	GAME ONE	9.99	WALKTOBER 2023 TSHIRT
PUBLIC WORKS	11/1/23	O'REILLY AUTOMOTIVE	26.07	#1222 CABIN FILTER
ADMINISTRATION	10/16/23	AMAZON.COM	9.79	Christmas Decorations for City Hall
ADMINISTRATION	10/17/23	AMAZON.COM	32.97	Thanksgiving and Christmas Decorations for City Hall
ADMINISTRATION	10/17/23	AMAZON.COM	6.64	Christmas Decorations for City Hall
ADMINISTRATION	10/18/23	SOUTHWEST METRO CHAMBER	200.00	Registration for State of City (Mayor's Luncheon)
ADMINISTRATION	10/17/23	LINK 2 GOV	20.00	Recording Fee for Vicki Schmid's Notary that expired
ADMINISTRATION	10/24/23	SAVOY PIZZA CHASKA PAYTRO	158.22	Pizza for HR hiring committee for HR manager position
ADMINISTRATION	10/26/23	SOUTHWEST METRO CHAMBER	40.00	Registration for State of the City (Mayor's Luncheon) for Taylor Hubbard
ADMINISTRATION	11/1/23	FUSION LEARNING PARTNERS	420.00	Registration Fee for Matt Clarks Annual CEAM Conference
ADMINISTRATION	11/3/23	USPS	8.85	Postage Fee for package over 4lbs for Matt Clark
PARK & REC	10/12/23	QUILL LLC	10.75	PADS
PARK & REC	10/12/23	QUILL LLC	432.47	CLIPS, CARDSTOCK, ENVELOPES, HIGHLIGHTERS
PARK & REC	10/18/23	GAME ONE	468.82	ADVENTURE CAMP TSHIRTS
PARK & REC	10/19/23	TARGET	75.49	DRYER SHEETS FOR BLOCK PARTY TRLR/PNO SUPPLIES
PARK & REC	10/19/23	QUILL LLC	12.99	FILE WALL HANGER
PARK & REC	10/19/23	QUILL LLC	18.59	STAPLES
PARK & REC	10/27/23	AMAZON.COM	5.99	LODGE-MOVIE FOR FRIDAY MOVIE
PARK & REC	10/27/23	WWW.GSDIRECT.NET	706.65	PLOTTER INK
PARK & REC	10/26/23	PARTY CITY	136.00	HALLOWEEN JAMBOREE SUPPLIES-TICKETS, SPIDER WEBS
PARK & REC	11/3/23	AMAZON.COM	42.97	DESK CALENDAR, PAINT BRUSHES
PARK & REC	11/8/23	AMAZON.COM	148.50	PRINTER RIBBON FOR FRONT DESK
CURLING CENTER	10/13/23	ECONOLOGDE	120.99	LODGING-ICE MAKING CONFERENCE-BRAINERD
CURLING CENTER	10/16/23	SCHILLING SUPPLY COMPANY	223.46	ROLL TOWELS, BATH TISSUE
CURLING CENTER	10/24/23	SCHILLING SUPPLY COMPANY	831.15	SOAP, ROLL TOWELS, CANLINERS, GLOVES
CURLING CENTER	10/25/23	CARDIAC LIFE PRODUCTS	70.65	NEW ELECTRODES FOR AED
CURLING CENTER	10/27/23	TARGET	119.60	JR 1 DAY BONSPIEL-SNACKS-COOKIES, CHIPS, VEGGIES
CURLING CENTER	10/28/23	DOMINO'S PIZZA	170.48	JR 1 DAY BONSPIEL-DINNER
CURLING CENTER	10/28/23	DOMINO'S PIZZA	4.99	JR 1 DAY BONSPIEL-DINNER
CURLING CENTER	10/28/23	SUBWAY	248.13	JR 1 DAY BONSPIEL-LUNCH
CURLING CENTER	10/30/23	FLEET FARM	59.99	BUCKET WATER HEATER FOR ICE MAKING
CURLING CENTER	10/31/23	CINTAS	29.23	FIRST AID CABINET UPDATING
CURLING CENTER	11/2/23	ECOLAB	10.88	CATERING KITCHEN DISHWASHER REPAIR PART
CURLING CENTER	11/1/23	WASTE CONNECTIONS	500.78	GARBAGE PICKUP
CURLING CENTER	11/6/23	SCHILLING SUPPLY COMPANY	823.00	SOAP, TB CLEANER, TOWELS, CANLINERS
PARK & REC	10/23/23	LITTLE CAESARS PIZZA	39.00	KIDS DAY OUT-PIZZA LUNCH
PARK & REC	11/12/23	TARGET	23.03	ADAPTIVE PROGRAM-SUNDAY FUNDAY-COOKIES/FROSTING
PARK & REC	11/12/23	CUB FOODS	32.99	ADAPTIVE PROGRAM-SUNDAY FUNDAY-CHIPS/POPCORN
ADMINISTRATION	10/17/23	TARGET	78.92	Open Enrollment Snacks
ADMINISTRATION	10/18/23	AMERICAN PUBLIC WORKS	366.90	Alex M. Registration
ADMINISTRATION	11/7/23	CREALITY PROMO+RETAIL	200.35	Name Badges for Employees
PUBLIC WORKS	10/11/23	HOME DEPOT	58.49	STORM OPERATING SUPPLIES (CAPS, ADAPTERS AND COUPLINGS)
CCC	10/15/23	AMAZON.COM	82.00	REPLACEMENT LAVALIER MICROPHONES
CCC	10/13/23	HOME DEPOT	98.39	CLR CLEANER, TAPE MEASURE, DUCT TAPE
CCC	10/15/23	LIFE FITNESS LLC	9.69	ASSISTED PULL-UP MACHINE PARTS
CCC	10/13/23	LIFE FITNESS LLC	390.30	ASSISTED PULL-UP MACHINE PARTS
CCC	10/19/23	OFFICESUPPLY.COM	73.45	NAPKINS-REFILLS
CCC	10/26/23	AMAZON.COM	12.78	NEC TV'S REMOTE
CCC	11/3/23	ULINE	144.70	FLOOR SQUEEGEE'S, SPRAY BOTTLES
CCC	11/3/23	E-RIGGING.COM	85.38	BASKETBALL HOOP FRAME PARTS
CCC	11/6/23	SHOPLET.COM	104.13	ABSORBENT POWDER
POLICE	11/2/23	ALEXANDRIA TCC	81.88	Registration fee for a booth at ATCC PTE Job Fair

