



## CAPITAL FINANCIAL PLAN – 2022 UPDATE

In 2018, the City of Chatfield established a Capital Financial Plan for the purpose of developing an understanding of the City's financial condition and to provide a tool to evaluate the feasibility of future capital improvement projects and purchases. Capital financial planning helps balance two competing needs; (1) the need to complete capital projects and (2) the need to preserve or improve the financial condition of the City.

The City uses a customized computer model to show the financial impact of a particular approach to a series of projects. Using this model, the City can quickly see in graphic terms the impact of proposed projects on the City's financial condition, and weigh the pros and cons. The City strives to update the model annually, typically in the Fall.

The following pages include the data input sheet and graphs associated with the most recent update. The highlights of this most recent iteration are enumerated here:

- The City's tax rate in 2023 is expected to fall. This doesn't necessarily mean taxes will go down for a particular property because of significant increases in market values established by the County Assessor(s).

- The City will continue to adequately fund its internal reserve account for future governmental-purpose capital outlays. Contributions to this account will increase by at least 3% annually.

- Water rates need to increase 3% annually. However, sewer rates need not be adjusted at this time. In fact, this update contemplates the Sewer Fund actually repaying the General Fund for prior years' financial support.

- In the short term, the City will finance the acquisition of property to serve as storage for the Public Works Department and also to pay for road and utility improvements scheduled to occur in 2023 (specifically Grand & Prospect plus various overlays).

- Future projects have been sized and timed to maintain debt levels in the "moderate" to "moderately high" range.

- Impacts on a typical home are targeted to be at the rate of inflation or lower.

City of Chatfield, Minnesota 2022 October Update  
Projects, Debt & Revenue Allocation Worksheet

Baseline		
Surplus Levy for GF / Cap Outlay	-	New 2023+
Sewer Fund	-	New 2023+
Water Fund	-	New 2023+

37,000	Average Spending Seal Coat / Chip Seal
-	Average Storm Sewer Spending
21,000	Average Sidewalk Spending
125,000	Street Overlay every 3 years
n	Cancel Street Overlay Levy?

