

Capital Improvement Plan



City of Tonka Bay

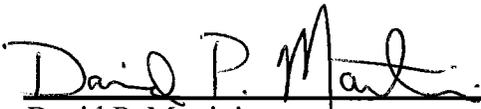
Approved by City Council:

April 14, 2009



CAPITAL IMPROVEMENT PLAN
CITY OF TONKA BAY, MINNESOTA

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



David P. Martini

Date: March 2, 2009

Registration No. 26122

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EXECUTIVE SUMMARY

This Capital Improvement Planning Study has been divided into two main sections. The first section is an Infrastructure Management Plan (IMP). The intent of the IMP is to evaluate the condition of the City's streets, watermain, sanitary sewer, and storm sewer facilities. Based on the condition of these facilities a 20-year improvement plan has been developed, which includes street reconstruction and the replacement of watermain, sanitary sewer, and storm sewer. Priority projects have been identified and are described in detail in the report and planning level cost estimates have been prepared for the remainder of the planning period.

The second section of the report is the Capital Improvement Plan (CIP). The purpose of the CIP is to document needed capital improvements for the City of Tonka Bay over the next 20-years. This plan was authorized due to concerns of the City's aging infrastructure system. The criteria utilized in preparing this plan include the age and history of the City's infrastructure along with input from City staff.

Generally, the first five years of the CIP are considered to be the most accurate because they include near term needs and cost estimates that are more reliable than the long term needs identified in the plan (years 6-20). The five year plan is proposed to be used as the basis of the City's annual budgeting process, while the long term plan is intended to provide the City with an understanding of future expenditures that will be needed to maintain its infrastructure. With this understanding, the City will be able to evaluate its rate structures to determine if revenues are sufficient to support the infrastructure needs.

INFRASTRUCTURE MANAGEMENT PLAN

STREETS

Background

The City of Tonka Bay has over ten miles of bituminous streets. With the exception of the newer subdivisions, the streets were last reconstructed in the early 1970's when the City's water system was constructed. In general, the actual make up of the streets are unknown, but it is our understanding that the majority of the streets consist of approximately 4" of bituminous over an aggregate base that is approximately 6" thick.

The actual life of a road depends on several factors including the quality of construction, the amount of traffic, soil conditions, drainage, and the types of material that are used for construction. For a well constructed bituminous street, a typical life cycle includes seal coating the surface of the roadway every 3 to 7 years, a mill and overlay at year 15 to 20, and reconstruction at year 30.

Over the years the City has developed a seal coating program, by which all city streets are seal coated every three years. Seal coating is a good preventative maintenance practice to preserve the condition of the surface over time by protecting the pavement from weathering and the wear and tear from traffic. However, seal coating does not increase the structural capacity of the pavement. Therefore, the City's streets have still deteriorated due to the long term affects of weather and traffic.

Condition Rating

Although the City's seal coating program has undoubtedly prolonged the life of its streets, it also makes it difficult to assess the true condition of the streets because the extent of cracking in the road can be masked. As shown in the table below, a Pavement Condition Index (PCI) can be established based on visually rating the individual deficiencies of the pavement. When added together, the ratings make up the PCI. Streets with no deficiencies have a PCI of 100. Although all of the streets within the City were evaluated using the 14 street condition criteria, it was difficult to develop a true PCI because the recent seal coating and patching made it difficult to evaluate the actual extent of deterioration.

| Criteria | Rating |
|---|---------------|
| Transverse Cracks (cracks across the width of the street) | 0-5 |
| Longitudinal Cracks (cracks along the length of the street) | 0-5 |
| Alligator Cracks | 0-10 |
| Shrinkage Crack | 0-5 |
| Rutting | 0-10 |
| Corrugations (ripples across the pavement surface) | 0-5 |
| Raveling (wearing away of the pavement surface) | 0-5 |
| Shoving or Pushing | 0-10 |
| Pot Holes | 0-10 |
| Excess Asphalt | 0-5 |
| Polished Aggregate | 0-5 |
| Deficient Drainage | 0-10 |
| Overall Riding Quality | 0-10 |
| Curb & Gutter | 0-5 |

In order to supplement the PCI, the age of the pavement and input from City staff were also considered in developing an overall condition rating for each city street. Adjustments were made to the PCI to account for pavement age as follows:

| Street Age | Deduction |
|-------------------|------------------|
| 0-10 Years Old | 0 |
| 10-15 Years Old | -5 |
| 15-20 Years Old | -10 |

| | |
|-----------------|-----|
| 20-25 Years Old | -15 |
| 30+ Years Old | -20 |

Pavement Maintenance

As discussed earlier, there are different preventative maintenance methods that can be used to maximize the life of a pavement. Two of the most common and effective methods include seal coating and mill and overlay. The effectiveness of each of these methods is dependent upon the condition of the pavement and the type, extent and severity of the pavement distress present.

Seal Coat

As the City is aware, a seal coat consists of the application of emulsified asphalt and loose aggregate to the existing surface. After the specified “curing” time, the excess aggregate is swept up and removed.

This rehabilitation method is typically used several times throughout the life of a pavement. Seal coats are most effective when used on pavements in relatively good condition. This method is used to provide a new driving surface and to re-seal the pavement surface to provide some protection from weathering. The useful life of a seal coat is generally 3 to 7 years depending on the type of materials that are used and the condition of the pavement to which it is applied.

The advantages of seal coating are as follows:

- Relatively low initial capital expense
- Provides improved skid resistance
- Provides some moisture protection to the pavement
- Minimal disruption to traffic
- Provides an aesthetically uniform surface

The disadvantages of seal coating include the following:

- Does not improve structural integrity
- Short useful life

- Requires patching and sealing of major cracks prior to application
- Limited effectiveness on pavements in poor condition

In order to maximize the life of the City's pavements, it is recommended that the City continue to seal coat the streets on a 3-year cycle.

Mill and Overlay

A mill and overlay consists of removing all or a portion of the in-place bituminous surface and placing an application of a plant-mixed surface over the remaining surface. This rehabilitation method is typically used a 1-2 times throughout the life of a pavement. Mill and overlays are most effective on pavements that are in moderate condition and with a stable subgrade. This method is used to replace the pavement surface and to increase or restore the pavement's structural integrity. The useful life of a mill and overlay is generally 7 to 10-years depending upon the condition of the pavement to which it is applied.

The advantages of a mill and overlay are as follows:

- Moderate initial capital expense
- Provides new pavement surface
- Increases or restores structural integrity of the pavement
- Minimal disruption to traffic
- Does not raise the elevation of the street

The disadvantages of a mill and overlay include the following:

- Requires patching and repair of weak subgrade areas prior to application
- Increased cost compared to an overlay with no milling
- Limited effectiveness on pavements in poor condition
- Useful life is variable depending upon the condition of the existing pavement
- Ineffective on pavements with structurally limited subgrades

Reconstruction

Reconstruction consists of removal of the entire existing pavement section and the construction of a new pavement structure, including bituminous, aggregate base, geotextile fabric, soil correction, etc. For the purposes of cost estimating a new pavement structure consisting of 4.5" of bituminous, 9" of aggregate base and geotextile fabric has been assumed.

This method is used when the existing pavement has deteriorated to such an extent that other rehabilitation methods are ineffective or utility construction is necessary. The useful life of a reconstructed pavement can be 25 to 30 years with proper maintenance and use of other rehabilitation methods throughout the pavement's life.

The advantages of reconstruction are as follows:

- Provides a new pavement structure
- Allows for soil correction below the street where necessary
- Long term useful life
- Allows for the opportunity for utility improvements

The disadvantages of reconstruction include the following:

- High initial capital expense
- Moderate to high disruption to traffic

Conclusions

The City's streets are in generally good condition. However, based on the age of the streets and the distresses that are visible, it appears that all of the City's streets will need to be improved within the 20-year planning period. Resurfacing is recommended to be in the form of a mill and overlay or total reconstruction depending on whether or not utility construction is needed as part of the project. Specific recommendations are indicated in the proposed 5-year plan proposed in this report. It is worth noting that the average age of the streets in Tonka Bay is over 30 years old, which exceeds the expected life of a typical street. Therefore, if the City makes no

improvements the average age will increase to over 40 years in ten years and will increase to over 50 years in 20 years.

WATER

Background

The existing watermain system consists of pipe ranging between 6” and 12”. There are approximately 44,500 feet of cast iron watermain, and approximately 11,500 feet of ductile iron watermain. The majority of the watermain was installed in 1972 making it 36 years old. Since 1984 there have been 33 breaks on the system. The majority of the breaks have occurred on cast iron pipes. According to City staff, the majority of the breaks have occurred due to poor construction practices that were used at the time the system was constructed. Based on the records, it appears that breaks are becoming more and more frequent.

The life cycle of a watermain depends on several factors including the quality of construction, the type of material used in construction, and soil conditions. In growing communities it is also possible for a watermain to become functionally obsolete if the size of the main prevents the system from meeting demand. In general, a well constructed watermain system can have a life of 50 to 100 years. Unfortunately, based on the frequency of breaks in the system, it does not appear that the City’s system is well constructed.

Condition Rating

The rating of watermains throughout the City was evaluated based on size, type of material, and number of breaks. Starting with a value of 100, the following condition criteria were used to rate the watermains throughout the City:

| Criteria | Deduction |
|-----------------------|-----------|
| Cast Iron Material | -2 |
| Diameter Less Than 8” | -2 |
| Per Watermain Break | -5 |

Conclusions

Based on the condition ratings, input from City staff, and the fact that most of the watermain breaks that have occurred throughout the City have occurred in cast iron pipe that was constructed in the early 1970's, it recommended that existing cast iron watermain pipe be replaced with ductile iron pipe as part of the City's 20-year improvement plan. Watermain replacement will include new hydrants and new service lines to the curb stop. Ductile iron pipe is recommended because it has proven over time to be a durable material and less prone to breaks.

Also, based on City records, the watermain that is located along CSAH 19 has experienced several breaks since 1984. The cost of the fixing the breaks along the County Road are high relative to repairs on City streets. In order to limit the cost of replacement, it is recommended that the timing of the project be dependent on Hennepin County's schedule for reconstructing the road. Currently, Hennepin County does not have this project in their plan. A second option may be to replace the watermain in conjunction with the trail construction project that is proposed along CSAH 19. In either case, this project should be included in the City's 20-year plan.

SANITARY SEWER

Background

Based on input from City staff, certain sections of sanitary sewer were identified as priorities for replacement. Due to the City's proximity to Lake Minnetonka, many of the City's sanitary sewer lines are below the groundwater table. Since the City's sewer system consists mostly of clay pipe, the sewer system is very susceptible to infiltration. Infiltration is caused by leaks in pipes, manholes, and service connections that allow groundwater to penetrate the system. City staff has noted that roots penetrating the sewer pipe are also becoming a problem on a more frequent basis. The City is currently paying an annual inflow and infiltration surcharge of \$9,500 to the Metropolitan Council. The surcharge is imposed on all communities with excessive clear water flows into the regional wastewater system. The City is given a dollar for dollar credit for improvements made to the system that reduce or eliminate sources of inflow and infiltration.

The life cycle of a sanitary sewer system depends on several factors including the quality of construction, the type of material used in construction, and the proximity of landscaping such as trees and shrubs that may cause root issues. In growing communities it is also possible for a sanitary sewer to become functionally obsolete if the size of the main is not adequate to accept the flow. In general, older sanitary sewer systems that are constructed with clay pipe have infiltration issues that need to be addressed by either sewer lining or complete replacement. In most cases, the preferred method depends on the condition of the lateral services. Although both sewer mains and services can be lined to eliminate infiltration, it may be more cost effective to replace the main and the services if significant infiltration exists in a majority of the service lines.

Conclusions

If left unchecked, infiltration can cause capacity issues in sewer mains and lift stations, which can lead to backups. In addition, groundwater that enters the system ultimately needs to be treated, which is a cost to all users. The City is currently paying an inflow and infiltration surcharge fee to Met Council in the amount of \$9,500 per year. Therefore, it is recommended that the City's clay sewer pipe be either lined or replaced with PVC pipe to reduce infiltration in the system. For planning purposes, it is proposed that the sewer be replaced at the same time that improvements are made to the adjacent watermain. However, it is recommended that other rehabilitation methods such as slip lining be evaluated on a project by project basis to determine if more cost effective solutions exist to improve the system. Ultimately, the recommended method will depend on the condition of the main and lateral service lines. The City should also establish a policy for addressing inflow and infiltration policy for private services.

COMBINED SYSTEM EVALUATION

System Rating

The condition ratings for the streets, watermain, and sanitary sewer were added together to determine the overall rating of each street segment. The overall ratings also included City staff input. The street segments have been sorted based on condition. High numbers indicate sections with infrastructure that is in good condition. Low numbers indicate sections with infrastructure in need of improvements. The rating system was used to develop the first draft of the

infrastructure management plan. City staff was then consulted to obtain knowledge of problem areas in the City's infrastructure and roadway systems. This input was then used to further develop the proposed 20-year infrastructure improvement plan. The ratings worksheet that was used to establish the initial condition ratings is included in Appendix C of this report.

In many cases the condition of the watermain drives the overall condition of the segments. In areas where watermain replacement is needed, it is proposed that sanitary sewer be replaced at the same time. For this reason, a numerical rating of the sanitary sewer was not completed. However, it is recommended that sanitary sewer be televised prior to preparing construction plans to determine if sewer lining will be a more feasible long term improvement of the system. Where needed, both watermain and sanitary sewer improvements will require complete excavation of the street. Therefore, streets will be fully reconstructed in areas where utility construction is required.

Conclusions

The ultimate goal of the Infrastructure Management Plan is to identify infrastructure needs over a 20-year planning period. As discussed above, several infrastructure needs have been documented for the City of Tonka Bay. First, the number of watermain breaks that have occurred in cast iron pipe is a concern because they are occurring more frequently as the system ages. The causes appear to be mainly due to poor construction practices that were used when the system was constructed in the early 1970's. In addition to causing a disruption in service, watermain breaks can be very messy and costly for the City because they typically happen during the winter months when construction operations are not as efficient due to the cold weather.

Secondly, the City's sanitary sewer system is in need of repair mainly due to the type of materials that it is constructed with. Much of the system is constructed of vitrified clay pipe. In general, clay pipe does not have watertight joints and connections. It is also subject to cracking and breaking. Therefore, systems constructed with clay pipe are very susceptible to ground water infiltration. Although, lining sewer mains can be a cost effective way to eliminate infiltration in the mainline, it may be more cost effective to reconstruct the system if the service lines have significant infiltration issues.

Lastly, the condition of the City's streets is becoming poorer over time. Although the City has done a good job maintaining the streets with patching and seal coating, the streets are at an age where the rate of deterioration will continue to accelerate in the form of cracking and potholes.

If the plan is implemented as proposed, the documented deficiencies will be addressed as follows:

- 1) All cast iron watermain will be replaced with ductile iron pipes.
- ~~2) All clay sanitary sewers will be replaced or lined with PVC pipe.~~
- 3) All deformed PVC sanitary sewers will be replaced with new PVC pipe.
- 4) All City streets will be resurfaced or reconstructed.

It should be noted that an infrastructure management plan is a dynamic document that should be reviewed on a yearly basis to insure that changes in the condition of the City's infrastructure or changes in City policy have not affected project priorities.

PRIORITY PROJECTS

PRIORITY PROJECTS

The following table lists the priority of projects that are proposed to be reconstructed in the first 5 years of the plan. Since this study is intended only as a planning tool for the City, a detailed scope of work has not been established for each of the potential projects. Therefore, it is recommended that a feasibility study be completed for each project that evaluates alternatives to ensure that the project is completed in the most cost effective way. The feasibility study will also identify specific funding and financing alternatives, the full extent of improvements needed, and will provide more detail cost estimates. Also, if the City intends to assess any of the costs associated with the improvements, a feasibility study is required by State Statute. The proposed five year plan is as follows:

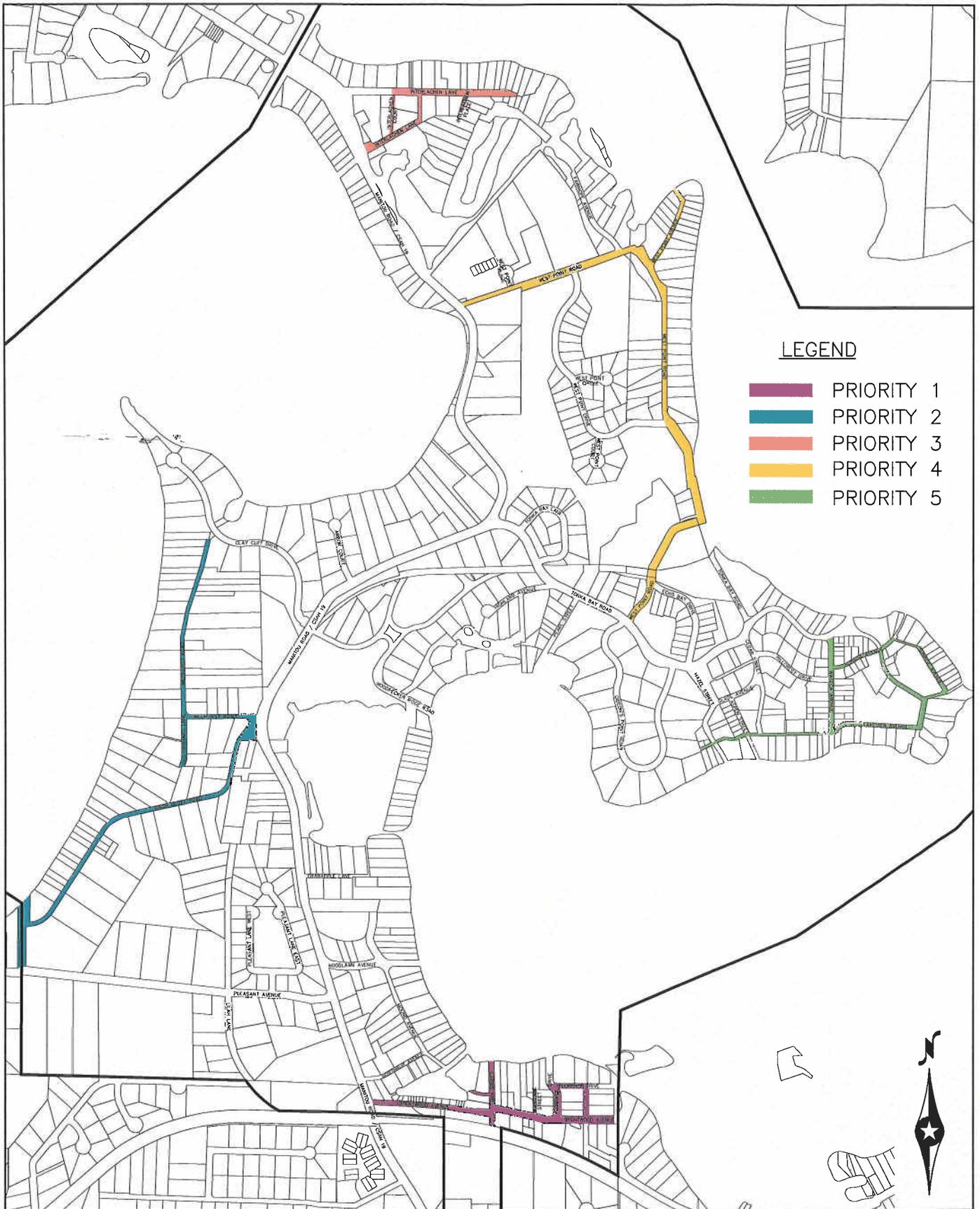
| Priority | Project |
|----------|---|
| 1 | Brentwood Avenue, Bay Street, Florence Drive, and Woodlane Street |
| 2 | Birch Bluff Road, Wildhurst Road, and Old Orchard Lane |
| 3 | Interlachen Lane, Interlachen Court, and Interlachen Place |
| 4 | West Point Road and West Point Avenue |
| 5 | Sunrise Avenue, Lakeview Avenue South, and Waseca Avenue |

The following pages give a detailed description of each project. For all projects with existing clay sanitary sewer or old PVC pipe, which has a tendency to deform over time, it has been assumed that the sewer will be removed and replaced, however, it is recommended that all sanitary sewer lines be televised to determine if lining or other trenchless methods of construction can provide a more cost effective long term fix. It was also assumed that cast iron watermain pipe will be removed and replaced on all projects. All street improvements assume 9” of new aggregate base over geotextile fabric and 4.5” of new bituminous surface. In addition, all of the estimated costs identified in this report, include the estimated cost of restoration, new fire hydrants, new watermain services from the main to the curb stop, new sewer services to the right of way line, and estimated soft costs such as engineering, administration, and financing costs.

