

# CAPITAL IMPROVEMENT PROGRAM

2017-2021



4646 Dakota Street SE  
Prior Lake, MN 55372

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Date: August 22, 2016  
To: Mayor Hedberg, Council Members and Residents of Prior Lake  
From: Frank Boyles, City Manager   
Subject: 2017-2021 Capital Improvement Program

One of the most fundamental responsibilities of local government is planning for, constructing and maintaining the community's investments including streets, trails, sewer, water, parks and public buildings. Taken together, this investment in infrastructure is the physical fabric of our community which provides for our public safety and health.

Prior Lake's five-year Capital Improvement Program is directly responsive to the City's 2040 Vision and Strategic Plan. The Strategic Plan serves as our vision and our "things to do" list. How that list is prioritized, funded and converted into City projects is determined largely through the five-year Capital Improvement Program (often referred to as the CIP).

Each year, forecasts for projects that will be needed, estimated costs and possible funding sources are programmed into the CIP for the next five years. The CIP is updated, evaluated and approved each year by the City Council as projects are completed and priorities change. The purpose of the CIP is to assure that funds are available when projects are required to meet community needs.

I encourage you to review the attached 2017-2021 CIP. It contains new and continued projects critical to the development of our community and achievement of our 2040 Vision and Strategic Plan goals. It reflects an aggressive approach to upgrading the conditions of our streets and infrastructure in direct response to citizens' feedback.

All-in-all, the 2040 Vision and Strategic Plan establishes the vision for our community...and the Capital Improvement Program helps us to achieve it!



# **2017 – 2021 CAPITAL IMPROVEMENT PROGRAM**

**Adopted August 22, 2016**

**by the**

## **PRIOR LAKE CITY COUNCIL**

		<u><b>Term Expires</b></u>
<b>Mayor</b>	<b>Kenneth L. Hedberg</b>	<b>December 31, 2016</b>
<b>Councilmember</b>	<b>Rick Keeney</b>	<b>December 31, 2016</b>
<b>Councilmember</b>	<b>Mike McGuire</b>	<b>December 31, 2018</b>
<b>Councilmember</b>	<b>Monique Morton</b>	<b>December 31, 2016</b>
<b>Councilmember</b>	<b>Annette Thompson</b>	<b>December 31, 2018</b>

## **STAFF**

<b>City Manager</b>	<b>Frank Boyles</b>
<b>Assistant City Manager</b>	<b>Lori Olson</b>
<b>Finance</b>	<b>Don Uram/Cathy Erickson</b>
<b>City Engineer</b>	<b>Larry Poppler</b>
<b>Public Works</b>	<b>Katheryn Gehler</b>
<b>Police Chief</b>	<b>Mark Elliott</b>
<b>Fire Chief</b>	<b>Doug Hartman</b>
<b>Community Development</b>	<b>Dan Rogness</b>



## TABLE OF CONTENTS

1. **Demands versus Funding Sources**
  - This table shows the impact of the improvements identified in the CIP on each of the funding sources.
2. **Projects by Department**
  - This table categorizes each of the projects by department. The associated funding source for each project is also shown.
3. **Projects by Funding Source**
  - This table categorizes each of the projects by funding source.
4. **Project Detail**
  - This table provides a detailed description, purpose, and cost/benefit impact statement for each of the projects.
5. **Transportation Plan (2017-2026)**
  - This table provides a ten-year summary of street improvement projects.
  - The 2017-2021 Street Reconstruction Plan identifies the projects that could potentially be funded by street reconstruction bonds.
6. **Equipment Replacement Plan (2017-2026)**
  - A table provides a summary of the uses and sources of funds.
  - Detailed equipment schedules are included for the following departments:
    - Fire Department
    - Police Department
    - Public Works Department
7. **Park Equipment Replacement Plan (2017-2026)**
  - This table provides a summary of uses and sources of funds.
  - It also identifies future community park referendum needs.
8. **Technology Plan (2017-2026)**
  - This table provides a summary of uses and sources of funds.
9. **Facilities Management Plan (2017-2026)**
  - This table provides a summary of uses and sources of funds.
  - The 2016-2021 Capital Improvement Plan identifies the projects that could potentially be funded by capital improvement plan bonds.
10. **Enterprise Funds**
  - These tables provide a summary of uses and sources of funds for Water, Sewer and Storm Water.
11. **Debt Analysis & Tax Impact**