FIRE AMB CCTV	
47,895	Fire Capital
47,380	Amb Capital
6,180	CCTV
101,455	2024+

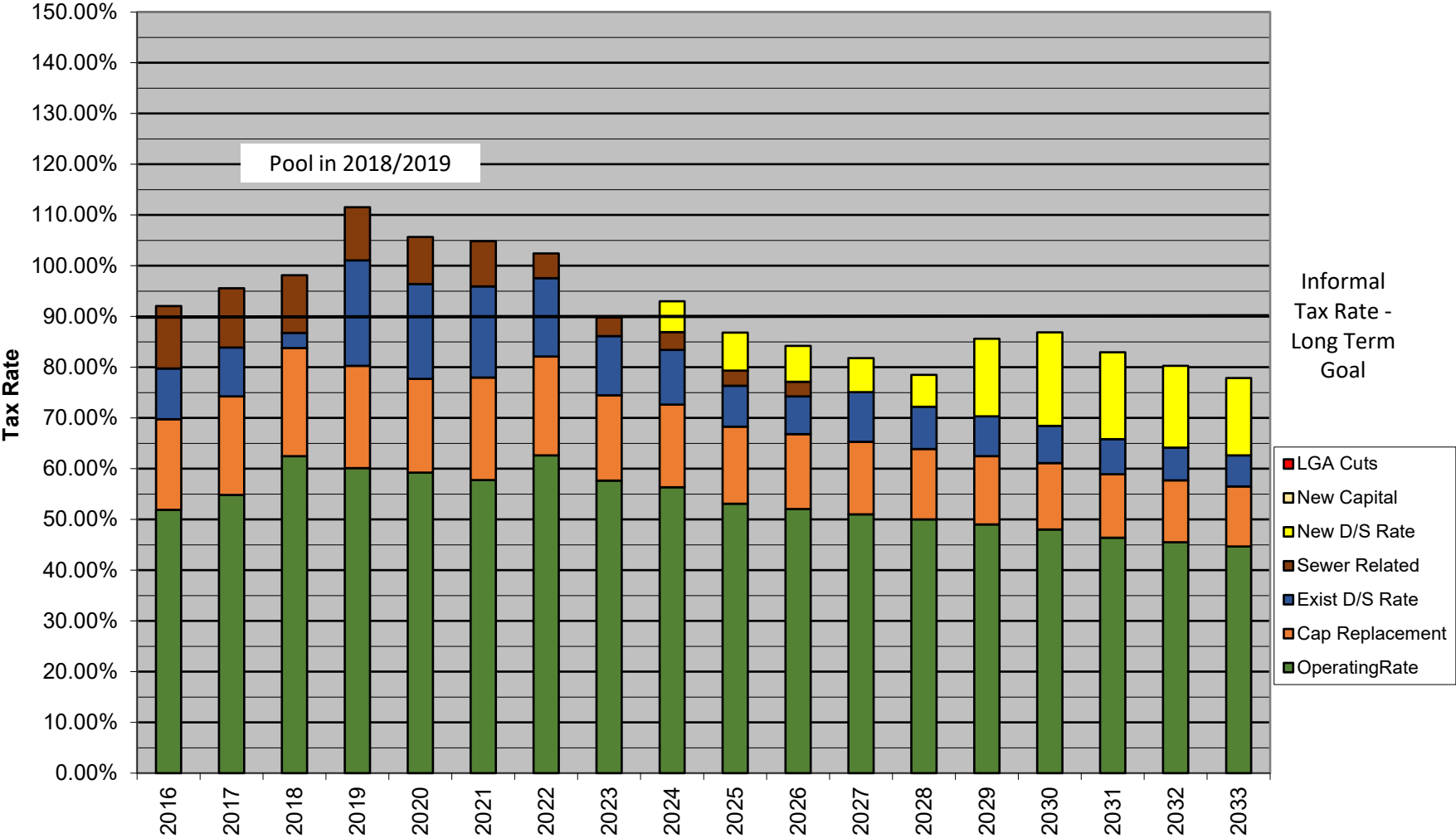
FUND 801 (2023)	2024+
- Conferences	-
- Historical Society	-
- Senior Citizens	-
- City Car	-
28,500 Muni Building	29,355
35,700 Police Squad / Software	36,771
2,000 Civil Defense	2,060
25,750 Sidewalk Improvements	26,523
- Developer Fees	-
68,500 Street Equip / Signs	70,555
42,000 Seal Coat / Chip Seal	43,260
30,000 Street Overlay	30,900
7,147 Storm Sewer	7,361
- Swimming Pool	-
45,000 Park Improvements	46,350
- Park Dedication	-
- Tourism / Float	-
- Heritage	-
38,426 Clerk & Future Tech	39,579
- Mill Creek Park	-
- Bandshell	-
- Comprehensive Plan	-
2,500 Capital Goods / Revenue	2,575
- Enterprise Drive	-
325,523	<<2023 2024>> 335,289