**PURCHASE CARD TRANSACTIONS
NOVEMBER 2023 STATEMENT**

FINANCE	10/21/23	CITY OF CHASKA	92.70	CIVICGOV TESTING
FINANCE	11/3/23	CENTURYLINK	771.01	NOV PHONE & LONG DIST SVC
FINANCE	11/2/23	MET COUNCIL ACCTS REC WEB	20,000.00	DEC SEWER SERVICES FOR MET COUNCIL
FINANCE	11/10/23	VERIZON WIRELESS	5,887.64	NOV 2023 PHONE SERVICE
FINANCE	11/3/23	GOVERNMENT FINANCE OFFIC	500.00	GFOA CONFERENCE REGISTRATION
MSB	10/17/23	UNITED SKID TRACKS	2,570.00	#129 SNOW TRACKS
MSB	10/17/23	AMAZON.COM	55.00	#311 FIRE COMPARTMENT DOOR SEAL
MSB	10/18/23	AMAZON.COM	11.29	TIRE MACHINE FITTINGS
MSB	10/19/23	AMAZON.COM	-544.49	#256 BERTI MOWER CLUTCH RETURN
MSB	10/20/23	EPSON LABELWORKS	163.71	LABLE MAKER TAPE & TRANSFER RIBBON
MSB	11/2/23	AMAZON.COM	711.98	TIRE GROOVER TOOL AND SAW BLADES
MSB	11/3/23	AMAZON.COM	13.86	CHAIN BAR OIL PLUG SAW
MSB	11/6/23	MINNESOTA AG GROUP, INC.	48.44	#224 FRONT PTO DROVE BOX HYD FILTER
MSB	11/12/23	AMAZON.COM	48.96	1 1/2" WASH DOWN HOSE NOZZELS
TOWN COURSE	10/12/23	MOTOROLA	175.00	MONTHLY RADIO SUBSCRIPTION
TOWN COURSE	10/13/23	KWIK TRIP	66.00	STAMPS
TOWN COURSE	10/13/23	HOME DEPOT	464.67	TOOLS FOR CART BARN-WRENCH SETS, PLIERS, MALLETS
TOWN COURSE	10/26/23	MINNESOTA SECTION PGA OF	25.00	PGA MEETING-JOHN
TOWN COURSE	10/26/23	MINNESOTA SECTION PGA OF	25.00	PGA MEETING-ANDREW
TOWN COURSE	10/30/23	MINNESOTA SECTION PGA OF	25.00	PGA MEETING-DEREK
TOWN COURSE	11/4/23	MOTOROLA	175.00	MONTHLY RADIO SUBSCRIPTION
TOWN COURSE	11/8/23	HOME DEPOT	32.49	TARPS FOR RANGE MATS
CCC	11/6/23	ACE HARDWARE	20.74	KEY COPIES FOR HS COACHES ROOMS
FIRE	11/3/23	BOUND TREE MEDICAL LLC	3,058.93	MEDICAL SUPPLIES-POWERHEART BATTERIES
FIRE	11/6/23	BOUND TREE MEDICAL LLC	1,043.97	MEDICAL SUPPLIES-EXAM GLOVES, SHEARS, GAUZE
FIRE	11/7/23	AMAZON.COM	74.35	BATTERIES FOR GEAR
INFORMATION TECHNOLO	10/17/23	ANYTHINGID.COM	595.00	Card Printer Software License for HR
INFORMATION TECHNOLO	11/11/23	FRESHWORKS	810.00	IT Ticketing service renewal
WATER/SEWER	10/26/23	HOME DEPOT	19.97	UTILITY KNIFE
WATER/SEWER	10/31/23	FLEET FARM CSTORE	16.49	KEROSENE FOR HEATER
WATER/SEWER	10/31/23	HOME DEPOT	56.88	CLEANER
WATER/SEWER	11/1/23	HOME DEPOT	90.21	WTP- PARTS TO INSTALL NEW VALVE