## 2017 - 2021 CAPITAL IMPROVEMENT PROGRAM

*“COMMUNITY ASSETS - Infrastructure (utilities, parks, roadways, etc.) is the essential capital cornerstone of a vibrant, quality community. We strive to invest in infrastructure using specifications which emphasize longevity and cost-effectiveness to maximize productive live.” – 2040 Vision and Strategic Plan*

“Community Capital Assets,” one of the seven strategic elements of the 2040 Vision and Strategic Plan (2040 VSP), represents an area of strategic importance that must be addressed to make the 2040 VSP a reality.

The Prior Lake Capital Improvement Program (CIP) addresses this vision element by focusing on long-term planning for the expansion, replacement and/or maintenance of capital assets. Capital assets refer to infrastructure (water, sewer, storm water, and streets), vehicles and equipment, park equipment, facilities, and technology software and hardware.

The CIP is reviewed on an annual basis to identify the need for expansion, replacement and/or maintenance; the timeframe to complete the project; and the appropriate funding source. The final document reflects the specific goals, policies and priorities of the City Council and the 2040 Vision and Strategic Plan. It is important to note that the CIP is a planning document and contains estimates for the project and equipment costs. Prior to the implementation of any individual improvement project, staff must prepare a feasibility study, conduct a public hearing, request bids for the construction costs, and obtain approval for all phases of the project from the City Council.

The CIP also includes the following long-term plans: Transportation Plan, Equipment Replacement Plan, Park Equipment Replacement Plan, Technology Plan, Facilities Management Plan and plans for each of the three enterprise funds including Water, Sewer, and Storm Water.

A ten (10) year Transportation Plan has been developed in an effort to coordinate city and county improvements that require a cooperative funding agreement between our two jurisdictions. In previous documents, a summary was provided that identified the street reconstruction projects. This year the document includes the full text version of the Street Reconstruction Plan to provide readers with a better understanding of the proposed projects and associated costs.

The Equipment Replacement Plan serves to identify the City’s equipment needs on a long-term basis and to provide a regular replacement schedule. The equipment purchases for the Fire, Police and Public Works departments are processed through a revolving equipment fund. Equipment



purchases that are typically less than \$5,000 are incorporated into the annual operating budgets for the specific departments.

The Park Equipment Replacement Plan identifies the equipment needs for each neighborhood and community park over the next ten (10) years.

The Technology Plan identifies the hardware and major software needs for each department and establishes a regular replacement schedule for over the next ten (10) years.

The Facilities Management Plan identifies major repairs or improvements to all City-owned buildings over the next ten (10) years. Included in this year's document is a specific Capital Improvement Plan relating to the issuance of capital improvement plan bonds for certain facility needs.

The Enterprise Funds plans identify the amount of capital necessary for infrastructure improvements over the next ten (10) years.



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**DEMANDS VS. FUNDING SOURCES**  
*Adopted 08.22.2016*