3.0% Inflation Rate of Transfers

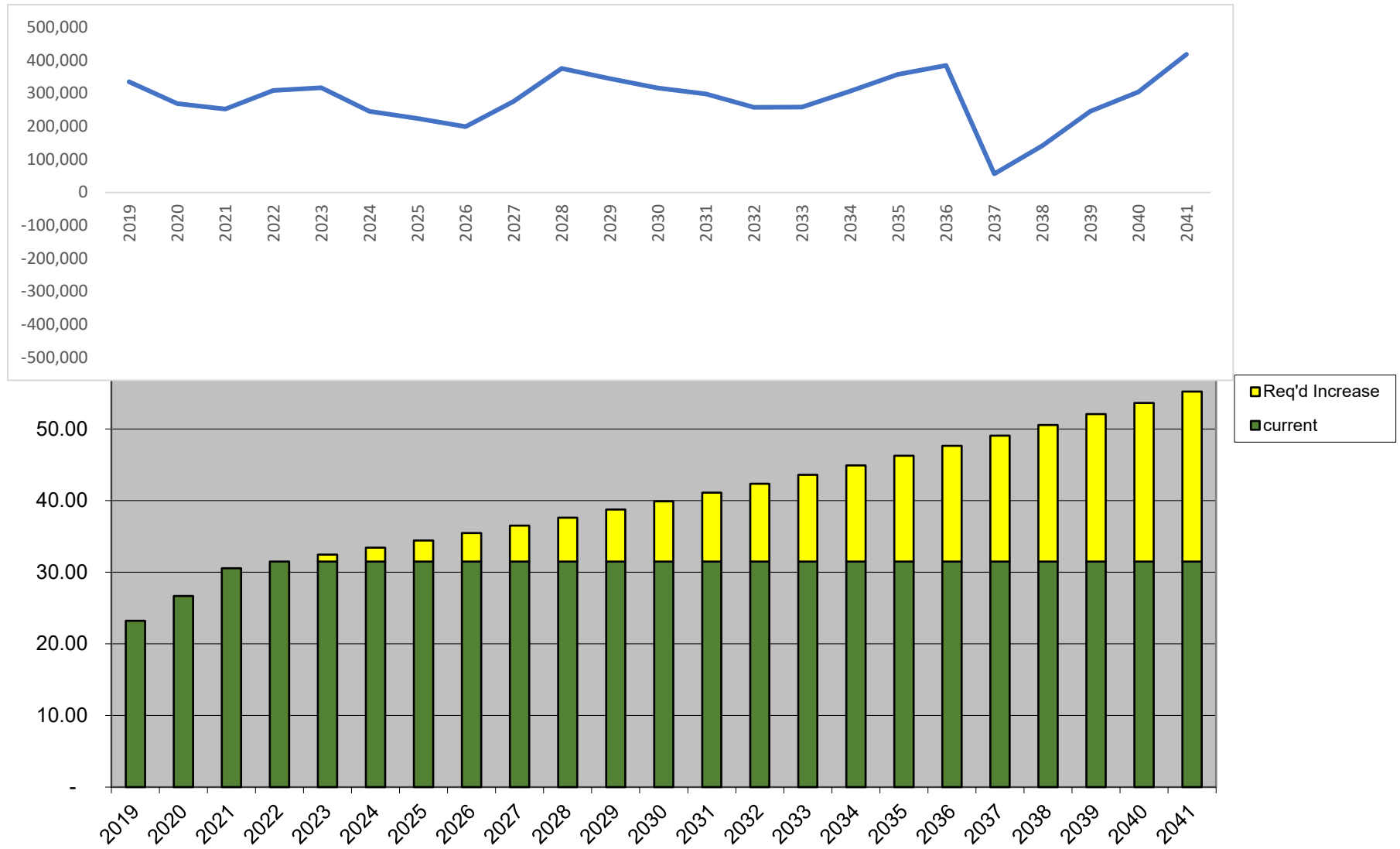
Graph Options							
			25.00	Population Growth/Year	-	Annual Street Improvement above normal budgeting	
			10.00	Households/Year	-	2024+	
VALUE ADJUSTMENTS  2023  20%	200,000	< value of "typical" homestead for impact					
	5,000	< typical water usage per month					
			3.0%	Water 2023	-	LGA Cuts (increase) 2024+	
	5%	< market value inflation factor		3.0%	Water 2024+	-	Offsets
	5%	< construction inflation factor	-	0.0%	Sewer 2023	-	Net Increase in Levy
	4.0%	< Spending Increase % (GF, Water, Sewer)	-	0.0%	Sewer 2024+		
	6%	< Tax Base Growth Assumption					

Projects & Debt		INTERFUND LOANS										
#				2023	Generic	Public	Sewer Fund	Storm Sewer Project	Generic	Generic	Water OTR	Future PW
Project				Grand & Prospect	Mill & Overlay	Works Bldg	Reimb GF Bal Pmt #1	(Sewer Reimb GF)	Mill and Overlay		Storage	Bldg
Est Year 2022 Cost	-	-	1,650,000	375,000	700,000	172,768	613,913	1,050,000	2,500,000	1,675,000	2,100,000	
NET Financed (Inflation Less Cash)	-	-	1,732,500	393,750	771,750	(0)	(0)	1,407,100	3,350,239	2,244,660	2,254,911	
Type Bond			GO	GO	GO	Cash	Cash	GO	GO	GO	GO	
Term	20	20	10	10	20	10	10	10	10	20	20	
Rate	2.00%	2.00%	4.00%	4.00%	5.25%	4.00%	4.00%	4.00%	4.00%	4.50%	4.50%	
Bond Pymt	-	-	213,602	48,546	63,247	(0)	(0)	173,483	413,054	172,561	173,349	
Yr Built	0	0	2023	2023	2024	2025	2032	2028	2028	2028	2029	
Repayment Sources						2022 project, int only to 25						
CASH	Other	-	-	-	-	-	-	-	-	-	-	700,000
	Water	-	-	-	-	-	-	-	-	-	-	-
	Sewer	-	-	-	-	-	200,000	1,000,000	-	-	-	-
DEBT	Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Assmts	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Sewer Rates/Fees	0%	0%	25%	0%	0%	0%	0%	0%	50%	0%	0%
	Water Rates/Fees	0%	0%	15%	0%	0%	0%	0%	0%	0%	100%	0%
	Tax Levies	100%	100%	60%	100%	100%	100%	100%	100%	50%	0%	100%
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