The remaining streets outside of the five priority project listed above are proposed for improvements in the last 15-years of the plan. For planning purposes, the costs have been spread out over a 15 year period; however, the cost may fluctuate from year to year depending on how the streets are grouped to form logical project segments.

It is important to note that the improvements identified in the 20-year plan do not include drainage improvements. It has been assumed that existing drainage facilities will be replaced with new facilities with each project; however, the need for improved or additional facilities has not been assessed as part of this report. Therefore, it is recommended that the feasibility studies that are completed for each project evaluate the need for drainage improvements. Although the addition of storm sewer, curb, and gutter would provide a means to more effectively control and convey storm water runoff with in the City, it will add substantial costs to the proposed improvements and may not be consistent with the character of Tonka Bay. Therefore, it is recommended that the City establish a policy for evaluating drainage improvements before implementing the improvement plan. It is also recommended that the City establish a cost sharing policy for paved surfaces and utilities that are located in easements on private property.

It should be noted that the cost estimates that are shown for each priority project have been estimated in 2008 dollars. However, the cost estimates shown in the CIP spreadsheet include a 2.5% inflation factor to account for increased construction costs over time. Also, all estimated costs include soft costs (administration, engineering, legal, feasibility studies, etc.).



LEGEND

- PRIORITY 1
- PRIORITY 2
- PRIORITY 3
- PRIORITY 4
- PRIORITY 5



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**CITY OF TONKA BAY
 STREET RECONSTRUCTION PRIORITIES
 OVERALL LOCATION MAP**

JANUARY, 2009

FIGURE NO. 1

Priority Project 1

The first priority project consists of street, water, and sewer improvements to the following areas:

- Brentwood Avenue
- Bay Street
- Florence Street
- Woodlane Street

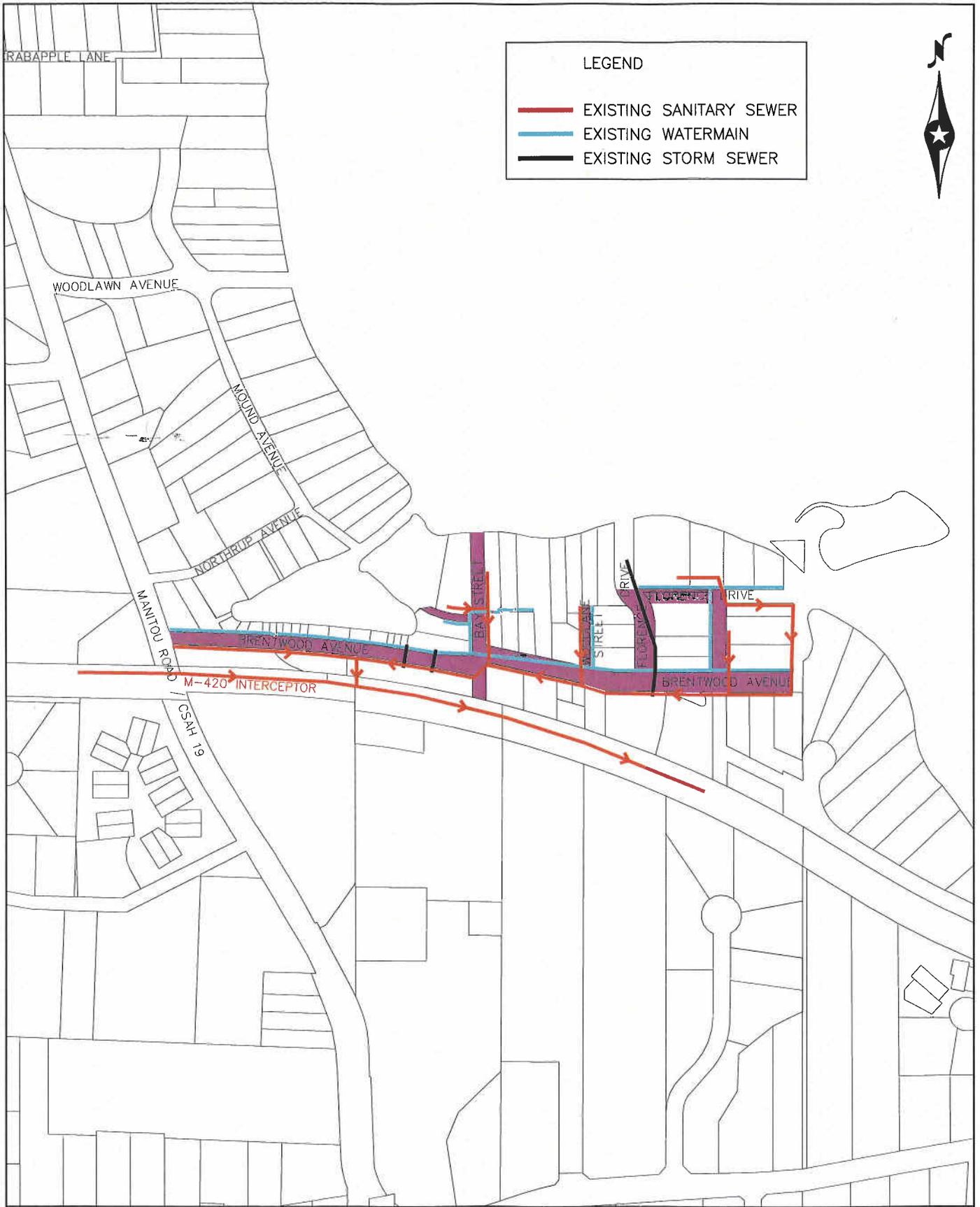
This project has been identified as the first priority for several reasons. First, the bituminous surface in this area has significant cracking and poor roadway crown. Streets with poor crown ultimately have drainage problems because the road does not effectively shed water. This is a concern on streets with significant cracking because water is allowed to penetrate the pavement structure, which ultimately weakens the subgrade, which in turn accelerates the deterioration of the street surface.

The utilities in this area are in need of improvement as well. The watermain is predominately 6” cast iron pipe, which has had two breaks over the past 12 years. The sanitary sewer in this area consists of clay pipe, which is experiencing infiltration issues.

The proposed improvements for this project consist of replacing all of the watermain with ductile iron pipe that matches the existing size. It is recommended however, that watermains that are less than 8” in diameter be evaluated as part of the feasibility study to determine if the flow can be improved by replacing the 6” lines with 8” pipe. The sanitary sewer will be replaced with 8” PVC pipe. The street surface will be completely reconstructed to the existing width and storm sewer facilities will be replaced.

The estimated costs associated with this project are as follows:

| | |
|---|------------------------------|
| Watermain – Replacement: 3,070’ @ \$125.00/foot= | \$383,750.00 |
| Sanitary Sewer – Replacement: 3,370’ @ \$100.00/foot= | \$337,000.00 |
| Storm Sewer – Replacement: 560’ @ \$75.00/foot= | \$42,000.00 |
| <u>Street – Residential (16 ft. to 22 ft. wide): 8,070 S.Y. @ \$55.00/S.Y.=</u> | <u>\$443,850.00</u> |
| <i>TOTAL ESTIMATED COST:</i> | <i>\$1,206,600.00</i> |



LEGEND

- EXISTING SANITARY SEWER
- EXISTING WATERMAIN
- EXISTING STORM SEWER



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CITY OF TONKA BAY
PRIORITY 1 PROJECT
LOCATION MAP

JANUARY, 2009 FIGURE NO. 2

Priority Project 2

The second priority project consists of street, water, and sewer improvements to the following areas:

- Birch Bluff Road
- Wildhurst Road
- Old Orchard Lane

The bituminous in this area has significant cracking and poor roadway crown in some areas. Street with poor crown ultimately have drainage problems because the road does not effectively shed water. This is a concern on streets with significant cracking because water is allowed to penetrate the pavement structure, which ultimately weakens the road, which in turn accelerates the deterioration of the street. The utilities in this area are in need of improvement as well. The watermain is predominately 6” cast iron pipe. The sanitary sewer consists of 9” clay pipe and old PVC pipe, which is deformed in some areas.

The proposed improvements for this project consist of replacing all of the watermain with ductile iron pipe that matches the existing size. It is recommended however, that watermains that are less than 8” in diameter be evaluated as part of the feasibility study to determine if the flow can be improved by replacing the 6” lines with 8” pipe. The sanitary sewer will be replaced with 8” PVC pipe. The street surface will be completely reconstructed to the existing width and storm sewer facilities will be replaced.

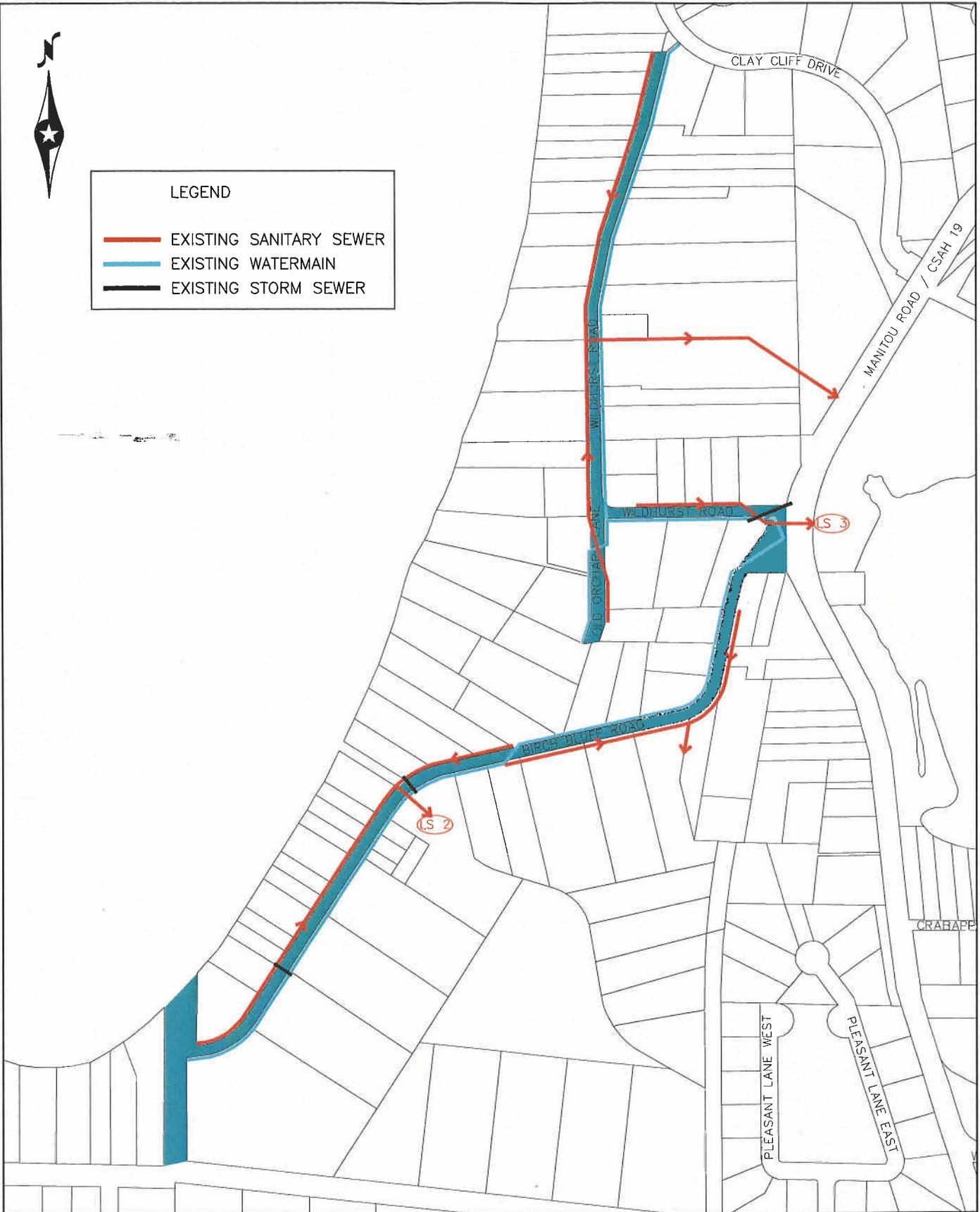
The estimated costs associated with this project are as follows:

| | |
|--|-----------------------|
| Watermain – Replacement: 5,080’ @ \$125.00/foot= | \$635,000.00 |
| Sanitary Sewer – Replacement: 4,780’ @ \$100.00/foot= | \$478,000.00 |
| Storm Sewer – Replacement: 375’ @ \$75.00/foot= | \$28,125.00 |
| <u>Street – Residential (22 ft. wide): 13,350 S.Y. @ \$55.00/S.Y.=</u> | <u>\$734,250.00</u> |
| TOTAL ESTIMATED COST: | \$1,875,375.00 |



LEGEND

- EXISTING SANITARY SEWER
- EXISTING WATERMAIN
- EXISTING STORM SEWER



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**CITY OF TONKA BAY
 PRIORITY 2 PROJECT
 LOCATION MAP**

JANUARY, 2009

FIGURE NO. 3

Priority Project 3

The third priority project consists of street, water, and sewer improvements to the following areas:

- Interlachen Lane
- Interlachen Court
- Interlachen Place

The bituminous in this area has significant cracking and minor ponding in some areas. As discussed with previous priority projects, streets with poor surface drainage ultimately have problems because the road does not effectively shed water. This is a concern on streets with significant cracking because water is allowed to penetrate the pavement structure, which ultimately weakens the road, which in turn accelerates the deterioration of the street. The utilities in this area are in need of improvement as well. The watermain consists of 8” cast iron pipe. Four watermain breaks have occurred in this area over the past 14 years. Three breaks have occurred in the last eight years. The sanitary sewer consists of 9” clay pipe, which has infiltration issues caused by poor joints or cracked pipe in some locations.

The proposed improvements for this project consist of replacing all of the watermain with 8” ductile iron pipe. The sanitary sewer will be replaced with 8” PVC pipe. The street surface will be completely reconstructed to the existing width and storm sewer facilities will be replaced.