<b>Funding Source</b>	<b>01/01/2016 Balances</b>	<b>Six-Year Revenue Projection (Net)</b>	<b>CIP Construction Demands</b>	<b>01/01/2022 Projected Balances</b>
Water Fund	2,599,745	6,697,742	6,468,722	2,828,765
Sewer Fund	1,598,684	4,585,429	5,038,693	1,145,420
Water Quality Fund	688,972	2,506,156	2,833,715	361,413
Capital Park Fund	451,942	2,210,552	340,000	2,322,494
Trunk Reserve Fund	1,603,263	1,282,058	1,450,000	1,435,321
Street Oversize Fund	670,158	163,089	60,000	773,248
Water Storage Fund	1,139,394	1,209,491	-	2,348,885
Revolving Equipment Fund	753,366	3,598,346	3,858,805	492,907
Revolving Park Equip Fund	392,313	2,318,303	2,421,808	288,808
Cable Franchise Fund	66,685	45,532	14,797	97,420
Facilities Management Fund	401,053	386,968	672,440	115,581
Municipal State Aid	-	1,000,000	1,000,000	-
Project Tax Levy	-	18,785,000	18,785,000	-
Special Assessments	-	5,749,143	5,749,143	-
Referendum	-	-	-	-
Intergovernmental	-	40,790,575	40,790,575	-
Grants or Other Contributions	-	260,000	260,000	-
General Fund - Technology	-	308,947	308,947	-
<b>TOTALS \$</b>	<b>10,365,575</b>	<b>91,897,330</b>	<b>90,052,644</b>	<b>12,210,261</b>



**CITY OF PRIOR LAKE**  
**CAPITAL IMPROVEMENT PROGRAM**  
**2017 - 2021**

**PROJECTS BY DEPARTMENT**

*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Public Works (Parks)</b>							
Capital Replacement Projects	CIP1	50,000	100,776	97,762	87,500	77,500	413,538
<i>Revolving Park Equipment Fund</i>		<i>50,000</i>	<i>100,776</i>	<i>97,762</i>	<i>87,500</i>	<i>77,500</i>	<i>413,538</i>
Park Amenities Replacement	CIP2	133,406	137,408	141,530	145,776	150,149	708,270
<i>Revolving Park Equipment Fund</i>		<i>133,406</i>	<i>137,408</i>	<i>141,530</i>	<i>145,776</i>	<i>150,149</i>	<i>708,270</i>
Trail, Sidewalk, and Boardwalk Replacement	CIP3	30,000	130,000	230,000	330,000	430,000	1,150,000
<i>Revolving Park Equipment Fund</i>		<i>30,000</i>	<i>130,000</i>	<i>230,000</i>	<i>330,000</i>	<i>430,000</i>	<i>1,150,000</i>
Natural Area Restoration	CIP4	-	-	-	-	-	-
<i>Revolving Park Equipment Fund</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Existing Trail & Sidewalk Gap Priorities	CIP5	-	-	-	150,000	-	150,000
<i>Revolving Park Equipment Fund</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>150,000</i>	<i>-</i>	<i>150,000</i>
Neighborhood Park Development	CIP6	-	-	170,000	-	170,000	340,000
<i>Capital Park Fund</i>		<i>-</i>	<i>-</i>	<i>170,000</i>	<i>-</i>	<i>170,000</i>	<i>340,000</i>
New Development Trail Alignments	CIP7	-	-	-	-	-	-
<i>Capital Park Fund</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Community Park Development and Renovation	CIP8	-	-	-	-	-	-
<i>Capital Park Fund</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Referendum</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Public Works (Parks) Total</b>		<b>213,406</b>	<b>368,184</b>	<b>639,292</b>	<b>713,276</b>	<b>827,649</b>	<b>2,761,808</b>