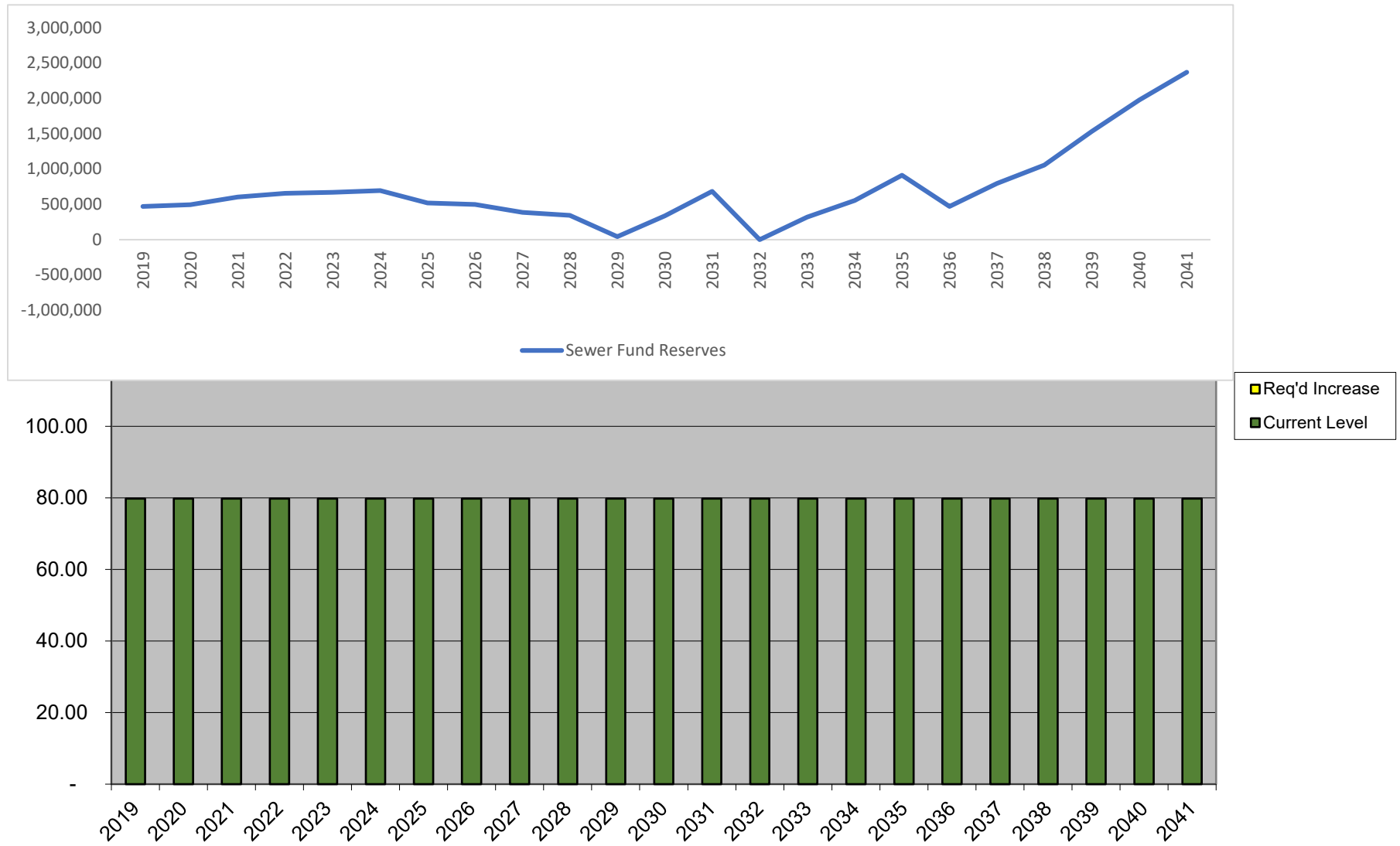
Tax Rate Projections