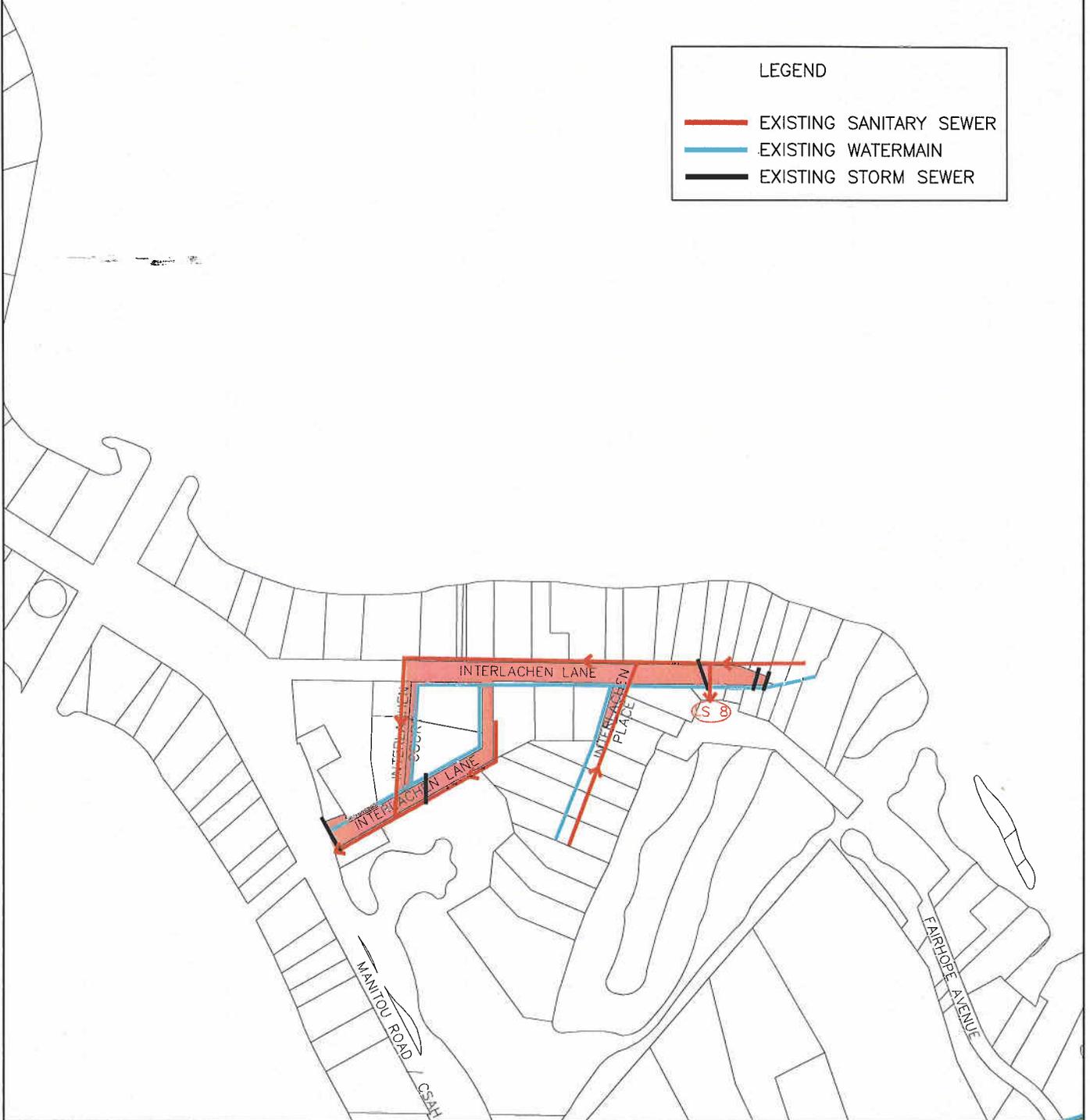
The estimated costs associated with this project are as follows:

| | |
|--|----------------------------|
| Watermain – Replacement: 1,890’ @ \$125.00/foot= | \$236,250.00 |
| Sanitary Sewer – Replacement: 1,860’ @ \$100.00/foot= | \$186,000.00 |
| Storm Sewer – Replacement: 300’ @ \$75.00/foot= | \$22,500.00 |
| <u>Street – Residential (15 ft. to 21 ft. wide): 4,980 S.Y. @\$55.00/S.Y.=</u> | <u>\$273,900.00</u> |
| <i>TOTAL ESTIMATED COST:</i> | <i>\$718,650.00</i> |



LEGEND

-  EXISTING SANITARY SEWER
-  EXISTING WATERMAIN
-  EXISTING STORM SEWER



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CITY OF TONKA BAY
PRIORITY 3 PROJECT
LOCATION MAP

JANUARY, 2009

FIGURE NO. 4

Priority Project 4

The fourth priority project consists of street, water, and sewer improvements to the following areas:

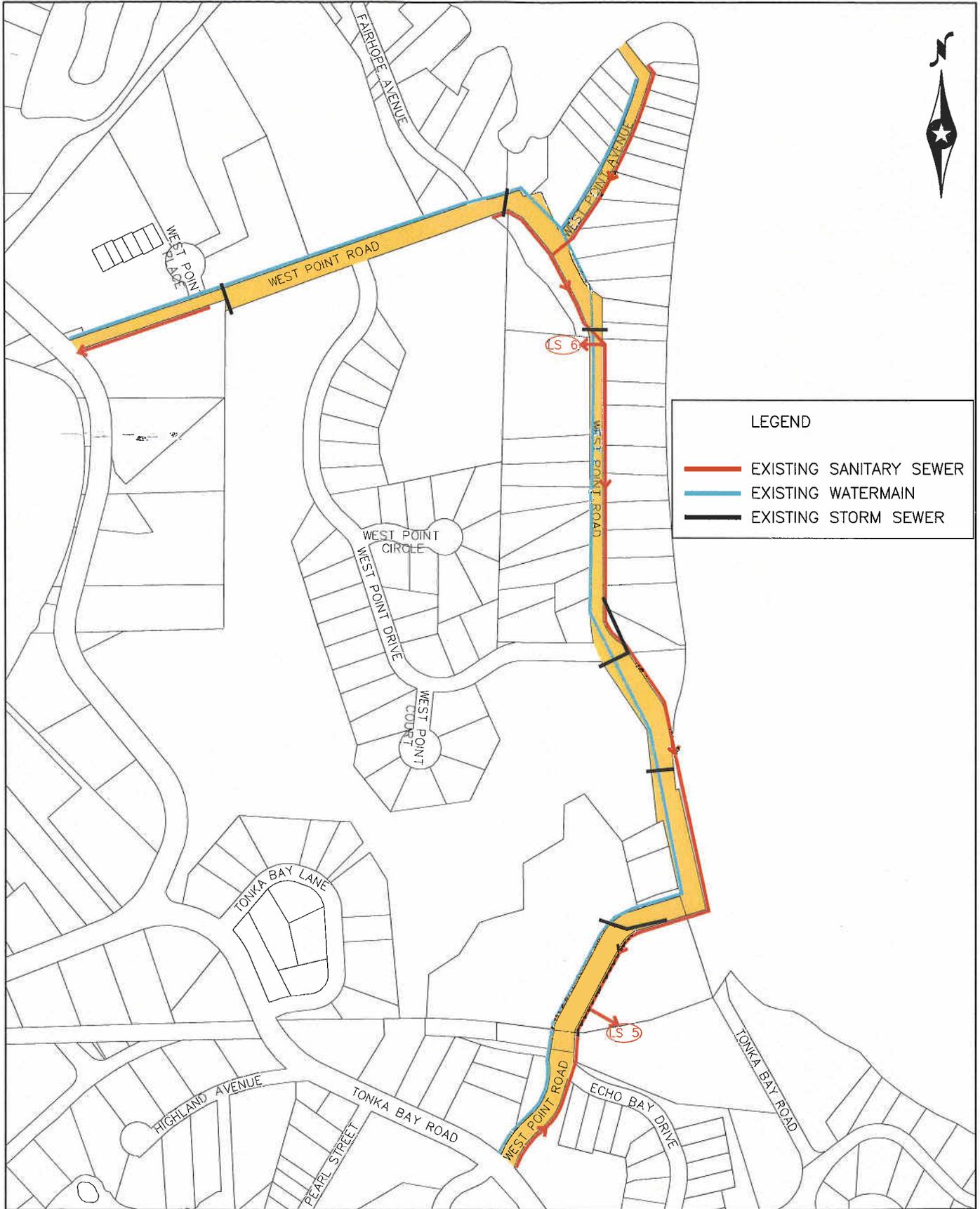
- West Point Road
- West Point Avenue

The bituminous in this area has significant cracking and minor ponding in some areas. Streets with poor surface drainage ultimately have problems because the road does not effectively shed water. This is a concern on streets with significant cracking because water is allowed to penetrate the pavement structure, which ultimately weakens the road, which in turn accelerates the deterioration of the street. The utilities in this area are in need of improvement as well. The watermain consists of 8” cast iron pipe. Four watermain breaks have occurred in this area over the past 17 years. The sanitary sewer consists of 9” clay pipe, which has infiltration issues in some locations.

The proposed improvements for this project would consist of replacing all of the watermain with 8” ductile iron pipe. The sanitary sewer will be replaced with 8” PVC pipe. The street surface will be completely reconstructed to the existing width and storm sewer facilities will be replaced.

The estimated costs associated with this project are as follows:

| | |
|--|------------------------------|
| Watermain – Replacement: 4,220’ @ \$125.00/foot= | \$527,500.00 |
| Sanitary Sewer – Replacement: 3,320’ @ \$100.00/foot= | \$332,000.00 |
| Storm Sewer – Replacement: 670’ @ \$75.00/foot= | \$50,250.00 |
| <u>Street – Residential (15 ft. to 21 ft. wide): 13,305 S.Y. @ \$55.00/S.Y.=</u> | <u>\$731,775.00</u> |
| <i>TOTAL ESTIMATED COST:</i> | <i>\$1,641,525.00</i> |



| LEGEND | |
|--------|-------------------------|
| | EXISTING SANITARY SEWER |
| | EXISTING WATERMAIN |
| | EXISTING STORM SEWER |



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CITY OF TONKA BAY
 PRIORITY 4 PROJECT
 LOCATION MAP

JANUARY, 2009

FIGURE NO. 5

Priority Project 5

The fifth priority project consists of street, water, and sewer improvements to the following areas:

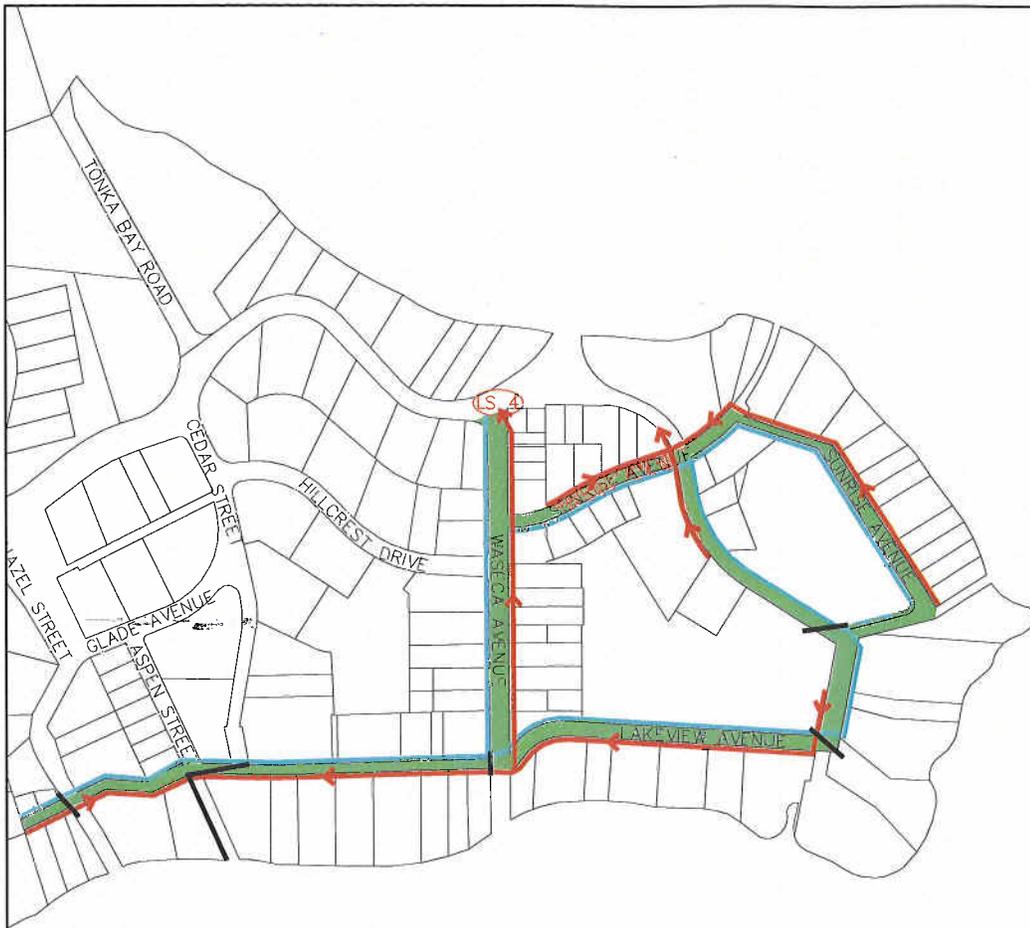
- Sunrise Avenue
- Lakeview Avenue South
- Waseca Avenue

The bituminous in this area has significant cracking and minor ponding in some areas. Streets with poor surface drainage ultimately have problems because the road does not effectively shed water. This is a concern on streets with significant cracking because water is allowed to penetrate the pavement structure, which ultimately weakens the road, which in turn accelerates the deterioration of the street. The utilities in this area are in need of improvement as well. The watermain and sanitary sewer are 6" cast iron pipe and 9" clay pipe respectively. The watermain has also suffered three breaks in the past 10 years.

The proposed improvements for this project consist of replacing all of the watermain with ductile iron pipe that matches the existing size. It is recommended however, that watermains that are less than 8" in diameter be evaluated as part of the feasibility study to determine if the flow can be improved by replacing the 6" lines with 8" pipe. The sanitary sewer will be replaced with 8" PVC pipe. The street surface will be completely reconstructed to the existing width and storm sewer facilities will be replaced.

The estimated costs associated with this project are as follows:

| | |
|---|------------------------------|
| Watermain – Replacement: 4,050' @ \$125.00/foot= | \$506,250.00 |
| Sanitary Sewer – Replacement: 3,690' @ \$100.00/foot= | \$369,000.00 |
| Storm Sewer – Replacement: 335' @ \$75.00/foot= | \$25,125.00 |
| <u>Street – Residential (19 ft. to 22 ft. wide): 8,645 S.Y. @ \$55.00/S.Y.=</u> | <u>\$475,475.00</u> |
| <i>TOTAL ESTIMATED COST:</i> | <i>\$1,375,850.00</i> |



| LEGEND | |
|--------|-------------------------|
| | EXISTING SANITARY SEWER |
| | EXISTING WATERMAIN |
| | EXISTING STORM SEWER |



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CITY OF TONKA BAY
PRIORITY 5 PROJECT
LOCATION MAP

JANUARY, 2009

FIGURE NO. 6

REMAINING 15-YEAR INFRASTRUCTURE IMPROVEMENT PLAN

The remaining infrastructure outside of the 5-year plan has been divided up into approximately equal projects over the remaining 15 years of the plan. Although specific project areas have not been identified, the ratings worksheet that was used to document the existing facilities has been included in Appendix C of this report for reference.

The improvements for this project will consist of replacing all of the cast iron watermain with ductile iron pipe. Watermain size will need to be evaluated on a project by project basis. The sanitary sewer is proposed to be replaced with PVC pipe. No capacity issues have been identified for the sanitary sewer, however, the condition will need to be evaluated on a project by project basis to determine if trenchless construction methods such as slip lining will provide a more feasible solution for providing a watertight system. In areas where utility construction is needed, streets will be completely reconstructed to match existing widths. Storm sewer improvements will be evaluated on a case by case basis; however for planning purposes, it has been assumed that existing storm sewer facilities will be replaced as part of street construction.

The estimated total costs associated with the remaining infrastructure are as follows:

| | |
|--|------------------------------|
| Watermain – Replacement: 15,230' @ \$125.00/foot= | \$1,903,750.00 |
| Sanitary Sewer – Replacement: 15,230' @ \$100.00/foot= | \$1,523,000.00 |
| Storm Sewer – Replacement: 3,930' @ \$75.00/foot= | \$294,750.00 |
| <u>Street – Residential (19 ft. to 22 ft. wide): 76,540 S.Y. @ \$55.00/S.Y.=</u> | <u>\$4,209,700.00</u> |
| <i>TOTAL ESTIMATED COST:</i> | <i>\$7,931,200.00</i> |

It should be noted that the CIP cost estimates includes a 2.5% inflation factor that is not shown on the following estimate. The estimated costs (in 2008 dollars) associated with the remaining infrastructure on a per year basis for the remainder of the planning period is as follows:

| | |
|-------------------------------------|----------------------------|
| Watermain | \$126,917.00 |
| Sanitary Sewer | \$101,533.00 |
| Storm Sewer | \$19,650.00 |
| <u>Street – Residential</u> | <u>\$280,647.00</u> |
| <i>TOTAL ESTIMATED COST:</i> | <i>\$528,747.00</i> |

CAPITAL IMPROVEMENT PLAN

OVERVIEW

The overall goal of a Capital Improvement Plan (CIP) is to maintain facilities and schedule upgrades and replacements to avoid system failures and/or extraordinary short-term expenses. Once established, the plan is typically updated annually to reflect changing maintenance needs and capital resources. The typical planning period for a CIP is five years; however, the City of Tonka Bay wishes to evaluate its needs for planning purposes for a period of 20-years. As the City has not had a CIP that incorporates all City owned facilities, the initial CIP will be developed to be used as a template for future annual updates.

Detailed cost estimates for the Capital Improvement Plan have been included in Appendix A of this report. As requested by the City, the CIP identifies proposed capital improvements over a 20-year planning period. The first five years of the plan are intended to provide short term needs that can be used as the basis for the City's annual budgeting process. The remaining 15 years are intended to provide the City with general planning level estimates so that the expenditures can be spread out over time and the costs can be anticipated and planned for.

A summary of the improvements that have been included in the CIP is provided below. Each summary includes a description of the existing facilities, needed improvements, and potential funding sources. Using the City's 2009 budget and current fund levels as a baseline, projected fund balances have been included in Appendix B of this report. In general, the following funding sources are available to fund the Capital Improvement Plan:

- General Fund – Although the City can choose to fund any of the proposed improvements identified in this report, items such as equipment and improvements to City hall will most likely be funded out of the City's general fund. Funding improvements out of the general fund will require the City to account for the improvements when the City's tax rate is established. The general fund is typically not considered a good funding source to cover the cost of larger infrastructure improvements such as street and utility reconstruction.