**CITY OF PRIOR LAKE**  
**CAPITAL IMPROVEMENT PROGRAM**  
**2017 - 2021**

**PROJECTS BY DEPARTMENT**

*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Public Works (Streets)</b>							
Street Improvements (Partnership Projects)	CIP9	15,120,000	12,778,507	10,647,268	4,729,800	-	43,275,575
<i>Project Levy</i>		75,000	-	675,000	1,050,000	-	1,800,000
<i>Special Assessments</i>		-	-	-	175,000	-	175,000
<i>State/Federal</i>		75,000	150,000	-	205,000	-	430,000
<i>County</i>		14,795,000	11,428,507	9,972,268	3,099,800	-	39,295,575
<i>Other Municipality</i>		165,000	900,000	-	-	-	1,065,000
<i>Grants or Other Contributions</i>		-	-	-	-	-	-
<i>City MSA Funds</i>		-	200,000	-	200,000	-	400,000
<i>Street Oversize Funds</i>		-	-	-	-	-	-
<i>Trunk Reserve Funds</i>		-	-	-	-	-	-
<i>Water Quality Fund</i>		-	-	-	-	-	-
<i>Water Fund</i>		10,000	100,000	-	-	-	110,000
<i>Sewer Fund</i>		-	-	-	-	-	-
<i>Capital Park Fund</i>		-	-	-	-	-	-
Street Improvements (City Jurisdiction)	CIP10	8,271,863	8,469,738	1,950,000	5,623,018	5,111,739	29,426,358
<i>Project Levy</i>		3,420,000	3,280,000	1,500,000	2,695,000	2,640,000	13,535,000
<i>Special Assessments</i>		1,910,945	1,602,895	120,000	1,207,607	732,696	5,574,143
<i>Grants or Other Contributions</i>		-	-	-	-	260,000	260,000
<i>City MSA Funds</i>		-	-	200,000	-	400,000	600,000
<i>Street Oversize Fund</i>		-	-	-	-	60,000	60,000
<i>Trunk Reserve Fund</i>		-	-	-	-	200,000	200,000
<i>Water Quality Fund</i>		371,418	491,843	40,000	291,411	304,044	1,498,715
<i>Water Fund</i>		1,794,500	1,695,000	50,000	1,039,000	350,000	4,928,500
<i>Sewer Fund</i>		775,000	1,400,000	40,000	390,000	165,000	2,770,000
<b>Public Works (Streets) Total</b>		<b>23,391,863</b>	<b>21,248,245</b>	<b>12,597,268</b>	<b>10,352,818</b>	<b>5,111,739</b>	<b>72,701,933</b>



**CITY OF PRIOR LAKE**  
**CAPITAL IMPROVEMENT PROGRAM**  
**2017 - 2021**

**PROJECTS BY DEPARTMENT**

*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Public Works (Water)</b>							
Meter Replacement Program	CIP11	850,000	-	-	-	-	850,000
<i>Water Fund</i>		850,000	-	-	-	-	850,000
							-
Wells	CIP12	-	-	-	-	-	-
<i>Water Fund</i>		-	-	-	-	-	-
Watermain Improvements	CIP13	-	-	-	-	-	-
<i>Water Fund</i>		-	-	-	-	-	-
<i>Trunk Reserve Fund</i>		-	-	-	-	-	-
Water System	CIP14	353,000	106,090	1,109,273	112,551	115,927	1,796,841
<i>Water Fund</i>		103,000	106,090	109,273	112,551	115,927	546,841
<i>Trunk Reserve Fund</i>		250,000	-	1,000,000	-	-	1,250,000
Pressure Reducing Valves	CIP15	-	-	-	-	-	-
<i>Trunk Reserve Fund</i>		-	-	-	-	-	-
Water Storage	CIP16	-	-	-	-	-	-
<i>Water Storage Fund</i>		-	-	-	-	-	-
<b>Public Works (Water) Total</b>		<b>1,203,000</b>	<b>106,090</b>	<b>1,109,273</b>	<b>112,551</b>	<b>115,927</b>	<b>2,646,841</b>