WATER/SEWER	11/3/23	USPS	8.50	AIR MONITOR SHIPPING
ELECTRIC	10/25/23	SGT KNOTS SUPPLY	599.85	#722 PULLING ROPE
ELECTRIC	10/31/23	FLEET FARM	123.28	BLUFF CREEK SUB MAINTENANCE
POLICE	10/13/23	LIFELINE TRAINING - CALIB	199.00	Street Survival Seminar #424
POLICE	10/16/23	LIFELINE TRAINING - CALIB	199.00	Acute Stress & Human Performance Considerations for Force Events Seminal #424
POLICE	10/17/23	MINNESOTA CIT OFFICERS AS	900.00	MN Crime Intervention Team training for #428
POLICE	11/2/23	ADOBE SYSTEMS	21.66	Acrobat fee
POLICE	10/14/23	UBER TECHNOLOGIES	21.95	Transportation - IACP Conference - San Diego CA
POLICE	10/14/23	UBER TECHNOLOGIES	3.29	Tip - Transportation - IACP Conference San Diego CA
POLICE	10/17/23	UBER TECHNOLOGIES	15.90	Transportation - IACP Conference - San Diego CA
POLICE	10/17/23	UBER TECHNOLOGIES	3.00	Tip - Transporation - IACP Conference - San Diego CA
POLICE	10/14/23	MARRIOTT	1,528.16	Lodging - IACP Conference - San Diego CA
POLICE	10/19/23	SAVOY PIZZA CHASKA PAYTRO	100.57	Facility members Lunch meeting with City Architect
POLICE	10/3/23	BROWNELLS RETAIL STORE	-125.95	credit for fraudulent transaction
POLICE	10/5/23	DEFENSE SOLUTIONS GROUP	-116.52	credit for fraudulent transaction
POLICE	9/25/23	REV.COM	-0.76	credit for fraudulent transaction
POLICE	9/27/23	UNITED AIRLINES	-575.45	credit for fraudulent transaction
POLICE	10/25/23	BOUND TREE MEDICAL LLC	205.59	Medical bag for Squad 1231
POLICE	11/3/23	AMAZON.COM	106.38	Tow straps, IFAK Trauma Kit
POLICE	10/27/23	EXECUTIVE OFFICE OF THE S	90.00	POST License - Dylan Lange
POLICE	10/27/23	POST BOARD SERVICE FEE	1.94	US Bank Service Fee - POST License
POLICE	11/2/23	MARIE RIDGEWAY LICSW	400.00	Wellness Retainer
POLICE	11/9/23	FAUL PSYCHOLOGICAL PLLC	650.00	Pre -Employment - Dylan Lange
HUMAN RESOURCES	10/31/23	IPMA-HR	975.00	COURSE REGISTRATION
HUMAN RESOURCES	11/7/23	CHECKR INC	329.94	BACKGROUND CHECKS
PUBLIC WORKS	10/26/23	HOME DEPOT	156.19	MISC TOOLS AND GLOVES
PUBLIC WORKS	10/30/23	HOME DEPOT	49.47	HAMMER DRILL BITS
PUBLIC WORKS	10/31/23	HOME DEPOT	57.68	CONCRETE EPOXY
PUBLIC WORKS	11/2/23	WINSUPPLY EDEN PRAIRIE MN	1,875.03	DISCONNECTS & ELECTRIC PARTS FOR RTU'S
			-1,396.29	Credits after statement date
			104,608.41	