- Enterprise Funds – As part of owning and operating the water and sewer utilities, the City charges fees for providing service to the end users. As such, the City should evaluate the rate structure for each of these utilities to ensure that the income generated is sufficient to pay both operating costs and needed improvements.
- Dock Fund – The City of Tonka Bay owns and maintains docks and slides along its shoreline. Revenue is generated by charging rental fees for use of these facilities. These fees should be evaluated on an annual basis to ensure that the rental fees are sufficient to cover the costs of owning and maintaining the docks.
- 429 Improvement Bonds – The improvements identified in this report such as street reconstruction, watermain replacement, and sanitary sewer replacement may be funded by issuing bonds. State law allows the City to issue bonds for improvements and assess the properties that benefit from the project for a portion of the costs. The pay back period for the bonds varies but is typically 10 to 20 years. The revenue for debt payment of the bonds would be from special assessments and City taxes.
- Special Assessments – Special assessments are an indirect form of taxation. They are a way for cities to charge certain properties for the cost of making a local improvement, or to collect certain charges that will benefit those properties. Special assessments represent the increase in a properties value as a result of the project. An example assessment policy has been included in Appendix D of this report. It is recommended that the City adopt an assessment policy prior to proceeding with the improvements that have recommended. The following is a summary of the procedure that is required for the City to assess benefiting properties for improvements:
 - The City Council initiates the project by ordering a feasibility report for the proposed improvements.
 - The city engineer prepares a feasibility study on the proposed improvements, and whether it is necessary, cost effective, and feasible.
 - A public hearing is held on the proposed improvement. At the hearing the Council gives interested people a chance to voice their opinion on the project. A reasonable estimate of the total amount to be assessed and the methodology used

to calculate individual assessments for affected properties must be available at the hearing.

- If the Council chooses to move forward with the project a resolution must be passed by a four-fifths majority to order the preparation of plans and specifications.
- The city engineer or clerk must calculate the amount to be assessed against each property that will benefit from the improvements.
- The City solicits competitive bids for the improvements.
- A public hearing must be held on the proposed assessment to provide the City the opportunity to present the proposed improvements and to give property owners a chance to express their concerns. This is typically done after completing the improvements, but may be done prior to proceeding with the construction contract.
- The Council approves the assessment role so the clerk can certify them to the county auditor.

STREETS

As identified in the Infrastructure Management Plan section of this report, all City streets will be in need of improvement during the 20-year planning period. The priority projects that have been identified in the Infrastructure Management Plan include the following streets to be reconstructed:

Year 1: Brentwood Avenue, Bay Street, Florence Drive, and Woodlane Street

Year 2: Birch Bluff Road, Wildhurst Road, and Old Orchard Lane

Year 3: Interlachen Lane, Interlachen Court, and Interlachen Place

Year 4: West Point Road and West Point Avenue

Year 5: Sunrise Avenue, Lakeview Avenue South, and Waseca Avenue

With the understanding that the City will need to plan for the proposed improvements that have been identified, the first priority project has is scheduled for the year 2012 in the CIP.

It is proposed that the remaining streets will be improved over a 15 year period. Specific project groupings have not been identified at this time.

Other street costs that have been included in the Street CIP include seal coating, the addition of a salt storage building, and costs associated with eliminating storage in Manitou Park including the purchase of a wood chipper. The Street CIP is provided in Appendix A of this report, Table A-1.

Funding Alternatives

- General Fund
- Chapter 429 Improvement Bond/Assessments
- Enterprise Funds
- Combination of Above

WATER SYSTEM

Existing System

The City of Tonka Bay currently has a water treatment facility, a 250,000 gallon water tower, 300,000 gallon clear well, two wells with a total combined capacity of 1600 gpm, approximately 44,500 feet of cast iron watermain, and approximately 11,500 feet of ductile iron watermain. The majority of the watermain is 36 years old. There are currently 684 meters. Of those meters, 127 have radios and 13 are touch read systems. The remaining 544 meters have remote readers on the outside of the building and approximately 200-250 meters are the original meters installed in 1972 when the system went online. The water system has been experiencing watermain breaks. Most of the breaks have occurred on cast iron pipes. According to City staff, the City does not have water quality issues at this time.

Proposed Improvements

As part of the capital improvement plan, the City has established a prioritized list of water system improvement projects that are required to keep the system in efficient working order. A complete list of the proposed projects, estimated year of construction, and the estimated project cost is located in the appendix of this report.

As discussed previously, it is proposed to replace all cast iron watermain with ductile iron pipe. Hydrants will be replaced along with water services to the curb stop. The water tower will need to be painted in 10 years and it is proposed to replace the remaining 544 meters within 1 to 3-years. The control panel in the water treatment plant is the original from when the system went online and is proposed to be replaced within the next five years. The last inspection of the clear well and reclaim basin was conducted in 1989 and no major deficiencies were found at the time, but another inspection should be scheduled in the near future. The City would also like to replace the ballast and bulbs of the fluorescent lighting at the water plant due to the fact that the existing fixtures are from the original construction in 1972 and are not very energy efficient. There are also maintenance items that need to be accounted for including inspections of Wells No. 1 and 2 every three years and cleaning of the water tower every three years.

The Water CIP is provided in Appendix A of this report, Table A-2.

Funding Alternatives

- Enterprise Funds
- Chapter 429 Improvement Bonds for watermain replacements
- Assessments for watermain replacements

SANITARY SEWER SYSTEM

Existing System

The majority of the City of Tonka Bay's sanitary sewer system was constructed in 1964 and 1965. The remainder of the system was constructed after 1975. The system consists of 12 lift stations (including 3 private stations that the City maintains), approximately 56,000 feet of gravity sewer ranging in size from 6" to 12", and 7,600 feet of forcemain ranging in size from 4" to 8". The pipe material is predominately vitrified clay pipe (VCP) and polyvinyl chloride pipe (PVC). The entire system has been televised in the past 15 years with the exception of the Arbor Court and Gideons Point Drive developments. However, it is recommended that the televising

be updated on a project by project basis to determine the most cost effective method to address system deficiencies.

The majority of wastewater flow leaves the City at the MWCC Metering Station M-420 and then carries on entering the 30-inch MWCC interceptor. Wastewater exits by either the 12" diameter gravity sewer that crosses County Road 19 to empty into a 12" MWCC interceptor or the 12" sewer that connects directly to the 30" MWCC interceptor. All wastewater is discharged into the 30" MWCC Shorewood interceptor and flows to the MWCC's Blue Lake Wastewater Treatment Plant in Shakopee, MN.

The City has been repairing the manholes and pipe line breaks on an as needed basis. The City currently cleans one third of the sanitary sewer each year and experiences approximately one sewer main blockage every 3 years due to roots. As discussed in the Infrastructure Management Plan, the main area of concern with the sanitary sewer system is infiltration due to leaking joints and service connections and deformed PVC pipe. The City currently pays an inflow and infiltration surcharge to the Metropolitan Council in the amount of \$9,500 per year.

Proposed Improvements

Similar to the water system, the City has established a prioritized list of sanitary sewer system improvement projects that are required to keep the system in efficient working order. A complete list of the proposed projects, estimated year of construction, and the estimated project cost is located in the appendix.

As part of the infrastructure improvements projects, all clay sanitary sewer pipes are proposed to be either lined or removed and replaced with PVC pipe. Deformed PVC pipe is also proposed to be removed and replaced. The City has been inspecting and sealing manholes as needed. They have also concentrated on lining pipes in problem areas and continue to televise house services identified as leaking 1 gpm or more. This effort over the past 20 years has helped to significantly reduce the inflow/infiltration, but has not eliminated it. The City also has 292 manholes of which 101 have solid covers. The remaining covers have pick holes which allow inflow directly into the system. Replacing these with solid covers to provide a watertight seal has been identified as a priority. The control panels in lift stations 2, 6, 8, and 9 are the original

panels installed in 1964 with the exception of lift station number 2 which was installed in 1985. These panels are beginning to show their age and more energy efficient options currently exist. The pumps, pump slides, float racks, and gates in lift station numbers 2, 8, and possibly 9 have been identified to be replaced.

The Sanitary Sewer CIP is provided in Appendix A of this report, Table A-3.

Funding Alternatives

- Enterprise Funds
- Chapter 429 Improvement Bonds for sewer replacements
- Assessments for sanitary sewer replacements

CITY HALL & PUBLIC WORKS FACILITIES

Existing Facilities

An evaluation of the existing City Hall and Public Works facilities was not completed as part of this study. However, based on discussions with City staff an inventory list of items in need of improvements was established and has been included in the CIP.

Proposed Improvements

Based on information provided by City staff, the following needs have been established for City Hall through 2028:

- Copier
- Office Equipment
- Roof
- Windows
- Front and Back Steps
- Carpet
- Basement Flooring
- New Public Works Shop
- Misc. Reparis

The City Hall & Public Works Facility CIP is provided in Appendix A of this report, Table A-4.

Funding Alternatives

- General Fund

PARKS

Existing Facilities

An evaluation of the existing Park Facilities was not completed as part of this study. However, an inventory list of proposed improvements that has been developed by the City has been included in the CIP.

Proposed Improvements

Based on information provided by City staff, the following needs have been established for City Parks through 2028:

- Parking Lots
- Lighting
- Trash Receptacles
- Playground Equipment
- Wind Screens for Tennis Court
- Court Resurfacing
- “Kids at Play” Signs
- Misc. Repairs

The Parks CIP is provided in Appendix A of this report, Table A-5.

Funding Alternatives

- General Fund

STORM SEWER FACILITIES

Existing System

The existing system generally consists of a series of culverts that convey storm water runoff under City streets. Some of the new subdivisions do have curb and gutter with storm sewer systems.

Proposed Improvements

As discussed in the Infrastructure Management Plan, this report assumes that existing drainage facilities will be replaced as part of infrastructure improvement projects. It is recommended that the need for drainage improvements be evaluated on a project by project basis.

The Storm Sewer CIP is provided in the Appendix A of this report, Table A-6.

Funding Alternatives

- Storm Sewer Utility
- Chapter 429 Improvement Bonds
- Assessments for storm sewer replacements and improvements

DOCKS

Existing Facilities

The City currently owns and maintains 37 slips. In addition, the City has boat slides available for rental.

Proposed Improvements

The City has identified dredging on a 10-year cycle and dock expansions within the 20-year planning period.

The Docks CIP is provided in Appendix A of this report, Table A-7.

Funding Alternatives

- Dock Fund

EQUIPMENT

Proposed Improvements

The City has identified equipment needs through 2028. The needs consist of purchasing the following new equipment:

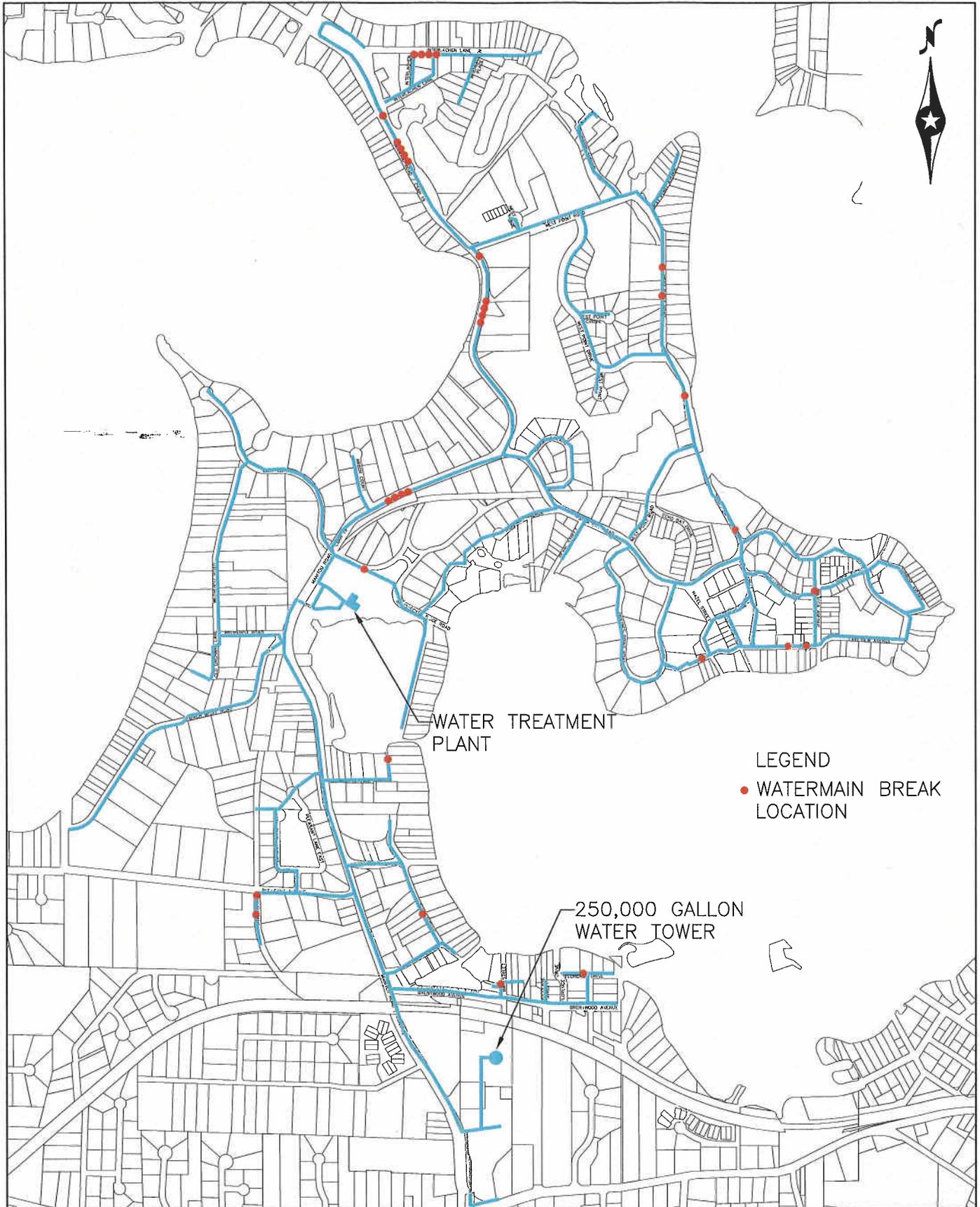
| Identified Equipment | Life Span | Year Last Purchased | Equipment Replacing |
|-----------------------------|------------------|----------------------------|----------------------------|
| Dump Truck | 12 years | 1996 | FL-70 Freightliner |
| Lawn Mower | 5 years | 2003 | 72" Toro Groundsmaster |
| Skid Loader | 5 years | 2004 | LS-170 New Holland |
| Plow Truck | 7 years | 2003 | F-550 Ford-4WD |
| 1/2 Ton Pickup | 7 years | 2007 | K-1500 Chevy 4WD |
| Vactor Truck | 20 years | 2000 | Vactor 800 |
| Backhoe | 20 years | 1996 | 655D-Ford/New Holland |

The Equipment CIP is provided in Appendix A of this report, Table A-8.

Funding Alternatives

- General Fund
- Enterprise Funds

SYSTEM MAPS



LEGEND

- WATERMAIN BREAK LOCATION

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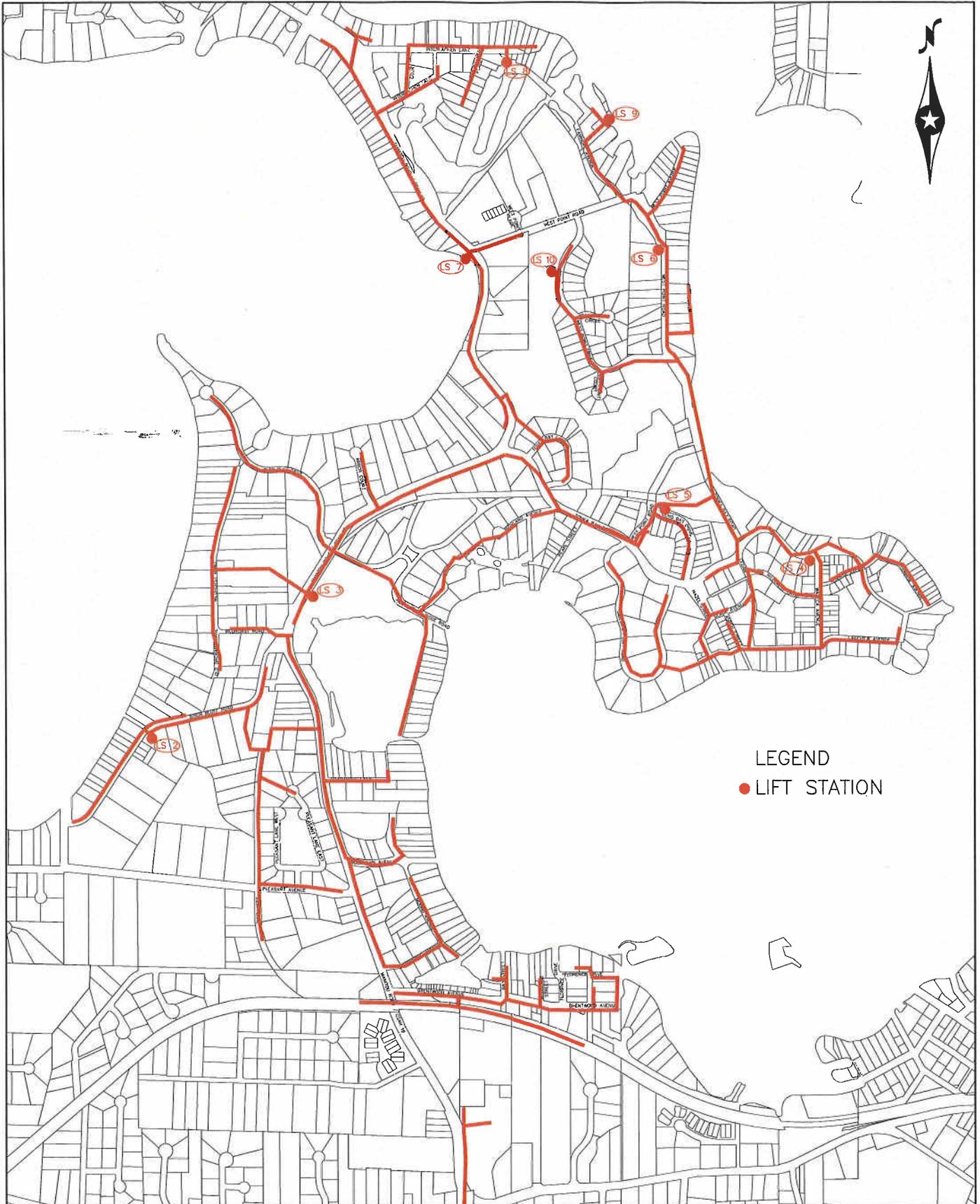
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CITY OF TONKA BAY
 CAPITAL IMPROVEMENT PLAN
 WATERMAIN MAP