**CITY OF PRIOR LAKE**  
**CAPITAL IMPROVEMENT PROGRAM**  
**2017 - 2021**

**PROJECTS BY DEPARTMENT**

*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Public Works (Sanitary Sewer)</b>							
Meter Replacement Program	CIP 11	850,000	-	-	-	-	850,000
<i>Sewer Fund</i>		<i>850,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>850,000</i>
Sanitary Improvement	CIP17	-	-	-	-	600,000	600,000
<i>Sewer Fund</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>600,000</i>	<i>600,000</i>
Inflow / Infiltration Prevention	CIP18	-	-	150,000	154,500	159,135	463,635
<i>Sewer Fund</i>		<i>-</i>	<i>-</i>	<i>150,000</i>	<i>154,500</i>	<i>159,135</i>	<i>463,635</i>
Sewer System Equipment Replacement	CIP19	60,589	62,407	64,279	66,208	68,194	321,677
<i>Sewer Fund</i>		<i>60,589</i>	<i>62,407</i>	<i>64,279</i>	<i>66,208</i>	<i>68,194</i>	<i>321,677</i>
<b>Public Works (Sanitary Sewer) Total</b>		<b>910,589</b>	<b>62,407</b>	<b>214,279</b>	<b>220,708</b>	<b>827,329</b>	<b>2,235,312</b>
<b>Public Works (Storm Water)</b>							
Stormwater Infrastructure Maintenance	CIP20	60,000	60,000	60,000	60,000	20,000	260,000
<i>Water Quality Fund</i>		<i>60,000</i>	<i>60,000</i>	<i>60,000</i>	<i>60,000</i>	<i>20,000</i>	<i>260,000</i>
Pond Maintenance & Retrofit	CIP21	300,000	25,000	300,000	25,000	300,000	950,000
<i>Water Quality Fund</i>		<i>300,000</i>	<i>25,000</i>	<i>300,000</i>	<i>25,000</i>	<i>300,000</i>	<i>950,000</i>
Stormwater Improvements	CIP22	25,000	25,000	25,000	25,000	25,000	125,000
<i>Water Quality Fund</i>		<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>125,000</i>
<b>Public Works (Storm Water) Total</b>		<b>385,000</b>	<b>110,000</b>	<b>385,000</b>	<b>110,000</b>	<b>345,000</b>	<b>1,335,000</b>



**CITY OF PRIOR LAKE**  
**CAPITAL IMPROVEMENT PROGRAM**  
**2017 - 2021**

**PROJECTS BY DEPARTMENT**

*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Vehicles &amp; Equipment</b>							
Equipment Replacement Plan	CIP23	860,704	1,408,336	836,856	1,006,203	1,136,706	5,248,805
<i>Revolving Equipment Fund</i>		860,704	743,336	836,856	1,006,203	411,706	3,858,805
<i>Project Levy</i>		-	665,000	-	-	725,000	1,390,000
<b>Vehicle &amp; Equipment Total</b>		<b>860,704</b>	<b>1,408,336</b>	<b>836,856</b>	<b>1,006,203</b>	<b>1,136,706</b>	<b>5,248,805</b>
<b>Facilities</b>							
Facilities Management Plan	CIP24	852,139	950,352	89,963	68,979	771,008	2,732,440
<i>Facilities Management Fund</i>		232,139	110,352	89,963	68,979	171,008	672,440
<i>Project Levy</i>		620,000	840,000	-	-	600,000	2,060,000
<b>Facilities Total</b>		<b>852,139</b>	<b>950,352</b>	<b>89,963</b>	<b>68,979</b>	<b>771,008</b>	<b>2,732,440</b>
<b>Technology</b>							
Technology Plan	CIP25	116,170	60,631	87,748	93,178	32,779	390,506
<i>General Fund - Technology</i>		78,390	53,561	58,766	85,451	32,779	308,947
<i>Water Fund</i>		18,890	-	14,491	-	-	33,381
<i>Sewer Fund</i>		18,890	-	14,491	-	-	33,381
<i>Water Quality Fund</i>		-	-	-	-	-	-
<i>Cable Franchise Fund</i>		-	7,070	-	7,727	-	14,797
<b>Technology Total</b>		<b>116,170</b>	<b>60,631</b>	<b>87,748</b>	<b>93,178</b>	<b>32,779</b>	<b>390,506</b>
<b>GRAND TOTALS</b>		<b>27,932,872</b>	<b>24,314,242</b>	<b>15,959,679</b>	<b>12,677,712</b>	<b>9,168,137</b>	<b>90,052,644</b>