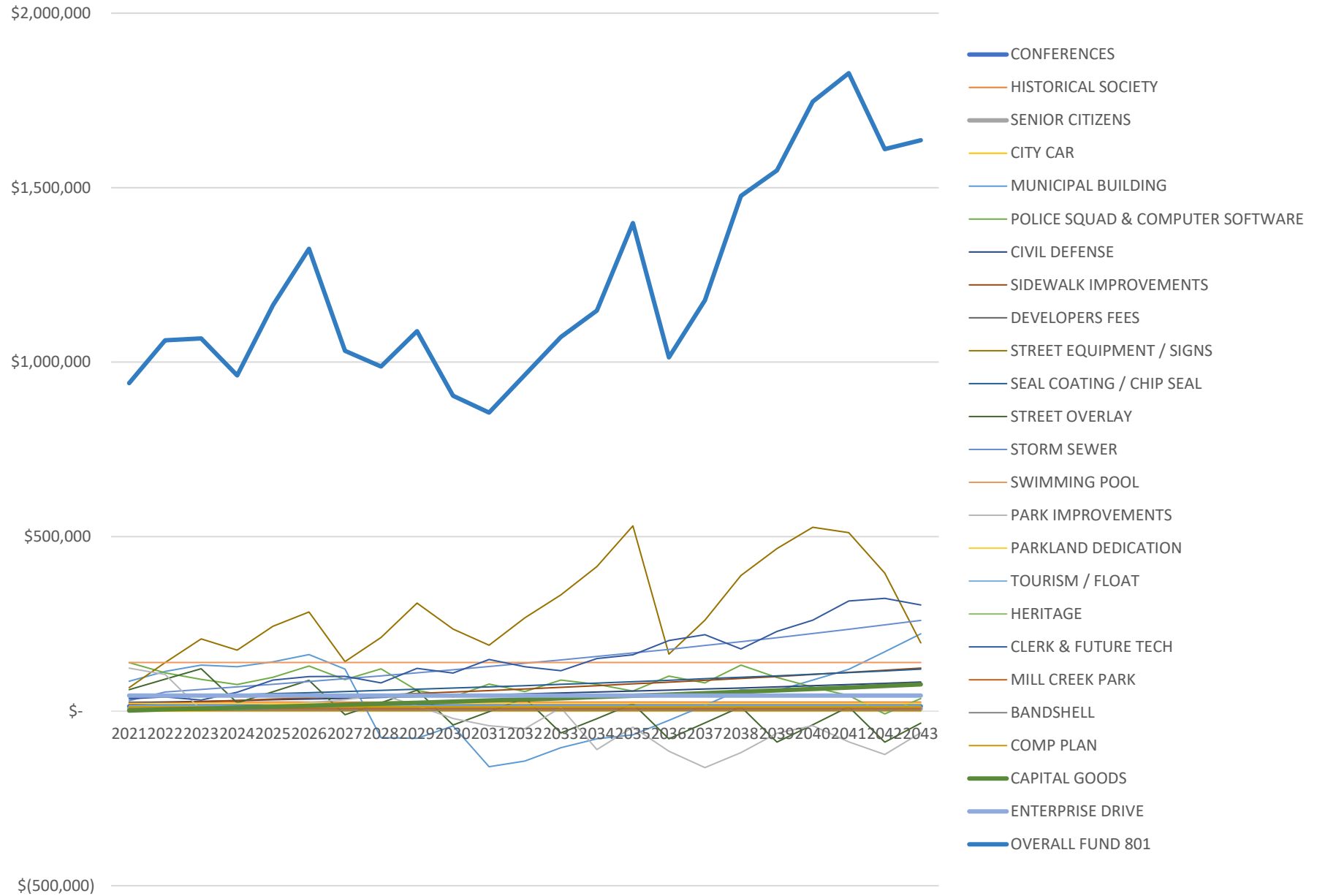
Monthly Water Bill ~ (5,000 gpm)