Biweekly Report

December 4, 2023

By:

Matt Podhradsky

COUNCIL MEETING/WORK SESSION SCHEDULE

Below is a list of the upcoming Council Meetings and Work Sessions to plan for:

December 4: We will not have a Work session prior to Monday night's Council meeting. We do not have a long agenda for this Council meeting, but we do have our Truth in Taxation hearing scheduled for Monday.

December 18: We will not have a Work Session prior to the Council meeting on this night. At the Council meeting we will be considering the adoption of 2024 Budget and Tax Levy, all utility rates and likely will be considering the adoption of all our Union Contracts. In addition to this, we will have the final planning approvals set for the Public Safety Facility and complete any of our end of the year business.

January 1st: As the first Monday of the month falls on New Year's Day, we will not have a meeting on this night. Instead, the first meeting of January will be on **January 8th**. We are planning to have Commission interviews prior to the meeting on the 8th. Denise will get out the schedule once it is available.

January 22nd: Because the third Monday of the month is MLK Jr. Day (January 15th) we will not be having a meeting that night. Instead, we will be having the second meeting of January on the 22nd. As has been past practice, we will be finishing up Commission Interviews prior to this meeting. Denise will get out the schedule once it is available.

January 29th: There is a 5th Monday in January this year. At this time we are not planning on having a meeting on that night but may instead use this evening for a work session. We will keep you informed as we get closer.

February Meetings: Because of President's Day is falling on the third Monday of February, we will have a change in meeting dates for the month. The first meeting of the month will fall on its normal date of February 5th. However, our second meeting of the month will be on **February 26th** instead of the 19th, which is President's Day.

If you have any questions about this meeting schedule or are unable to attend a meeting, please just let me know.