**CITY OF PRIOR LAKE**  
**CAPITAL IMPROVEMENT PROGRAM**  
**2017 - 2021**

**PROJECTS BY DEPARTMENT**

*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>TOTALS BY FUNDING SOURCES</b>							
<i>Project Levy</i>		4,115,000	4,785,000	2,175,000	3,745,000	3,965,000	18,785,000
<i>Special Assessments</i>		1,910,945	1,602,895	120,000	1,382,607	732,696	5,749,143
<i>Referendum</i>		-	-	-	-	-	-
<i>Grants or Other Contributions</i>		-	-	-	-	260,000	260,000
<i>State/Federal</i>		75,000	150,000	-	205,000	-	430,000
<i>County</i>		14,795,000	11,428,507	9,972,268	3,099,800	-	39,295,575
<i>Other Municipality</i>		165,000	900,000	-	-	-	1,065,000
<i>City MSA Funds</i>		-	200,000	200,000	200,000	400,000	1,000,000
<i>Capital Park Fund</i>		-	-	170,000	-	170,000	340,000
<i>Street Oversize Fund</i>		-	-	-	-	60,000	60,000
<i>Trunk Reserve Fund</i>		250,000	-	1,000,000	-	200,000	1,450,000
<i>Water Quality Fund</i>		756,418	601,843	425,000	401,411	649,044	2,833,715
<i>Water Fund</i>		2,776,390	1,901,090	173,764	1,151,551	465,927	6,468,722
<i>Sewer Fund</i>		1,704,479	1,462,407	268,770	610,708	992,329	5,038,693
<i>Water Storage Fund</i>		-	-	-	-	-	-
<i>General Fund - Technology</i>		78,390	53,561	58,766	85,451	32,779	308,947
<i>Revolving Equipment Fund</i>		860,704	743,336	836,856	1,006,203	411,706	3,858,805
<i>Revolving Park Equipment Fund</i>		213,406	368,184	469,292	713,276	657,649	2,421,808
<i>Cable Franchise Fund</i>		-	7,070	-	7,727	-	14,797
<i>Facilities Management Fund</i>		232,139	110,352	89,963	68,979	171,008	672,440
		<u>27,932,872</u>	<u>24,314,242</u>	<u>15,959,679</u>	<u>12,677,712</u>	<u>9,168,137</u>	<u>90,052,644</u>



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**PROJECTS BY FUNDING SOURCE**  
*Adopted 08.22.2016*

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Project Levy</b>						
Street Reconstruction (Co. Rd.)	75,000	-	675,000	1,050,000	-	1,800,000
Street Improvements (City)	3,420,000	3,280,000	1,500,000	2,695,000	2,640,000	13,535,000
Equipment Replacement Plan	-	665,000	-	-	725,000	1,390,000
Facilities Management Plan	620,000	840,000	-	-	600,000	2,060,000
	<u>4,115,000</u>	<u>4,785,000</u>	<u>2,175,000</u>	<u>3,745,000</u>	<u>3,965,000</u>	<u>18,785,000</u>
<b>Special Assessments</b>						
Street Reconstruction (Co. Rd.)	-	-	-	175,000	-	175,000
Street Improvements (City)	1,910,945	1,602,895	120,000	1,207,607	732,696	5,574,143
	<u>1,910,945</u>	<u>1,602,895</u>	<u>120,000</u>	<u>1,382,607</u>	<u>732,696</u>	<u>5,749,143</u>
<b>Referendum</b>						
Community Park Development and Renovation	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Grants or Other Contributions</b>						
Street Improvements (Partnership Projects)	-	-	-	-	-	-
Street Improvements (City)	-	-	-	-	260,000	260,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,000</u>	<u>260,000</u>
<b>State/Federal</b>						
Street Reconstruction (Co. Rd.)	75,000	150,000	-	205,000	-	430,000
	<u>75,000</u>	<u>150,000</u>	<u>-</u>	<u>205,000</u>	<u>-</u>	<u>430,000</u>
<b>County</b>						
Street Reconstruction (Co. Rd.)	14,795,000	11,428,507	9,972,268	3,099,800	-	39,295,575
	<u>14,795,000</u>	<u>11,428,507</u>	<u>9,972,268</u>	<u>3,099,800</u>	<u>-</u>	<u>39,295,575</u>
<b>Other Municipality</b>						
Street Improvements (Partnership Projects)	165,000	900,000	-	-	-	1,065,000
	<u>165,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,000</u>
<b>City MSA Funds</b>						
Street Reconstruction (Co. Rd.)	-	200,000	-	200,000	-	400,000
Street Improvements (City)	-	-	200,000	-	400,000	600,000
	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>400,000</u>	<u>1,000,000</u>
<b>Capital Park Fund</b>						
Neighborhood Park Development	-	-	170,000	-	170,000	340,000
New Development Trail Alignments	-	-	-	-	-	-
Community Park Development and Renovation	-	-	-	-	-	-
Street Improvements (Partnership Projects)	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>170,000</u>	<u>340,000</u>