## Monthly Sewer Bill ~ (5,000 gpm)

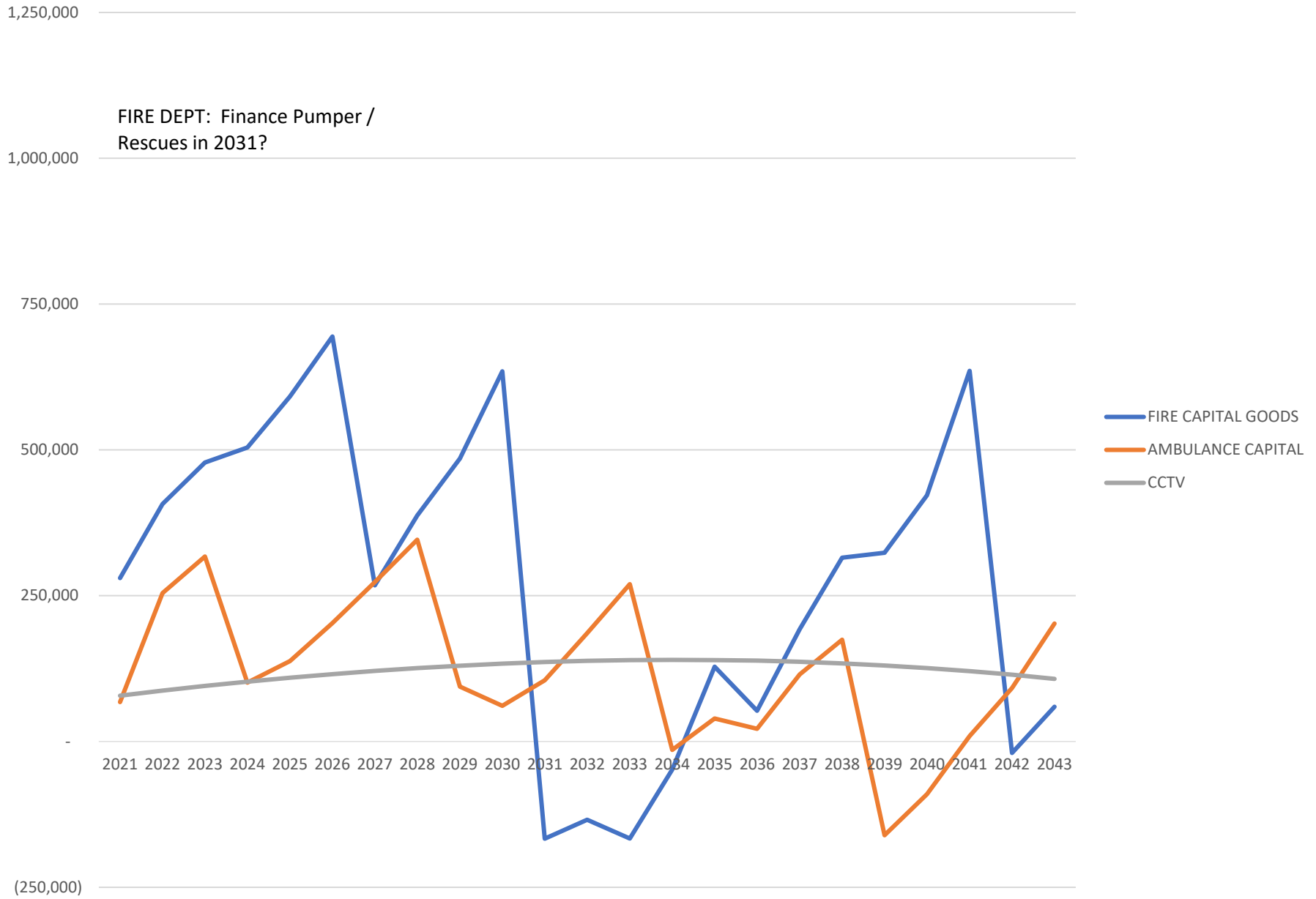


## Fund 801 Reserves

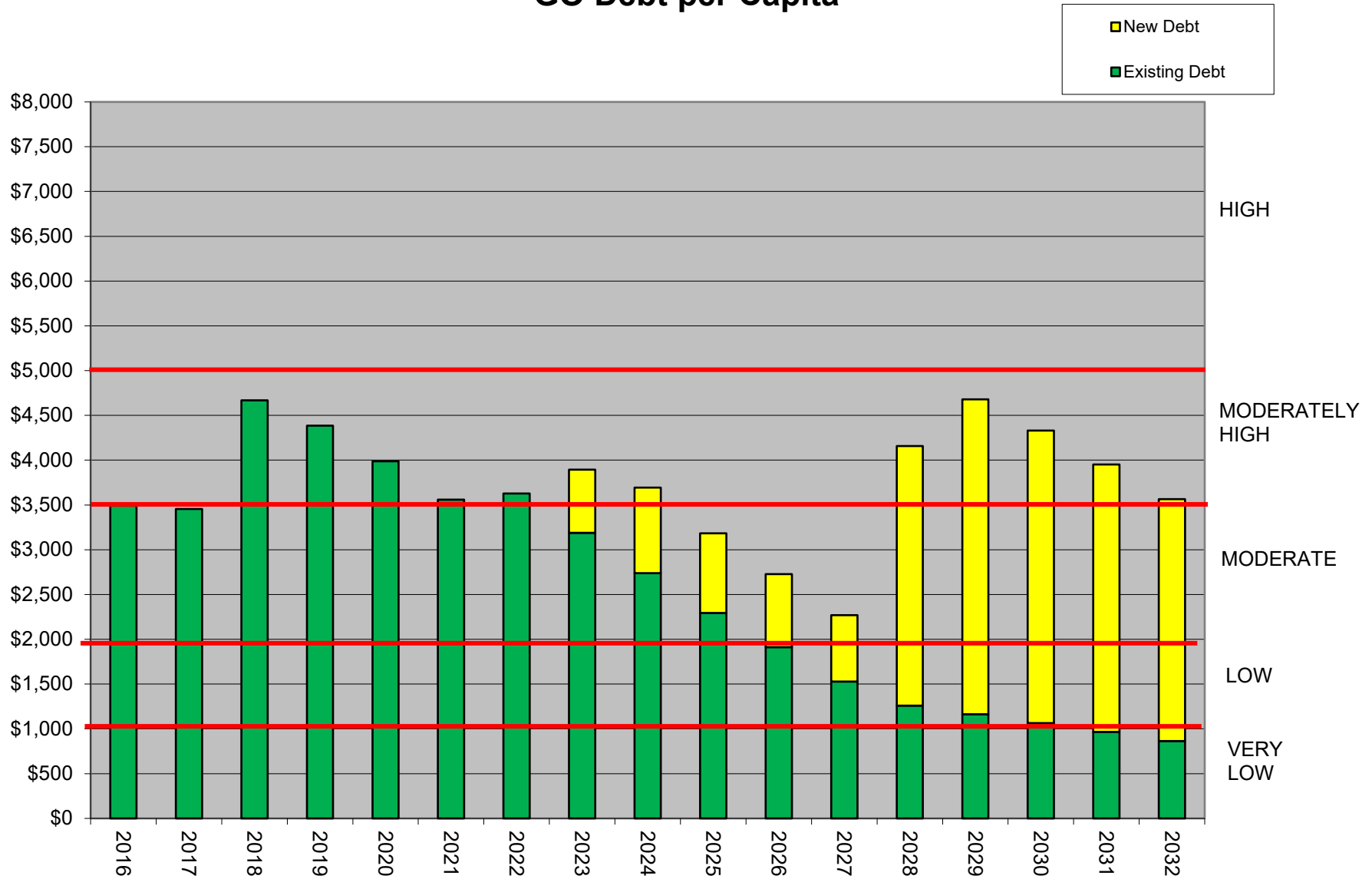


## Fire / Ambulance / Cable Access

FIRE DEPT: Finance Pumper /  
Rescues in 2031?



## GO Debt per Capita





**ANNUAL COSTS**  
(Typical Value Home, MV inflation, 5K water user)

**RESIDENTIAL**