JANUARY, 2009

FIGURE NO. 7



LEGEND
 ● LIFT STATION



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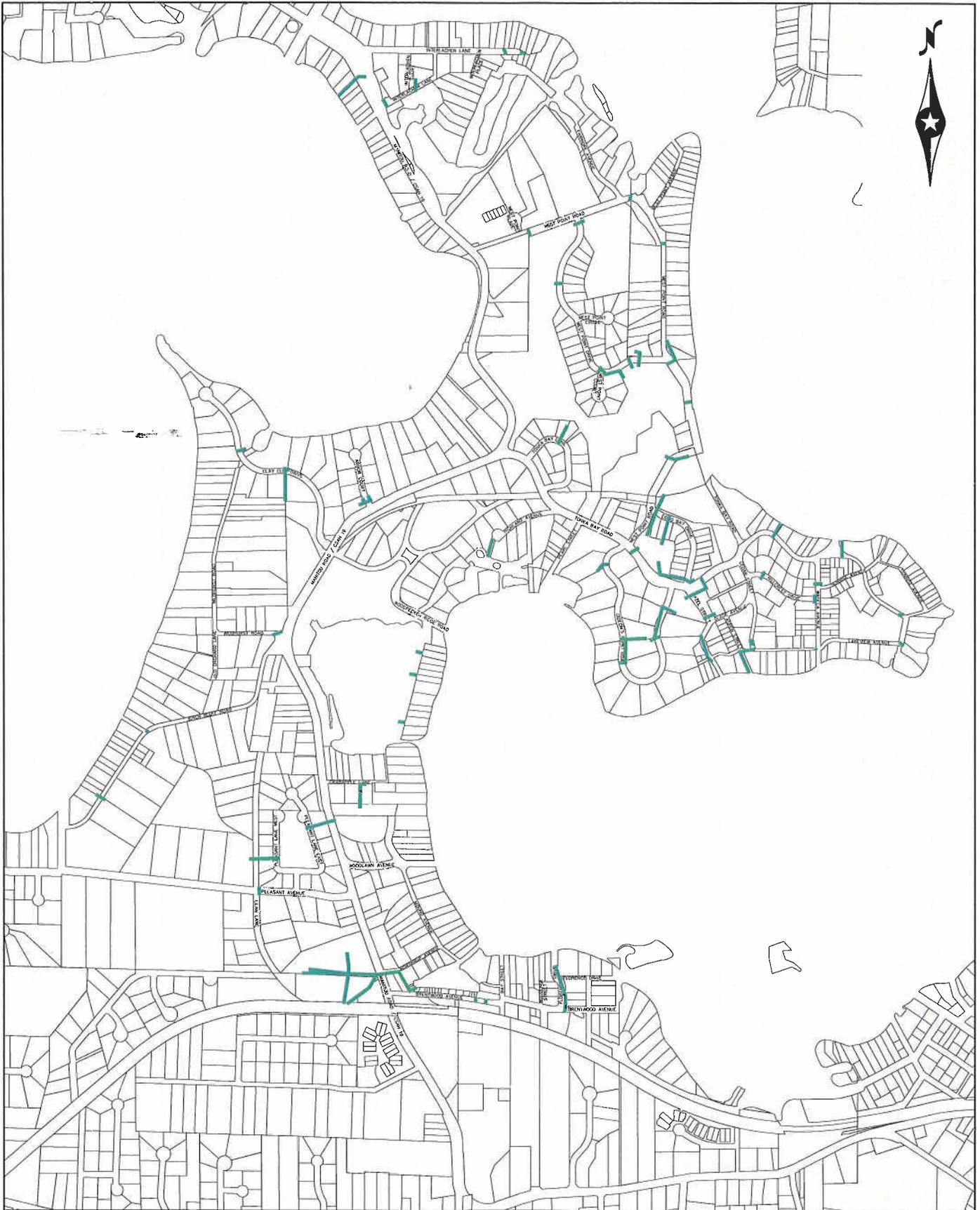
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CITY OF TONKA BAY
 CAPITAL IMPROVEMENT PLAN
 SANITARY SEWER MAP

JANUARY, 2009

FIGURE NO. 8




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CITY OF TONKA BAY
 CAPITAL IMPROVEMENT PLAN
 STORM SEWER MAP
 JANUARY, 2009 FIGURE NO. 9

CAPITAL IMPROVEMENT PLAN
COST ESTIMATES

Capital Improvement Plan, City of Tonka Bay

| Street CIP | | | | | | | | | | | | | | | | | | | Table A-1 | |
|--------------------------------|-----------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Priority 1 Project | | | | \$477,139 | | | | | | | | | | | | | | | | |
| Priority 2 Project | | | | | \$807,675 | | | | | | | | | | | | | | | |
| Priority 3 Project | | | | | | \$308,138 | | | | | | | | | | | | | | |
| Priority 4 Project | | | | | | | \$841,541 | | | | | | | | | | | | | |
| Priority 5 Project | | | | | | | | \$558,683 | | | | | | | | | | | | |
| Street Reconstruction | | | | | | | | | \$336,776 | \$343,793 | \$350,809 | \$357,825 | \$364,841 | \$371,857 | \$378,873 | \$385,890 | \$392,906 | \$399,922 | \$406,938 | \$413,954 |
| Street Sign Replacement | \$1,000 | \$1,025 | \$1,050 | \$1,075 | \$1,100 | \$1,125 | \$1,150 | \$1,175 | \$1,200 | \$1,225 | \$1,250 | \$1,275 | \$1,300 | \$1,325 | \$1,350 | \$1,375 | \$1,400 | \$1,425 | \$1,450 | \$1,475 |
| Striping and Crack Seal | \$4,000 | \$4,100 | \$4,200 | \$4,300 | \$4,400 | \$4,500 | \$4,600 | \$4,700 | \$4,800 | \$4,900 | \$5,000 | \$5,100 | \$5,200 | \$5,300 | \$5,400 | \$5,500 | \$5,600 | \$5,700 | \$5,800 | \$5,900 |
| General Patching/Misc. Repairs | \$10,000 | \$10,250 | \$10,500 | \$10,750 | \$11,000 | \$11,250 | \$11,500 | \$11,750 | \$12,000 | \$12,250 | \$12,500 | \$12,750 | \$13,000 | \$13,250 | \$13,500 | \$13,750 | \$14,000 | \$14,250 | \$14,500 | \$14,750 |
| Seal Coat | \$58,000 | \$59,450 | \$60,900 | \$62,350 | \$63,800 | \$65,250 | \$66,700 | \$68,150 | \$69,600 | \$71,050 | \$72,500 | \$73,950 | \$75,400 | \$76,850 | \$78,300 | \$79,750 | \$81,200 | \$82,650 | \$84,100 | \$85,550 |
| Salt Storage | | \$60,000 | | | | | | | | | | | | | | | | | | |
| Material Storage | | \$40,250 | \$10,250 | \$10,506 | \$10,769 | \$11,038 | \$11,314 | \$11,597 | \$11,887 | \$12,184 | \$12,489 | \$12,801 | \$13,121 | \$13,449 | \$13,785 | \$14,130 | \$14,483 | \$14,845 | \$15,216 | \$15,597 |
| Totals | \$73,000 | \$175,075 | \$86,900 | \$566,120 | \$898,744 | \$401,301 | \$936,805 | \$656,055 | \$436,263 | \$445,402 | \$454,547 | \$463,701 | \$472,862 | \$482,031 | \$491,209 | \$500,394 | \$509,589 | \$518,792 | \$528,004 | \$537,226 |

| Water CIP | | | | | | | | | | | | | | | | | | | Table A-2 | |
|----------------------------------|-----------------|------------------|-----------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Watermain Replacement | | | | \$412,531 | \$698,500 | \$265,781 | \$606,625 | \$594,844 | \$152,300 | \$155,473 | \$158,646 | \$161,819 | \$164,992 | \$168,165 | \$171,338 | \$174,511 | \$177,684 | \$180,857 | \$184,030 | \$187,203 |
| CSAH 19 Watermain Replacement | | | | | | \$1,676,109 | | | | | | | | | | | | | | |
| Paint Water Tower | | | | | | | | | | \$367,500 | | | | | | | | | | |
| Wash/Clean Water Tower | | | \$5,250 | | | \$5,625 | | | \$6,000 | | | \$6,375 | | \$6,750 | | | | | | |
| Meters | | \$45,250 | \$46,381 | \$47,775 | | | | | | | | | | | | | | | | |
| Well #1 | \$20,000 | | | | | | \$23,000 | | | | | | \$26,000 | | | | | | \$29,000 | |
| Well #2 | | | | | | \$22,500 | | | | | \$25,500 | | | | | | \$28,500 | | | |
| Water Plant Master Control Panel | | \$61,500 | | | | | | | | | | | | | | | | | | |
| Water Plant Roof/Skylights | | \$60,000 | | | | | | | | | | | | | | | | | | |
| Water Plant Light Fixtures | | \$5,545 | | | | | | | | | | | | | | | | | | |
| Map Updates | \$500 | | | | | | | | | | | | | | | | | | | |
| Inspect Basin | | \$5,000 | | | | | | | | | | | | | | | | | | |
| Replace Lime Slaker | | | | | | | | | \$120,000 | | | | | | | | | | | |
| Upgrade Lime Silo | | | | | | \$56,250 | | | | | | | | | | | | | | |
| Dust Collector & Fan | | | | | \$33,000 | | | | | | | | | | | | | | | |
| Paint Clarifier | | | | | | | | | \$14,400 | | | | | | | | | | | |
| Clarifier Drive System | | | | | | | | | | | | \$223,125 | | | | | | | | |
| Dehumidifier | | | | \$21,500 | | | | | | | | | | | | | | | | |
| Totals | \$20,500 | \$177,295 | \$51,631 | \$481,806 | \$731,500 | \$2,026,266 | \$629,625 | \$594,844 | \$292,700 | \$522,973 | \$158,646 | \$416,819 | \$190,992 | \$168,165 | \$178,088 | \$174,511 | \$177,684 | \$209,357 | \$213,030 | \$187,203 |

| Sanitary Sewer CIP | | | | | | | | | | | | | | | | | | | Table A-3 | |
|----------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Manhole Covers | | \$2,921 | \$2,993 | \$3,064 | \$3,135 | \$3,206 | \$3,278 | \$3,349 | \$3,420 | \$3,491 | \$3,563 | | | | | | | | | |
| Lining | | \$30,750 | \$31,500 | \$32,250 | \$33,000 | \$33,750 | \$34,500 | \$35,250 | \$36,000 | \$36,750 | \$37,500 | | | | | | | | | |
| Sanitary Sewer Replacement | | | | \$362,275 | \$525,800 | \$209,250 | \$381,800 | \$433,575 | \$121,840 | \$124,378 | \$126,916 | \$129,455 | \$131,993 | \$134,531 | \$137,070 | \$139,608 | \$142,146 | \$144,685 | \$147,223 | \$149,761 |
| Lift Station Pumps | | \$4,100 | \$4,200 | \$4,300 | \$4,400 | | \$4,600 | \$4,700 | \$4,800 | \$4,900 | | \$5,100 | \$5,300 | \$5,500 | | | | | | |
| Lift Station Panels | | \$20,500 | \$21,000 | \$21,500 | \$22,000 | | | | | | | | | | | | | | | |
| Map Updates | \$500 | | | | | | | | | | | | | | | | | | | |
| Infiltration & Inflow | \$20,000 | \$20,500 | \$21,000 | \$21,500 | \$22,000 | \$22,500 | \$23,000 | \$23,500 | \$24,000 | \$24,500 | \$25,000 | \$25,500 | \$26,000 | \$26,500 | \$27,000 | \$27,500 | \$28,000 | \$28,500 | \$29,000 | \$29,500 |
| Totals | \$20,500 | \$78,771 | \$80,693 | \$444,889 | \$610,335 | \$268,706 | \$447,178 | \$500,374 | \$190,060 | \$194,019 | \$192,979 | \$160,055 | \$157,993 | \$166,331 | \$164,070 | \$172,608 | \$170,146 | \$173,185 | \$176,223 | \$179,261 |

| City Hall / Public Works Facility CIP | | | | | | | | | | | | | | | | | | | Table A-4 | |
|--|--------------|----------------|-----------------|-----------------|--------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| City Shop Lighting | | \$632 | | | | | | | | | | | | | | | | | | |
| Miscellaneous Repairs | \$500 | \$513 | \$525 | \$538 | \$550 | \$563 | \$575 | \$588 | \$600 | \$613 | \$625 | \$638 | \$650 | \$663 | \$675 | \$688 | \$700 | \$713 | \$725 | \$738 |
| Front & Back Steps | | \$1,500 | | | | | | | | | | | | | | | | | | |
| Roof | | | \$50,000 | | | | | | | | | | | | | | | | | |
| Windows | | | | \$45,000 | | | | | | | | | | | | | | | | |
| Carpet Council Chambers | | | | | | \$5,000 | | | | | | | | | | | | | | |
| Floor In Basement | | | | | | \$7,500 | | | | | | | | | | | | | | |
| New Public Works Shop | | | | | | | | | | | | | | | | | | | | \$200,000 |
| Totals | \$500 | \$2,645 | \$50,525 | \$45,538 | \$550 | \$13,063 | \$575 | \$588 | \$600 | \$613 | \$625 | \$638 | \$650 | \$663 | \$675 | \$688 | \$700 | \$713 | \$725 | \$200,738 |

Capital Improvement Plan, City of Tonka Bay

| Parks CIP | | | | | | | | | | | | | | | | | | | Table A-5 | |
|-------------------------------|----------------|--------------|----------------|----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|------------|-----------------|------------|------------|------------|------------|------------|------------|------------------|------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Parking Lots | | | | | | \$90,000 | | \$45,000 | | | | | | | | | | | | |
| Lighting | | | \$2,625 | | | | | | | | | | | | | | | | | |
| Trash Receptacles | | | | \$1,935 | | | | | | | | | | | | | | | | |
| Playground Equipment | | | | | | \$1,688 | | | \$36,750 | | | \$38,250 | | | | | | | | |
| Wind Screens for Tennis Court | | | | | \$1,650 | | | | | | | | | | | | | | | |
| Court Resurfacing | \$5,000 | | | | | | | | \$5,175 | | | | | | | | | | | |
| "Kids at Play" Signs | | \$205 | | | | | | | | | | | | | | | | | | |
| Misc. Repairs | \$500 | \$308 | \$504 | \$387 | | | | | \$6,000 | | | | | | | | | | | |
| Totals | \$5,500 | \$513 | \$3,129 | \$2,322 | \$1,650 | \$91,688 | \$5,175 | \$45,000 | \$6,000 | \$36,750 | \$0 | \$38,250 | \$0 | \$0 |

| Storm Sewer CIP | | | | | | | | | | | | | | | | | | | Table A-6 | |
|-------------------------|--------------|------------|------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Storm Sewer Replacement | | | | \$45,150 | \$30,938 | \$25,313 | \$57,788 | \$29,522 | \$23,580 | \$24,071 | \$24,563 | \$25,054 | \$25,545 | \$26,036 | \$26,528 | \$27,019 | \$27,510 | \$28,001 | \$28,493 | \$28,984 |
| Map Updates | \$500 | | | | | | | | | | | | | | | | | | | |
| Totals | \$500 | \$0 | \$0 | \$45,150 | \$30,938 | \$25,313 | \$57,788 | \$29,522 | \$23,580 | \$24,071 | \$24,563 | \$25,054 | \$25,545 | \$26,036 | \$26,528 | \$27,019 | \$27,510 | \$28,001 | \$28,493 | \$28,984 |

| Docks CIP | | | | | | | | | | | | | | | | | | | Table A-7 | |
|-------------------------|------------|------------|-----------------|------------|------------------|-----------------|------------|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------------|------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Dredging | | | | | | | | \$75,000 | | | | | | | | | | \$106,875 | | |
| Dock Expansion, Phase 1 | | | \$37,440 | | | | | | | | | | | | | | | | | |
| Dock Expansion, Phase 2 | | | | | \$137,800 | | | | | | | | | | | | | | | |
| Totals | \$0 | \$0 | \$37,440 | \$0 | \$137,800 | \$0 | \$0 | \$75,000 | \$0 | \$106,875 | \$0 | \$0 |

| Equipment CIP | | | | | | | | | | | | | | | | | | | Table A-8 | |
|----------------------|------------------|-----------------|------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|-----------------|------------|------------------|------------------|------------|
| Equipment Needs | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Copier | | \$12,300 | | | | | | | | | | \$22,313 | | | | | | | | |
| Office Equipment | | | | | \$26,400 | | | | | \$36,750 | | | | | \$48,600 | | | | | |
| Dump Truck | \$136,000 | | | | | | | | | | | | \$175,000 | | | | | | | |
| Lawn Mower | \$13,000 | | | | | \$16,500 | | | | | \$20,500 | | | | \$25,000 | | | | | |
| Skid Loader | | \$16,000 | | | | | | | | | | \$20,000 | | | | | | | | |
| Plow Truck | | | | \$77,000 | | | | | | | \$100,000 | | | | | | | | | \$140,000 |
| 1/2 Ton Pickup | | | | | | \$27,000 | | | | | | | | \$35,000 | | | | | | |
| Vactor Truck | | | | | | | | | | | | | \$50,000 | | | | | | | |
| Backhoe | | | | | | | | \$50,000 | | | | | | | | | | | | |
| Totals | \$149,000 | \$28,300 | \$0 | \$77,000 | \$26,400 | \$43,500 | \$33,675 | \$50,000 | \$0 | \$36,750 | \$120,500 | \$42,313 | \$225,000 | \$35,000 | \$48,600 | \$25,000 | \$0 | \$140,000 | \$0 | \$0 |