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**PROJECTS BY FUNDING SOURCE**  
*Adopted 08.22.2016*

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Street Oversize Fund</b>						
Street Reconstruction (Co. Rd.)	-	-	-	-	-	-
Street Improvements (City)	-	-	-	-	60,000	60,000
	-	-	-	-	60,000	60,000
<b>Trunk Reserve Fund</b>						
Street Reconstruction (Co. Rd.)	-	-	-	-	-	-
Street Improvements (City)	-	-	-	-	200,000	200,000
Water Treatment	250,000	-	1,000,000	-	-	1,250,000
Pressure Reducing Valves	-	-	-	-	-	-
	250,000	-	1,000,000	-	200,001	1,450,000
<b>Water Quality Fund</b>						
Street Reconstruction (Co. Rd.)	-	-	-	-	-	-
Street Improvements (City)	371,418	491,843	40,000	291,411	304,044	1,498,715
Stormwater Infrastructure Maintenance	60,000	60,000	60,000	60,000	20,000	260,000
Pond Maintenance & Retrofit	300,000	25,000	300,000	25,000	300,000	950,000
Stormwater Improvements	25,000	25,000	25,000	25,000	25,000	125,000
Technology Plan	-	-	-	-	-	-
	756,418	601,843	425,000	401,411	649,044	2,833,715
<b>Water Fund</b>						
Street Reconstruction (Co. Rd.)	10,000	100,000	-	-	-	110,000
Street Improvements (City)	1,794,500	1,695,000	50,000	1,039,000	350,000	4,928,500
Meter Replacement Program	850,000	-	-	-	-	850,000
Wells	-	-	-	-	-	-
Watermain Improvements	-	-	-	-	-	-
Water System	103,000	106,090	109,273	112,551	115,927	546,841
Technology Plan	18,890	-	14,491	-	-	33,381
	2,776,390	1,901,090	173,764	1,151,551	465,927	6,468,722
<b>Sewer Fund</b>						
Street Reconstruction (Co. Rd.)	-	-	-	-	-	-
Street Improvements (City)	775,000	1,400,000	40,000	390,000	165,000	2,770,000
Meter Replacement Program	850,000	-	-	-	-	850,000
Sanitary Improvement	-	-	-	-	600,000	600,000
Inflow / Infiltration Prevention	-	-	150,000	154,500	159,135	463,635
Sewer System Equipment Replacement	60,589	62,407	64,279	66,208	68,194	321,677
Technology Plan	18,890	-	14,491	-	-	33,381
	1,704,479	1,462,407	268,770	610,709	992,330	5,038,693



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**PROJECTS BY FUNDING SOURCE**  
*Adopted 08.22.2016*