2024 COUNCIL/DEPARTMENT HEAD RETREAT

With us coming up on the beginning of the year, I wanted to work on getting time on the calendar for our annual Council/Department Head Retreat. Sometimes the most difficult part of the retreat is getting a date that works for everyone-that is why I thought I would start now.

The first dates that I am looking at are Thursday and Friday, March 14 and 15. The second date that I am looking at is Thursday and Friday, February 8 and 9. As always, we plan on having both days start at 8:30 am and wrap up at 4 pm. We will be having our retreat in the CCC as the Fire Department may not be available by the March dates. There will be lunch served on both days with a morning and afternoon snack provided. We do plan on using Richard and Irina Fursman once again as the facilitators of our session.

If you could get back to me to let me know if either of those dates would work, I would greatly appreciate it. Once we get it set, I will get out an official notice to everyone.

UPDATE ON PUBLIC SAFETY FACILITY

As we are getting closer and closer to the time that we put this facility out for bid, I wanted to lay out for you the schedule you should anticipate as we move forward with this facility.

First, the plans have been submitted to our Planning Department to be considered for the December 13th Planning Commission date, putting the consideration of final planning approval by the Council at the December 18th meeting. Following this meeting, the project will be eligible to be able to move forward with pulling a building permit and starting development activities.

On Thursday, December 21st, we do expect to get back the final cost estimates from our Construction Manager, RJM. If this final cost estimation keeps our project within budget, this will then allow CNH Architects to move forward with completing the bid documents for the project.

At our January 8th Council meeting, we will be bringing back the final specifications/bid pack for the Council to consider and authorize Staff to release these documents to seek bids on the project. We would expect that the bids would be released around January 15th and will be in the market for 30 days.

After we receive bids from contractors, RJM and CNH will be reviewing the bids and making recommendations to the City on whether we should accept a bid or reject any/all bids. Our hope would be that we would be able to bring back this recommendation to the Council either the February 26th meeting, or the first meeting in March.

Simultaneous to this, we will be working with our Financial Advisors at Baker Tilley to put together a financing package that we plan to bring back to Council for consideration, preferably on the same date that we accept a bid for the project.

If we follow this schedule, this should put us in a position that project work can start in April/May, which was our target for this project. This would then put us completing the building in fall of 2025. If you have any questions about this, please don't hesitate to contact me.

TOWN SQUARE HOTEL

Staff wanted to keep Council in the loop that the Town Square Hotel building did recently get sold at auction. The building was put up for sale in a public auction with the auction closing on November 29th. We were informed by the broker representing this transaction that a bid was accepted in this auction and that they plan to close with the accepted bidder in the next several weeks. Their indication to Staff was that they would like to convert the building into some sort of Multifamily residential property. We have informed them that they should meet with City Staff to ensure that the use fits with the zoning on the site and to talk about ways we can help make this a better project for our downtown area. As you are aware, the hotel running out of this building has been on "Level 3" status with its hotel license for the better part of 2023. This status will stay with the property until we can assure that all issues have been resolved.

If you have any questions about this, please don't hesitate to ask.

ALL-EMPLOYEE HOLIDAY PARTY

Each year, the Employee's "Sunshine Committee" raises dollars through the sale of items in a vending machine to support a Holiday party for all employees, families and Council members in December. This year's event is going to be on Friday December 8th starting at 4:30 pm out at Oak 19 at the Chaska Town Course. We would love if Council members came to the party and brought any of your family members that may be interested. It is always a good time to unwind before the Holidays and reflect on the past year. Hope to see you there!

UPCOMING EVENTS

- Hometown Holiday-Saturday December 2nd
- Annual Sandy Hook Remembrance Event-Thursday, December 14th at 9 am-St. John's Church
- Fireman's Park Tree Lighting Event-Sunday December 3rd at 6 pm
- Santa Parade: Evening of Wednesday December 20th