| Summary of Costs | | | | | | | | | | | | | | | | | | | Table A-9 | |
|--------------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|--------------------|
| Project | 5-Year CIP | | | | | Planning Period | | | | | | | | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Street Projects | \$73,000 | \$175,075 | \$86,900 | \$566,120 | \$898,744 | \$401,301 | \$936,805 | \$656,055 | \$436,263 | \$445,402 | \$454,547 | \$463,701 | \$472,862 | \$482,031 | \$491,209 | \$500,394 | \$509,589 | \$518,792 | \$528,004 | \$537,226 |
| Water Projects | \$20,500 | \$177,295 | \$51,631 | \$481,806 | \$731,500 | \$2,026,266 | \$629,625 | \$594,844 | \$292,700 | \$522,973 | \$158,646 | \$416,819 | \$190,992 | \$168,165 | \$178,088 | \$174,511 | \$177,684 | \$209,357 | \$213,030 | \$187,203 |
| Sanitary Sewer Projects | \$20,500 | \$78,771 | \$80,693 | \$444,889 | \$610,335 | \$268,706 | \$447,178 | \$500,374 | \$190,060 | \$194,019 | \$192,979 | \$160,055 | \$157,993 | \$166,331 | \$164,070 | \$172,608 | \$170,146 | \$173,185 | \$176,223 | \$179,261 |
| City Hall & Public Works | \$500 | \$2,645 | \$50,525 | \$45,538 | \$550 | \$13,063 | \$575 | \$588 | \$600 | \$613 | \$625 | \$638 | \$650 | \$663 | \$675 | \$688 | \$700 | \$713 | \$725 | \$200,738 |
| Parks Projects | \$5,500 | \$513 | \$3,129 | \$2,322 | \$1,650 | \$91,688 | \$5,175 | \$45,000 | \$6,000 | \$36,750 | \$0 | \$38,250 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Storm Sewer | \$500 | \$0 | \$0 | \$45,150 | \$30,938 | \$25,313 | \$57,788 | \$29,522 | \$23,580 | \$24,071 | \$24,563 | \$25,054 | \$25,545 | \$26,036 | \$26,528 | \$27,019 | \$27,510 | \$28,001 | \$28,493 | \$28,984 |
| Docks | \$0 | \$0 | \$37,440 | \$0 | \$137,800 | \$0 | \$0 | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$106,875 | \$0 | \$0 |
| Equipment | \$149,000 | \$28,300 | \$0 | \$77,000 | \$26,400 | \$43,500 | \$33,675 | \$50,000 | \$0 | \$36,750 | \$120,500 | \$42,313 | \$225,000 | \$35,000 | \$48,600 | \$25,000 | \$0 | \$140,000 | \$0 | \$0 |
| Totals | \$269,500 | \$462,599 | \$310,318 | \$1,662,825 | \$2,437,916 | \$2,869,835 | \$2,110,820 | \$1,951,382 | \$949,203 | \$1,260,578 | \$951,860 | \$1,146,829 | \$1,073,042 | \$878,226 | \$909,169 | \$900,219 | \$885,629 | \$1,176,922 | \$946,474 | \$1,133,411 |

FUND BALANCES

Fund Balances, City of Tonka Bay

General Fund

Table B-1

| Project | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual General Fund Expenditures (1) | \$1,115,496 | \$1,143,383 | \$1,171,968 | \$1,201,267 | \$1,231,299 | \$1,262,081 | \$1,293,633 | \$1,325,974 | \$1,359,124 | \$1,393,102 | \$1,427,929 | \$1,463,627 | \$1,500,218 | \$1,537,724 | \$1,576,167 | \$1,615,571 | \$1,655,960 | \$1,697,359 | \$1,739,793 | \$1,783,288 |
| Streets, General Fund CIP | \$73,000 | \$175,075 | \$86,900 | \$88,981 | \$91,069 | \$93,163 | \$95,264 | \$97,372 | \$99,487 | \$101,609 | \$103,739 | \$105,876 | \$108,021 | \$110,174 | \$112,335 | \$114,505 | \$116,683 | \$118,870 | \$121,066 | \$123,272 |
| City Hall / Public Works, General Fund CIP | \$500 | \$2,645 | \$50,525 | \$45,538 | \$550 | \$13,063 | \$575 | \$588 | \$600 | \$613 | \$625 | \$638 | \$650 | \$663 | \$675 | \$688 | \$700 | \$713 | \$725 | \$738 |
| Parks, General Fund CIP | \$5,500 | \$513 | \$3,129 | \$2,322 | \$1,650 | \$91,688 | \$5,175 | \$45,000 | \$6,000 | \$36,750 | \$0 | \$38,250 | \$39,206 | \$40,186 | \$41,191 | \$42,221 | \$43,276 | \$44,358 | \$45,467 | \$46,604 |
| Expenses | \$1,194,496 | \$1,312,616 | \$1,312,522 | \$1,338,108 | \$1,324,568 | \$1,459,995 | \$1,394,647 | \$1,468,934 | \$1,465,211 | \$1,532,074 | \$1,532,293 | \$1,608,391 | \$1,648,095 | \$1,688,747 | \$1,730,368 | \$1,772,985 | \$1,816,619 | \$1,861,300 | \$1,907,051 | \$2,153,902 |
| Revenues (1) | \$1,194,496 | \$1,224,358 | \$1,254,967 | \$1,286,342 | \$1,318,500 | \$1,351,463 | \$1,385,249 | \$1,419,880 | \$1,455,377 | \$1,491,762 | \$1,529,056 | \$1,567,282 | \$1,606,464 | \$1,646,626 | \$1,687,792 | \$1,729,986 | \$1,773,236 | \$1,817,567 | \$1,863,006 | \$1,909,581 |
| Annual Balance | \$0 | (\$97,258) | (\$57,555) | (\$51,767) | (\$6,068) | (\$108,533) | (\$9,398) | (\$49,054) | (\$9,833) | (\$40,312) | (\$3,237) | (\$41,109) | (\$41,631) | (\$42,121) | (\$42,576) | (\$42,998) | (\$43,383) | (\$43,733) | (\$44,045) | (\$244,321) |

Water Fund

Table B-2

| Project | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--------------------------------------|------------|-------------|------------|------------|------------|------------|-----------|------------|------------|-------------|-------------|-----------|-------------|------------|-----------|-----------|-----------|------------|------------|-----------|
| Annual Operation and Maintenance (1) | \$281,369 | \$288,403 | \$295,613 | \$303,004 | \$310,579 | \$318,343 | \$326,302 | \$334,459 | \$342,821 | \$351,391 | \$360,176 | \$369,181 | \$378,410 | \$387,870 | \$397,567 | \$407,506 | \$417,694 | \$428,136 | \$438,840 | \$449,811 |
| CIP Expenditures | \$20,500 | \$177,295 | \$51,631 | \$69,275 | \$33,000 | \$84,375 | \$23,000 | \$0 | \$140,400 | \$367,500 | \$0 | \$255,000 | \$26,000 | \$0 | \$6,750 | \$0 | \$0 | \$28,500 | \$29,000 | \$0 |
| Expenses | \$301,869 | \$465,698 | \$347,244 | \$372,279 | \$343,579 | \$402,718 | \$349,302 | \$334,459 | \$483,221 | \$718,891 | \$360,176 | \$624,181 | \$404,410 | \$387,870 | \$404,317 | \$407,506 | \$417,694 | \$428,136 | \$438,840 | \$449,811 |
| Revenues (1) | \$288,545 | \$295,759 | \$303,153 | \$310,731 | \$318,500 | \$326,462 | \$334,624 | \$342,989 | \$351,564 | \$360,353 | \$369,362 | \$378,596 | \$388,061 | \$397,762 | \$407,707 | \$417,899 | \$428,347 | \$439,055 | \$450,032 | \$461,283 |
| Annual Balance | (\$13,324) | (\$169,940) | (\$44,092) | (\$61,547) | (\$25,079) | (\$76,256) | \$9,186 | (\$14,678) | (\$39,505) | (\$131,657) | (\$358,538) | \$9,186 | (\$245,584) | (\$16,349) | \$9,892 | \$10,393 | \$10,653 | (\$17,581) | (\$17,808) | \$11,472 |
| Depreciation Transfer (1) | \$61,012 | \$62,537 | \$64,101 | \$65,703 | \$67,346 | \$69,029 | \$70,755 | \$72,524 | \$74,337 | \$76,196 | \$78,101 | \$80,053 | \$82,054 | \$84,106 | \$86,208 | \$88,364 | \$90,573 | \$92,837 | \$95,158 | \$97,537 |
| Year End Fund Balance | \$369,445 | \$262,043 | \$282,052 | \$286,208 | \$328,475 | \$321,248 | \$377,325 | \$458,379 | \$401,060 | \$118,717 | \$206,004 | \$40,472 | \$106,177 | \$200,175 | \$289,773 | \$388,530 | \$489,755 | \$565,011 | \$642,361 | \$751,370 |

Sewer Fund

Table B-3

| Project | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|-------------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Operation and Maintenance (1) | \$304,680 | \$312,297 | \$320,104 | \$328,107 | \$336,310 | \$344,717 | \$353,335 | \$362,169 | \$371,223 | \$380,504 | \$390,016 | \$399,767 | \$409,761 | \$420,005 | \$430,505 | \$441,267 | \$452,299 | \$463,607 | \$475,197 | \$487,077 |
| CIP Expenditures | \$20,500 | \$78,771 | \$80,693 | \$82,614 | \$84,535 | \$86,456 | \$88,378 | \$90,299 | \$92,220 | \$94,141 | \$96,063 | \$98,000 | \$100,000 | \$102,000 | \$104,000 | \$106,000 | \$108,000 | \$110,000 | \$112,000 | \$114,000 |
| Expenses | \$325,180 | \$391,068 | \$400,797 | \$410,721 | \$420,845 | \$430,173 | \$438,713 | \$447,468 | \$456,443 | \$465,145 | \$473,679 | \$482,067 | \$490,316 | \$498,416 | \$506,365 | \$514,165 | \$521,816 | \$529,317 | \$536,667 | \$543,867 |
| Revenues (1) | \$326,990 | \$335,165 | \$343,544 | \$352,132 | \$360,936 | \$369,959 | \$379,208 | \$388,688 | \$398,406 | \$408,366 | \$418,575 | \$429,039 | \$439,765 | \$450,759 | \$462,028 | \$473,579 | \$485,418 | \$497,554 | \$509,993 | \$522,743 |
| Annual Balance | \$1,810 | (\$55,903) | (\$57,254) | (\$58,589) | (\$59,909) | (\$61,214) | (\$62,505) | (\$63,779) | (\$65,037) | (\$66,279) | (\$67,504) | (\$68,714) | (\$70,000) | (\$71,261) | (\$72,508) | (\$73,741) | (\$74,961) | (\$76,168) | (\$77,361) | (\$78,541) |
| Depreciation Transfer (1) | \$36,583 | \$37,498 | \$38,435 | \$39,396 | \$40,381 | \$41,390 | \$42,425 | \$43,486 | \$44,573 | \$45,687 | \$46,829 | \$48,000 | \$49,200 | \$50,430 | \$51,691 | \$52,983 | \$54,308 | \$55,665 | \$57,057 | \$58,483 |
| Year End Fund Balance | \$378,979 | \$360,573 | \$341,754 | \$322,562 | \$303,034 | \$310,210 | \$313,129 | \$316,336 | \$319,871 | \$323,779 | \$333,104 | \$379,777 | \$432,982 | \$482,366 | \$538,581 | \$590,875 | \$650,302 | \$711,415 | \$774,268 | \$838,917 |

Storm Water Drainage Fund

Table B-4

| Project | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|-------------------------------|----------|----------|----------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Operation and Maintenance (1) | \$9,108 | \$9,336 | \$9,569 | \$9,808 | \$10,054 | \$10,305 | \$10,562 | \$10,827 | \$11,097 | \$11,375 | \$11,659 | \$11,950 | \$12,249 | \$12,555 | \$12,869 | \$13,191 | \$13,521 | \$13,859 | \$14,205 | \$14,561 |
| CIP Expenditures | \$500 | \$0 | \$0 | \$45,150 | \$30,938 | \$25,313 | \$19,788 | \$14,252 | \$8,720 | \$3,187 | \$-2,353 | \$-7,915 | \$-13,483 | \$-19,051 | \$-24,619 | \$-30,187 | \$-35,755 | \$-41,323 | \$-46,891 | \$-52,459 |
| Expenses | \$9,608 | \$9,336 | \$9,569 | \$10,258 | \$10,992 | \$11,518 | \$12,040 | \$12,562 | \$13,079 | \$13,596 | \$14,113 | \$14,630 | \$15,147 | \$15,664 | \$16,181 | \$16,698 | \$17,215 | \$17,732 | \$18,249 | \$18,766 |
| Revenues (1) | \$13,326 | \$13,659 | \$14,001 | \$14,351 | \$14,709 | \$15,077 | \$15,454 | \$15,840 | \$16,236 | \$16,642 | \$17,058 | \$17,485 | \$17,922 | \$18,370 | \$18,829 | \$19,300 | \$19,783 | \$20,277 | \$20,784 | \$21,304 |
| Annual Balance | \$3,718 | \$4,323 | \$4,432 | (\$40,608) | (\$26,282) | (\$20,541) | (\$12,896) | (\$4,258) | (\$13,441) | (\$21,479) | (\$30,504) | (\$40,019) | (\$50,000) | (\$60,537) | (\$71,628) | (\$83,275) | (\$95,578) | (\$108,531) | (\$122,134) | (\$136,295) |
| Year End Fund Balance | \$29,686 | \$34,009 | \$38,441 | (\$2,167) | (\$28,449) | (\$48,990) | (\$101,886) | (\$126,394) | (\$144,835) | (\$163,638) | (\$182,802) | (\$202,321) | (\$222,194) | (\$242,415) | (\$262,980) | (\$283,890) | (\$305,139) | (\$326,721) | (\$348,636) | (\$370,877) |

Dock Fund

Table B-5

| Project | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|-------------------------------|----------|----------|------------|----------|-------------|------------|------------|------------|------------|------------|------------|------------|-----------|----------|----------|----------|----------|------------|-----------|----------|
| Operation and Maintenance (1) | \$45,653 | \$46,794 | \$47,964 | \$49,163 | \$50,392 | \$51,652 | \$52,943 | \$54,267 | \$55,624 | \$57,014 | \$58,440 | \$59,901 | \$61,398 | \$62,933 | \$64,506 | \$66,119 | \$67,772 | \$69,466 | \$71,203 | \$72,983 |
| CIP Expenditures | \$0 | \$0 | \$37,440 | \$0 | \$137,800 | \$0 | \$0 | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$106,875 | \$0 | \$0 |
| Expenses | \$45,653 | \$46,794 | \$85,404 | \$49,163 | \$188,192 | \$51,652 | \$52,943 | \$129,267 | \$55,624 | \$57,014 | \$58,440 | \$59,901 | \$61,398 | \$62,933 | \$64,506 | \$66,119 | \$67,772 | \$69,466 | \$71,203 | \$72,983 |
| Revenues (1) | \$57,120 | \$58,548 | \$60,012 | \$61,512 | \$63,050 | \$64,626 | \$66,242 | \$67,898 | \$69,595 | \$71,335 | \$73,118 | \$74,946 | \$76,820 | \$78,741 | \$80,709 | \$82,727 | \$84,795 | \$86,915 | \$89,088 | \$91,315 |
| Annual Balance | \$11,467 | \$11,754 | (\$25,392) | \$12,349 | (\$125,143) | \$12,974 | \$13,298 | (\$61,369) | \$13,971 | \$14,321 | \$14,679 | \$15,046 | \$15,422 | \$15,807 | \$16,203 | \$16,608 | \$17,023 | (\$89,427) | \$17,885 | \$18,332 |
| Year End Fund Balance | \$87,071 | \$98,825 | \$73,432 | \$85,781 | (\$39,362) | (\$26,388) | (\$13,090) | (\$74,459) | (\$60,488) | (\$46,167) | (\$31,488) | (\$16,442) | (\$1,021) | \$14,787 | \$30,989 | \$47,597 | \$64,620 | (\$24,807) | (\$6,922) | \$11,410 |

Equipment Fund

Table B-6

| Project | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|-----------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Expenditures | \$149,000 | \$28,300 | \$0 | \$77,000 | \$26,400 | \$43,500 | \$33,675 | \$50,000 | \$0 | \$36,750 | \$120,500 | \$42,313 | \$225,000 | \$35,000 | \$48,600 | \$25,000 | \$0 | \$140,000 | \$0 | \$0 |
| Expenses | \$149,000 | \$28,300 | \$0 | \$77,000 | \$26,400 | \$43,500 | \$33,675 | \$50,000 | \$0 | \$36,750 | \$120,500 | \$42,313 | \$225,000 | \$35,000 | \$48,600 | \$25,000 | \$0 | \$140,000 | \$0 | \$0 |
| Revenues | \$35,000 | \$36,000 | \$37,000 | \$38,000 | \$39,000 | \$40,000 | \$41,000 | \$42,000 | \$43,000 | \$44,000 | \$45,000 | \$46,000 | \$47,000 | \$48,000 | \$49,000 | \$50,000 | \$51,000 | \$52,000 | \$53,000 | \$54,000 |
| Annual Balance | (\$114,000) | \$7,700 | \$37,000 | (\$39,000) | \$12,600 | (\$3,500) | \$7,325 | (\$8,000) | \$43,000 | \$7,250 | (\$75,500) | \$3,687 | (\$177,000) | \$15,000 | \$3,400 | \$29,000 | \$56,000 | (\$82,000) | \$60,000 | \$62,000 |
| Year End Fund Balance | (\$79,000) | (\$71,300) | (\$34,300) | (\$73,300) | (\$60,700) | (\$64,200) | (\$56,875) | (\$64,875) | (\$21,875) | (\$14,625) | (\$90,125) | (\$86,438) | (\$263,438) | (\$248,438) | (\$245,038) | (\$216,038) | (\$160,038) | (\$242,038) | (\$182,038) | (\$120,038) |

Infrastructure Project Fund (2)

Table B-7

| Project | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------|------|------|------|------|------|------|------|------|
|---------|------|------|------|------|------|------|------|------|

RATING WORKSHEET

Rating Worksheet, City of Tonka Bay

| Street Segment | Start Segment | End Segment | Overall Condition Rating | City Priority | Street | | | | | Watermain | | | | Sanitary | | | Comments | |
|-----------------------|------------------|--------------------|--------------------------|---------------|--------|--------|-------|-----------|------------------|-----------|--------------|------|------------------|------------------|-----|----------|----------|------|
| | | | | | Age | Length | Width | Area (SY) | Condition Rating | Age | Material | Size | Number of Breaks | Condition Rating | Age | Material | | Size |
| West Point Road | CSAH 19 | Tonka Bay Road | 128 | -15 | 44 | 4730 | 21 | 11037 | 65 | | CAST IRON | 8" | 4 | 78 | 44 | VCP | 9" | |
| Interlachen Court | Interlachen Lane | Interlachen Lane | 130 | -15 | 44 | 240 | 21 | 560 | 67 | | CAST IRON | 8" | 4 | 78 | 44 | VCP | 9" | |
| Lakeview Avenue South | Dead End | Sunrise Avenue | 135 | -15 | 36 | 1980 | 19 | 4180 | 64 | 36 | CAST IRON | 6" | 2 | 86 | 44 | VCP | 9" | |
| Florence Drive | Brentwood Avenue | Brentwood Avenue | 142 | -15 | 36 | 1150 | 19 | 2428 | 66 | 36 | CAST IRON | 6" | 1 | 91 | | | | |
| Waseca Avenue | Lakeview Avenue | Lakeview Avenue | 142 | -15 | 36 | 720 | 22 | 1760 | 66 | 36 | CAST IRON | 6" | 1 | 91 | | | | |
| Birch Bluff Road | Pleasant Avenue | Wildhurst Road | 147 | -15 | 36 | 2850 | 22 | 6967 | 66 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Brentwood Avenue | Woodlane Street | Florence Drive | 147 | -15 | 36 | 650 | 20 | 1444 | 66 | 36 | CAST IRON | 6" | | 96 | | | | |
| Brentwood Avenue | CSAH 19 | Bay Street | 148 | -15 | 36 | 950 | 20 | 2111 | 65 | 36 | CAST IRON | 8" | | 98 | | | 12" | |
| Sunrise Avenue | Waseca Avenue | Lakeview Avenue | 148 | -15 | 36 | 1280 | 19 | 2702 | 67 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Brentwood Avenue | Bay Street | Woodlane Street | 149 | -15 | 36 | 300 | 20 | 667 | 66 | 36 | CAST IRON | 8" | | 98 | | | | |
| Interlachen Lane | CSAH 19 | Dead End | 149 | -15 | 36 | 2070 | 19 | 4370 | 66 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Bay Street | Brentwood Avenue | Dead End | 150 | -15 | 36 | 380 | 21 | 887 | 74 | 36 | CAST IRON | 6" | 1 | 91 | | | | |
| Wildhurst Road | CSAH 19 | Old Orchard Lane | 151 | -15 | 36 | 520 | 22 | 1271 | 70 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| West Point Avenue | West Point Road | Dead End | 152 | -15 | 36 | 670 | 17 | 1266 | 69 | 36 | CAST IRON | 8" | | 98 | | | | |
| CSAH 19/Manitou Road | Interlachen Lane | Tonka Bay Road | 153 | | 36 | | | | 80 | 36 | CAST IRON | 8" | 5 | 73 | | | | |
| Interlachen Place | Interlachen Lane | Dead End | 153 | -15 | 36 | 460 | 15 | 767 | 70 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Old Orchard Lane | Dead End | Wildhurst Road | 153 | -15 | 36 | 650 | 22 | 1589 | 72 | 36 | CAST IRON | 6" | | 96 | | | | |
| Wildhurst Road | Clay Cliff Drive | Old Orchard Lane | 153 | -15 | 36 | 1440 | 22 | 3520 | 70 | 36 | CAST IRON | 8" | | 98 | | | | |
| Woodlane Street | Brentwood Avenue | Dead End | 155 | -15 | 36 | 300 | 16 | 533 | 74 | 36 | CAST IRON | 6" | | 96 | | | | |
| Lilah Lane | Pleasant Avenue | Dead End | 159 | | 36 | 960 | 21 | 2240 | 71 | 36 | CAST IRON | 8" | 2 | 88 | 44 | VCP | 9" | |
| Mound Avenue | Northrup Avenue | Woodlawn Avenue | 160 | | 36 | 750 | 21 | 1750 | 67 | 36 | CAST IRON | 8" | 1 | 93 | 44 | VCP | 9" | |
| Glade Avenue | Hazel Street | Cedar Street | 161 | | 36 | 360 | 22 | 880 | 70 | 36 | CAST IRON | 6" | 1 | 91 | 44 | VCP | 9" | |
| Pleasant Avenue | Lilah Lane | Birch Bluff Road | 161 | | 36 | 1580 | 21 | 3687 | 65 | 36 | CAST IRON | 6" | | 96 | | | | |
| Hillcrest Drive | Cedar Street | Waseca Avenue | 162 | | 36 | 650 | 20 | 1444 | 66 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Pleasant Avenue | CSAH 19 | Lilah Lane | 162 | | 36 | 780 | 23 | 1993 | 66 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Cedar Street | Lakeview Avenue | Tonka Bay Road | 164 | | 36 | 710 | 20 | 1578 | 68 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Northrup Avenue | CSAH 19 | Mound Avenue | 164 | | 36 | 500 | 20 | 1111 | 68 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Tonka Bay Lane | Tonka Bay Road | Tonka Bay Road | 164 | | 34 | 920 | 20 | 2044 | 66 | 34 | DUCTILE IRON | 6" | | 98 | 44 | VCP | 9" | |
| Circle Road | CSAH 19 | CSAH 19 | 165 | | 36 | 1670 | 18 | 3340 | 69 | 36 | CAST IRON | 6" | | 96 | | | | |
| Lakeview Avenue North | Tonka Bay Road | Sunrise Avenue | 165 | | 36 | 1700 | 26 | 4911 | 69 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Woodpecker Ridge Road | CSAH 19 | Willow Woods Drive | 165 | | 36 | 880 | 20 | 1956 | 72 | 36 | CAST IRON | 8" | 1 | 93 | 44 | VCP | 9" | |
| Tonka Bay Road | CSAH 19 | Lakeview Avenue | 166 | | 36 | 2500 | 26 | 7222 | 68 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Fairhope Avenue | West Point Road | Dead End | 167 | | 36 | 930 | 21 | 2170 | 67 | 36 | DUCTILE IRON | 8" | | 100 | | | | |
| Mound Avenue | Woodlawn Avenue | Dead End | 167 | | 36 | 380 | 19 | 802 | 69 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Hazel Street | Tonka Bay Road | Lakeview Avenue | 168 | | 44 | 600 | 21 | 1400 | 68 | | CAST IRON | 6" | | 100 | 44 | VCP | 9" | |
| Woodlawn Avenue | CSAH 19 | Mound Avenue | 168 | | 36 | 400 | 20 | 889 | 72 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Crabapple Lane | Mound Avenue | Dead End | 169 | | 36 | 220 | 16 | 391 | 76 | 36 | CAST IRON | 8" | 1 | 93 | 44 | VCP | 9" | |
| Crabapple Lane | CSAH 19 | Mound Avenue | 170 | | 36 | 520 | 24 | 1387 | 72 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Tonka Bay Road | Lakeview Avenue | West Point Road | 170 | | 36 | 500 | 26 | 1444 | 72 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Mound Avenue | Northrup Avenue | Dead End | 171 | | 36 | 180 | 14 | 280 | 73 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Aspen Street | Glade Avenue | Lakeview Avenue | 172 | | 36 | 300 | 19 | 633 | 76 | 36 | CAST IRON | 6" | | 96 | 44 | VCP | 9" | |
| Pleasant Lane West | Pleasant Lane | Dead End | 172 | | 36 | 940 | 24 | 2507 | 76 | 36 | CAST IRON | 6" | | 96 | | | | |
| West Point Drive | West Point Road | West Point Road | 173 | | 23 | 1960 | 25 | 5444 | 75 | 23 | DUCTILE IRON | 6" | | 98 | | | | |
| West Point Circle | West Point Drive | Dead End | 174 | | 23 | 620 | 25 | 1722 | 76 | 23 | DUCTILE IRON | 6" | | 98 | | | | |
| West Point Court | West Point Drive | Dead End | 174 | | 23 | 560 | 25 | 1556 | 76 | 23 | DUCTILE IRON | 6" | | 98 | | | | |
| Pleasant Lane | Pleasant Avenue | Pleasant Lane | 175 | | 31 | 120 | 24 | 320 | 77 | 31 | DUCTILE IRON | 6" | | 98 | | | | |
| Gideons Point Road | Tonka Bay Road | Tonka Bay Road | 176 | | 23 | 2180 | 21 | 5087 | 78 | 23 | DUCTILE IRON | 6" | | 98 | | | | |
| Clay Cliff Drive | Dead End | CSAH 19 | 178 | | 32 | 2590 | 25 | 7194 | 80 | 32 | DUCTILE IRON | 6" | | 98 | | | | |
| CSAH 19/Manitou Road | Tonka Bay Road | Glen Road | 178 | | 36 | | | | 80 | 36 | CAST IRON | 12" | | 98 | | | | |
| Woodpecker Ridge Road | Dead End | Willow Woods Drive | 178 | | 36 | 1040 | 15 | 1733 | 80 | 36 | CAST IRON | 8" | | 98 | 44 | VCP | 9" | |
| Maple Hill Drive | | | 187 | | | 360 | 18 | 720 | 87 | | | | | 100 | | | | |
| Pearl Street | Tonka Bay Road | Dead End | 187 | | | 440 | 22 | 1076 | 87 | | | | | 100 | | | | |
| Arbor Court | Dead End | CSAH 19 | 190 | | 12 | 440 | 25 | 1222 | 92 | 12 | DUCTILE IRON | 6" | | 98 | | | | |
| Interlachen Drive | Interlachen Lane | Dead End | 190 | | | 440 | 14 | 684 | 90 | | | | | 100 | | | | |
| West Point Place | West Point Road | Dead End | 191 | | | 500 | 24 | 1333 | 91 | | | | | 100 | | | | |
| Highland Avenue | Tonka Bay Road | Dead End | 192 | | | 1350 | 23 | 3450 | 92 | 23 | DUCTILE IRON | 8" | | 100 | | | | |
| Echo Bay Drive | Tonka Bay Road | West Point Road | 194 | | | 840 | 22 | 2053 | 94 | 15 | DUCTILE IRON | 6" | | 100 | | | | |
| Pleasant Lane East | Pleasant Lane | Dead End | 197 | | | 2070 | 24 | 5520 | 97 | | | | | 100 | | | | |
| CSAH 19/Manitou Road | Glen Road | Smithtown Road | 200 | | 3 | | | | 100 | 3 | DUCTILE IRON | 12" | | 100 | | | | |

*CSAH 19/Manitou Road watermain is in need of replacement. The City should be prepared to replace it when Hennepin County reconstructs CSAH 19.

SAMPLE ASSESSMENT POLICY

SAMPLE ASSESSMENT POLICY

As discussed in this report, one of the possible funding sources for street, water, sewer, and storm sewer improvements is Special Assessments. Depending on how the policy is set, assessments usually range from 30% to 80% of the total project costs. The sample assessment policy that has been included in this report can be summarized as follows:

- Street Reconstruction – 30% Assessed
- Storm Sewer Replacement – 30% Assessed
- Sanitary Sewer Replacement - 30% Assessed
- Sanitary Sewer Services – 100% Assessed
- Watermain Replacement – 30% Assessed
- Watermain Services – 100% Assessed

Several issues should be considered when establishing an assessment policy. From a legal standpoint, assessments are possible when a project results in an increase in property value because of the improvements that are made. With this in mind, assessments can not exceed the benefit (increased property value) received from the project. One way to help determine the benefit is to have a sample of the affected properties appraised.

The City should also consider the fact that most improvement projects have a community wide benefit. Reducing the cost of street maintenance, watermain breaks, and the costs associated with sanitary sewer infiltration benefit the City as a whole. In addition, City streets are public infrastructures that provide benefit beyond the project area. With this in mind, the City must find a balance between assessing the benefiting properties and paying for the improvements with taxes and fees.

From a practical standpoint, assessments for street and utility reconstruction in other communities usually range between \$3,000 and \$20,000 per lot. When assessments are in this range, most property owners can recognize the fact they are receiving a benefit from the project. In addition, from a City wide perspective, most residents expect that the City is setting its tax

rate and structuring its fees at the level that is necessary to own, operate, maintain, and improve its infrastructure. Setting an appropriate assessment policy is unique to each community. However, establishing a uniform policy that meets the needs and expectations of the community is essential to a project's success.

The City will also need to determine the method that will be used to calculate the assessment for each property. The sample assessment policy that has been included in this report details three methods: "Adjusted Front Footage", "Area", and "Per Lot". A detailed description of these methods is provided in SECTION 7 of the sample assessment policy. It is recommended that the City be consistent from project to project in which method is used, however, depending on the improvements and the unique circumstances of the project, it is possible that the method could change from project to project.

As an example of how assessments may be applied in the City of Tonka Bay, we can use one of the priority projects identified in this report:

Priority Project 1 has an estimated cost of \$1,206,600. Using the sample assessment policy that has been provided, the project costs are apportioned as follows:

Watermain Replacement

| | |
|-----------------------|-----------|
| Total Cost | \$383,750 |
| Assessable Cost (30%) | \$115,125 |
| City Cost (70%) | \$268,625 |

Sanitary Sewer Replacement

| | |
|-----------------------|-----------|
| Total Cost | \$337,000 |
| Assessable Cost (30%) | \$101,100 |
| City Cost (70%) | \$235,900 |

Storm Sewer Replacement

| | |
|-----------------------|----------|
| Total Cost | \$42,000 |
| Assessable Cost (30%) | \$12,600 |
| City Cost (70%) | \$29,400 |

| | |
|-------------------------------------|-----------|
| <u>Street Reconstruction</u> | \$443,850 |
| Assessable Cost (30%) | \$133,155 |
| City Cost (70%) | \$310,695 |

Summary of Costs

| | |
|--------------------|-------------|
| Total Project Cost | \$1,206,600 |
| Assessable Cost | \$361,980 |
| City Cost | \$844,620 |

In this example, the project area for Priority 1 consists of 37 residential properties. Therefore, if the assessable portion of the project is divided using the “per lot” method, the assessment for each property would be about \$9,783. In reality, the assessable portion of the project would be slightly higher because the assessment policy provides for assessing 100% of water and sewer services to the benefiting property. For simplicity, the costs associated with new services are not represented here.

SPECIAL ASSESSMENT AND TRUNK AREA POLICIES AND PROCEDURES FOR
PUBLIC IMPROVEMENTS AND MAINTENANCE COSTS

- SECTION 1. General Policy Statement.
- SECTION 2. Improvements and Maintenance Costs Eligible for Special Assessment.
- SECTION 3. Initiation of Public Improvement Projects.
- SECTION 4. Public Improvement Procedures.
- SECTION 5. Financing of Public Improvements.
- SECTION 6. General Assessment Policies.
- SECTION 7. Methods of Assessment.
- SECTION 8. Standards for Public Improvement Projects.
- SECTION 9. Policies of Reassessment.
- SECTION 10. Assessment Computations.
- SECTION 11. Deferment of Assessments.

SECTION 1. GENERAL POLICY STATEMENT.

The purpose of this policy is to establish a fair and equitable manner of assessing the increase in market value (special benefit) associated with public improvements. The procedures used by the City of Tonka Bay ("City") for levying special assessments are those specified by Minnesota Statutes, Chapter 429 which provides that all or a part of the cost of improvements may be assessed against benefiting properties.

Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed, shall be the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate. In the event City staff has doubt as to whether or not the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

The assessment policy is intended to serve as a guide for a systematic assessment process in the City. There may be exceptions to the policy or unique circumstances or situations which may require special consideration and discretion by City staff and the City Council.

SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT.

Subd. 1. The following public improvements and related acquisition, construction, extension, and maintenance of such improvements, authorized by Minnesota Statutes, Sections 429.021 and 459.14, subd. 7, are eligible for special assessment within the City:

1. Streets, sidewalks, pavement, curbs and gutters, including the beautification thereof.
2. Parking lots.
3. Water works systems and appurtenances, within and without the corporate limits.
4. Sanitary sewer and storm sewer systems including appurtenances, within and without the corporate limits.
5. Street boulevard trees.
6. Street lights, street lighting systems and special lighting systems.
7. Steam heating mains.
8. Parks, playgrounds, and recreational facilities, including the purchase of equipment, within or without the corporate limits.
9. Abatement of nuisances; including but not limited to, draining and filling swamps, marshes, and ponds on public and private property.
10. Dikes and other flood control works.
11. Retaining walls and area walls.
12. A pedestrian skyway system upon a petition pursuant to section 429.031, subdivision
13. Underground pedestrian concourses.
14. Public malls, plazas or courtyards.
15. District heating systems.
16. Fire protection systems in existing buildings upon a petition pursuant to section 429.031, subdivision 3.
17. Highway sound barriers.
18. Gas and electric distribution facilities.

Subd. 2. The City is also authorized by ordinance adopted pursuant to Minnesota Statutes Section 429.021 to recover, through special assessment, the following maintenance costs:

1. Snow, ice, or rubbish removal from sidewalks.
2. Weed elimination from streets or private property.
3. Removal or elimination of public health or safety hazards from private property excluding any structure included under the provisions of Minnesota Statutes, sections 463.15 to 463.26.
4. Installation or repair of water service lines, street sprinkling, sweeping, or other dust treatment of streets.
5. The trimming and care of trees and the removal of unsound trees from any street.
6. The treatment and removal of insect infested or diseased trees on private property.
7. The repair of sidewalks and alleys.
8. The operation of a street lighting system.
9. The operation and maintenance of a fire protection or a pedestrian skyway system.

SECTION 3. INITIATION OF PUBLIC IMPROVEMENT PROJECTS.

Public improvement projects can be initiated in the following ways.

1. Public improvement projects may be initiated by petition of owners of at least 35% in frontage of the property abutting the proposed improvement.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required.
3. A resolution ordering any improvements initiated by the Council or by owners of less than 35% of abutting property owners requires a four-fifth's majority vote of all members of the Council. A resolution ordering any improvements initiated by owners of not less than 35% of abutting property owners requires a majority vote of all members of the Council. A resolution ordering any improvements initiated by all owners of abutting property, and assessing the entire cost against their property, may be adopted without a public hearing. The Council may consider the request of a Developer to construct the improvements and assess them.

SECTION 4. PUBLIC IMPROVEMENT PROCEDURE.

The following is the general procedure followed by the City Council for all public improvement projects from initiation of such a project through certification of the assessment roll to the County Auditor. Formats for the various reports and resolutions referenced in this section are made a part of the policies and procedures of the City.

1. Staff reviews petition or Developer's request for submission to Council.
2. Council accepts or rejects petition or request. If based upon a petition, the Council adopts a resolution declaring whether the required percentage of property owners have signed. If the petition or request is accepted, Council orders preparation of feasibility report.
3. Staff prepares feasibility report. The report shall preliminary evaluate whether the proposed improvement is necessary, cost-effective, and feasible and whether it should be made as proposed or in conjunction with another project. The report shall include an estimate of the cost of the improvement as proposed. Council may refer the report to the Planning and Zoning Commission.
4. Council accepts or rejects feasibility report. If accepted, Council orders public hearing on the improvements.
5. Staff posts and publishes hearing notice and mails notices to affected property owners as provided in Minn. Stat. § 429.031(a).
6. Council conducts public hearing.
7. Within six (6) months of the hearing date, Council adopts or rejects resolution ordering improvement to be constructed and advertisement of bids. If adopted, staff prepares final plans, advertises for and opens bids as provided in Minn. Stat. § 429.041, prepares bid tabulation, makes recommendation to City Council for award, and prepares proposed assessment roll. Bonds to finance project costs may be issued at any time after the improvements are ordered.
8. Council reviews proposed assessment roll and orders assessment hearing.
9. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners as provided in Minn. Stat. § 429.061.

10. Council conducts assessment hearing and adopts, revises, or rejects resolution determining the amount of the total expense the City will pay, if any, and establishing the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
11. Council awards contract based on the bids received.
12. Staff certifies the assessment roll to the County Auditor.
13. Staff supervises construction and prepares payments.

SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS.

The City encourages public improvement projects as the area (s) benefiting and needing such improvements develop. Examples of this policy can be seen through the subdivision regulations, zoning ordinance, and building codes. Developers are required to provide the needed improvements and services before development occurs, thereby avoiding unexpected hardships on the property owners purchasing such property and the general public. However, it is recognized that certain areas of the City have developed without all needed public improvements (e.g. parks, water, sewer, and street improvements) and that methods must be found to provide these improvements without causing undue hardships on the general public or the individual property owner.

Special assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing these is a critical factor to both the City and the property owner. Full project costs spread over a very short term can cause an undue hardship on the property owner and, likewise, city costs and systems costs spread over a long period of time can produce an undue hardship on the general public of the City.

It is the policy of the City to not defer assessments except in cases where hardship to senior citizens 65 years of age or older or persons retired by virtue of a permanent and total disability would result. Also, the City Council may elect to defer assessments on undeveloped land for a specified length of time or until the lands are developed. Terms and conditions of any such deferral will be established in the resolution adopting the assessments.

SECTION 6. GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS.

The cost of any improvement shall be assessed upon property by the improvements based upon benefits received. The following general principles shall be used as a basis of the City's assessment policy:

1. Project Cost. The "project cost" of an improvement includes the costs of all necessary construction work required to accomplish the improvement, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property. The finance charges include all costs of financing the project. These costs include but are not limited to financial consultant's fees, bond rating agency fee, bond attorney's fees, and capitalized interest. The interest charged to the project shall be included as financing charges.
2. City Cost. The "city cost" of an improvement is the amount of the total improvement expense the City will pay as determined by Council resolution. Where the project cost of an improvement is not entirely attributed to the need for service to the area served by said improvement, or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result in an inequitable

- distribution of special assessments, or for any other reason determined by City, the City, through the use of other funds, may pay such "city cost."
3. Assessable Cost. The "assessable cost" of an improvement is equal to the "project cost" minus the "city cost."
 4. Interest. The City will charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be two percent (2%) more than the average interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the same rate.
 5. Prepayment. Property owners may pay their assessments in full interest free for a period of 30 days after the assessment hearing. After such period interest shall be computed from the date specified in the assessment resolution. The City will transmit a certified duplicate of the assessment roll with each installment, including interest, to the County Auditor, or in lieu of such certification, annually certify to the County Auditor by November 30 in each year, the total amount of installments of and interest on assessments on each parcel which are to become due in the following year. Prior to certification of principal and interest or the first installment thereof, to the County Auditor, a property owner may make a partial prepayment of the principal to the City. Such partial prepayment must be at least \$100.00. If the partial prepayment is made after the 30-day "interest free" period allowed by state law, interest will be charged on the amount of the partial prepayment from the date specified in the resolution and paid along with the partial prepayment. After the City has made the first certification of principal and interest to the County Auditor, prepayment will be accepted only for the total amount still owing including interest and must be made prior to November 15 of any year. If a parcel has two or more separate special assessments, prepayment of the remaining principal balance may be made on one or more assessment totals. Tax-exempt parcels such as churches and school properties may make only one partial prepayment to the first certification to the County Auditor. The remaining principal after the partial prepayment will be paid in equal installments over the remaining term of the special assessments.
 6. Extensions. Where an improvement is designed for service of an area beyond that receiving the initial benefit, the City may pay for increased project costs due to such provisions for future service extensions. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement upon identification of such additional amount in the notice of hearing for the extensions or new improvements. As an alternative, the City may assess these costs to the area of future benefit immediately.
 7. Frontage Roads. Because frontage roads along highways or other arterial streets are deemed to be of benefit to commercial or industrial properties, the entire costs of any improvement on such frontage roads shall be assessable to the benefited properties, even if only those properties on one side of such frontage roads are benefited.
 8. Project Assistance. If the City receives financial assistance from the Federal Government, the State of Minnesota, the County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the "city cost" of the improvement. If the financial assistance received is greater than the "city cost," the remainder of the aid will be placed in the Capital Improvement Fund to be applied towards other City projects.
 9. Assessable Property. Property owned by the City and other political subdivisions including municipal building sites, parks and playgrounds, but not including public streets, alleys, and right-of-way, shall be regarded as being assessable on the same basis as if such property was privately owned. Private right-of-way shall be assessable.
 10. Individual Benefits. The City must construct improvements specifically designed for or shown to be of benefit solely to one or more properties. The costs for these improvements

will be assessed directly to such properties, and not included in the assessments for the remainder of the project. An example of this would be utility service lines running from the main lines to the property.

11. Benefit Appraisals. In the event that city staff has doubt as to whether or not the proposed assessments exceed the special benefits to the property in question, the City Council may order benefit appraisals as deemed necessary to support the proposed assessments. As a general rule, benefit appraisals may be ordered when the proposed assessment exceeds \$5,000 for a standard City reconstruction on a residential lot or \$20,000 per acre for commercial or industrial property.
12. Condemnation Awards. A property owner may elect to offset special assessments against condemnation awards. In such case, the property owner must execute an agreement (Net Assessment Agreement) with the City Council.

SECTION 7. METHODS OF ASSESSMENT.

Subd. 1. General Statement. There are different methods of assessment: per lot, adjusted front foot, and area. The feasibility report will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments at the time the project is ordered.

Subd. 2. Policy Statement. The following methods of assessment, as described and defined below, are hereby established as methods of assessment in the City.

A. "Adjusted Front Footage" Method of Assessment.

The "cost per adjusted front foot" method of assessment shall be based on the quotient of the "assessable cost" divided by the total assessable frontage benefiting from the improvement. For the purpose of determining the "assessable frontage," all properties, including governmental agencies, shall have their frontages included in such calculation.

The actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) shall not be construed as the frontage utilized to calculate the assessment for a particular parcel. Rather, and "adjusted front footage" will be determined. The purpose of this method is to equalize assessment calculations for lots of similar size. Individual parcels by their very nature differ considerably in shape and area. The following procedures will apply when calculating adjusted front footage. The selection of the appropriate procedure will be determined by the specified configuration of the parcel. All measurements will be scaled from available plat and section maps and will be rounded down to the nearest foot dimension with any excess fraction deleted.

1. Rectangular Interior Lots. The rectangular lot is defined as having no more than 2.0 feet difference between the front and rear lot lines. The adjusted front footage is the actual front footage of the lot. For rectangular lots whose frontage is greater than its depth, the "odd shaped lot" method shall be used.
2. Odd Shaped Lots. For odd shaped lots such as exist on cul-de-sacs and curved streets where there is more than 2.0 feet of difference between the front and rear lot lines, and where the lots frontage is greater than its depth, the "odd shaped lot" method of determining the adjusted front footage shall be used. The adjusted front footage shall be computed by

dividing the area of the lot by 12,000 square feet to determine the equivalent number of front footage units in the parcel. The number of units multiplied by 65 feet will give the adjusted front footage.

3. Corner Lot Adjustment. For street and trail assessments, the short side will be assessed the actual front footage. The long side will be assessed one-half the actual side footage or seventy-five (75) feet, whichever is greater. Sanitary sewer and watermain will only be assessed on the short side of a corner lot.
4. Zonal Assessment. When the street along the long side of a corner lot is improved, the cost shall be assessed equally to all lots within $\frac{1}{2}$ block in each direction of the street improved. This method may be selected rather than the corner lot adjusted.

B. "Area" Method of Assessment.

The "area" method of assessment shall be based on the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefiting from the project. The assessment rate (i.e., cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the City Engineer may determine that only a portion of the lots receives the benefit and may select a lot depth for the calculations equal to the benefit received.

All properties included in the benefited area, including other governmental areas, churches, etc., shall be assessable. The following items may not be included in area calculations: public right-of-ways, and natural waterways, swamps and lakes and other wetlands designated by the Minnesota Department of Natural Resources or City. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

C. "Per Lot" Method of Assessment.

The "per lot" method of assessment shall be based on equal assessment of all lots within the benefited area. The "assessment per lot" shall be the quotient of the "assessable cost" divided by the total assessable lots or parcels benefiting from the improvement. For the purpose of determining the "lots" or "parcels" all parcels, including governmental agencies, shall be included in such calculations.

SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS.

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

A. Surface Improvements. Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and includes, but is not limited to trees, lighting, sidewalks, signing; street and accessory improvements such as drainage ponds and facilities, parking lots, parks and playgrounds.

Policy Statement. Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete curbing or curb and gutter shall be installed at the same time as street surfacing.

B. Sub-Surface Improvements. Subsurface improvements shall normally include such items as water distribution, sanitary sewer and storm sewer lines and electric and gas utilities.

Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those privately owned lines or facilities extending from the main line to the property line.

Policy Statement. Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

Service lines from the lateral or trunk to the property line of all planned service locations such as residences or buildings shall be installed in conjunction with the construction of the mains.

SECTION 9. POLICIES OF REASSESSMENT.

The City shall design public improvements to last for a definite period. The life expectancy or service life shall be as stated in the policy statement of this section, or if different, shall be as stated in the resolution ordering improvement and preparation of plans.

A. Policy Statement. The following are the “life expectancies” or “service lives” of public improvements except as may be otherwise stated in the resolution ordering improvement and preparation of plans.

1. Sidewalks - 20 years.
2. Street improvements, including surfacing and curb and gutter - 20 years.
3. Ornamental street lighting - 20 years.
4. Water Mains - 20 years.
5. Sanitary Sewers - 30 years.
6. Storm Sewers - 30 years.

SECTION 10. ASSESSMENT COMPUTATIONS.

The following is the typical City assessment for various specified improvements.

A. Street and Curb and Gutter Improvements.

1. New Constructions. New streets are assessed 100% to the abutting benefited properties. Street and curb and gutter improvements will normally be assessed by the adjusted front foot method, however other methods may be utilized if conditions warrant. Cost of construction of streets shall be assessed based on the minimum design of 7-ton axle load in residential areas and 9-ton axle load in commercial and industrial areas. Oversizing costs which are incurred in excess of the above may be paid by: (1) State funds, (2) larger assessment rates to other benefited properties, (3) general obligation funds, or (4) any other method or combination of methods authorized by the City Council.
2. Reconstruction and Overlays. Street reconstructions and overlays are assessed 30% to the abutting benefited properties. New curb and gutter are 100% assessed.
3. Gravel Streets. Upgrading of existing gravel street by adding pavement, curb and gutter is considered new construction and all costs are assessed 100%.
4. Seal Coats. Sealcoats are not being assessed.
5. Alleys. Upgrading existing gravel alleys by adding pavement is assessed 100% to all lots abutting on the alley in the block being improved. Reconstructing existing paved alleys are 100% assessed also.

B. Sidewalks and Trails.

1. New Construction. New sidewalks are assessed 100% to the abutting property on which the sidewalk is located.
2. Reconstruction. Replacement sidewalks are assessed 50% to the abutting property owner and 50% City funded.
3. Trails. Bituminous walkways and/or bicycle trails are not assessed, but rather funded by the City. New subdivisions are assessed 100% for bituminous walkways/bicycle trails.

C. Storm Sewer Improvements. Storm sewers are assessed on a project-by-project basis. Storm sewers in new subdivisions are considered an assessable improvement on an area basis.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area storm sewer charges are levied to all unplatted property at the time of platting, to re-plats that have not been charged trunk area charges when the land was originally platted, and to re-plats that have been charged trunk area charges when the land was originally platted but where the use is increasing (only the cost difference based on current and prior use is charged). The charges will be set in the annual fee schedule during the first City Council meeting in January of each year.

Normally, storm sewers are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing storm sewers is assessed 30% with the remaining costs paid for by other funding sources identified by the City Council.

D. Sanitary Sewer Assessments. Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8 inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenances will be paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area sanitary sewer charges shall be leave to all un-platted property at the time of platting and to re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the first City Council meeting in January of each year. Services installed to individual properties are fully assessed to the benefiting property.

Normally, sanitary sewers are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

Lateral benefit from major trunk sewers or interceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is assessed 30% with the remaining costs paid for by other funding sources identified by the City Council.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing sanitary services, but do not have mainline sewers adjacent, across or up to their property lines pay 50% of the assessment rate for the new mainline sanitary sewer as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of a street reconstruction are replaced as part of the project and assessed directly to the property.

E. Watermain Assessments. Assessments for watermains in residential areas are based upon the cost of construction of 8 inch mains, which is the smallest size installed in residential areas of the

City. Assessments for watermains in commercial and industrial areas are based upon the standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenance are paid for by a combination of availability charges, user charges and/or trunk area assessment charges.

Trunk area water charges shall be levied to all un-platted property at the time of platting and to re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the first City Council meeting in January of each year. Services installed to individual properties shall be fully assessed to the benefiting property.

Normally, watermains are assessed on a per lot basis, but in certain situations the area or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing watermains is assessed 30%.

Lateral benefit from major trunk water mains is assessed to properties benefited by the water main. Lateral water main assessments are based on the costs for an equivalent 8'' diameter water main for residential properties and for an equivalent 12'' diameter water main for residential properties and for an equivalent 12'' diameter water main for commercial/industrial properties.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing water services, but do not have mainline watermains adjacent, across or up to their property lines pay 50% of the assessment rate for the new watermain as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of the project, are assessed directly to the property.

F. Street Boulevard Trees. All street boulevard trees installed as part of new street constructions or in reconstructing existing streets shall be included as part of the overall project costs included in the assessment calculations.

G. Street Lights. All costs for new streetlights installed as part of constructing new streets or streetlights relocated as part of reconstructing streets are included in the overall project costs and included in the assessment calculations. In new subdivisions, the City may require the developer to finance street light improvement rather than assessing the cost.

H. Other Improvements. Based on the City Council determination, any other improvements may be fully assessed or assessed in part.

SECTION 11. DEFERMENT OF SPECIAL ASSESSMENTS.

Subd. 1. The Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability, and the City Clerk is hereby authorized to record the deferment of special assessments where the following conditions are met:

1. The applicant must apply for the deferment not later than 30 days after the assessment is adopted by the City Council.
2. The applicant must be 65 years of age or older or retired by virtue of permanent and total disability.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his or her principal place of residence.
5. The average annual payment for assessments levied against the subject property exceed one percent of the adjusted gross income of the applicant as evidenced by the applicant's most recent federal income tax return. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.
6. Payment of the assessment would be a hardship.

Subd. 2. The deferment shall be granted for as long a period of time as the hardship exists and the conditions set forth above exist. However, it shall be the duty of the applicant to notify the City Clerk of any change in his or her status that would affect eligibility for deferment.

Subd. 3. Interest on the assessment shall continue to accrue at the rate and from the date set forth in the council resolution adopting the assessment.

Subd. 4. The entire amount of deferred special assessments shall be due within 60 days after loss of eligibility by the applicant. If the special assessment is not paid within the 60 days, the City Clerk shall certify to the County Auditor for collection with the real estate taxes for the property for the following year the total amount of principal and accrued interest then due. Should the applicant demonstrate to the satisfaction of the Council, that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the Council may order that the applicant pay within sixty days a sum equal to the number of installments of the deferred special assessment outstanding and unpaid to date, including principal and interest, with the balance thereafter paid according to the terms and conditions of the original special assessment.

Subd. 5. The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.

State Law References(s): Minn. Stat. § 435.193 – 435.195, senior citizens or retired and disabled persons hardship special assessment deferral.