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Water Storage Fund</b>						
Water Storage	-	-	-	-	-	-
	-	-	-	-	-	-
<b>General Fund</b>						
Technology Plan	78,390	53,561	58,766	85,451	32,779	308,947
	78,390	53,561	58,766	85,451	32,779	308,947
<b>Revolving Equipment Fund</b>						
Equipment Replacement Plan	860,704	743,336	836,856	1,006,203	411,706	3,858,805
	860,704	743,336	836,856	1,006,203	411,706	3,858,805
<b>Revolving Park Equipment Fund</b>						
Capital Replacement Projects	50,000	100,776	97,762	87,500	77,500	413,538
Park Amenities Replacement	133,406	137,408	141,530	145,776	150,149	708,270
Trail, Sidewalk, and Boardwalk Replacement	30,000	130,000	230,000	330,000	430,000	1,150,000
Natural Area Restoration	-	-	-	-	-	-
Existing Trail & Sidewalk Gap Priorities	-	-	-	150,000	-	150,000
	213,406	368,184	469,292	713,276	657,649	2,421,808
<b>Cable Franchise Fund</b>						
Technology Plan	-	7,070	-	7,727	-	14,797
	-	7,070	-	7,727	-	14,797
<b>Facilities Management Fund</b>						
Facilities Management Plan	232,139	110,352	89,963	68,979	171,008	672,440
	232,139	110,352	89,963	68,979	171,008	672,440
	27,932,872	24,314,242	15,959,679	12,677,712	9,168,137	90,052,644



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**PROJECT DETAIL**  
*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>Description</b>	<b>Purpose</b>	<b>Cost / Benefit Impact Statement</b>
<b>Public Works (Parks)</b>				
Capital Replacement Projects	CIP1	Replacement or Renovation of Existing Facilities including buildings, parking lots, fields, and lighting.	To replace and renovate park facilities that have served their useful life and need to be replaced or rehabilitated to ensure safety of use.	Replacement or renovation would be completed within the context of full community park needs and development.
Park Amenities Replacement	CIP2	Park amenity replacements including regular replacement of park furniture, play structures, enclosures, shelters, courts, etc.	To replace and renovate park amenities that have served their useful life and need to be replaced or rehabilitated to ensure safety of use.	Replacements necessary to maintain City park system.
Trail, Sidewalk, and Boardwalk Replacement	CIP3	Replace trail, sidewalk and boardwalks. Trail and Sidewalk Inventory, condition rating, and priority being analyzed.	To replace trails, sidewalks or boardwalks that have a degraded pavement surface, ADA compliance issues or have other structural defects.	Improved trail, sidewalk and boardwalk surfaces will improve the user experience and limit any potentially liability for ADA claims.
Natural Area Restoration	CIP4	Restoration of natural areas Inventory, Condition Rating, and Priority being completed.	N/A	N/A
Existing Trail & Sidewalk Gap Priorities	CIP5	Replacement of trails, sidewalk and boardwalks. Trail and Sidewalk Gaps Analysis in progress.	N/A	N/A
Neighborhood Park Development	CIP6	Neighborhood Park Development 2019 - Undefined Park 2021 - Undefined Park	Construction of neighborhood parks to support development.	The Comprehensive Plan and Park Dedication Fees have anticipated the construction of additional neighborhood parks to serve growth of the community.
New Development Trail Alignments	CIP7	Construction of new trail segments in newly developing areas.	To ensure a connected network of trails and sidewalks for transportation and recreational purposes.	The Comprehensive Plan, Trail and sidewalk Gaps Study and Park Dedication Fees Study have anticipated the development of additional trails to serve the growing and changing needs of the community.
Community Park Development and Renovation	CIP8	Development of new community parks.	Construction of community parks to support communities recreational needs.	The Comprehensive Plan, Master Park Plan and Park Dedication Fees Study have anticipated the development of additional community parks to serve the growing and changing needs of the community.



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**PROJECT DETAIL**  
*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>Description</b>	<b>Purpose</b>	<b>Cost / Benefit Impact Statement</b>
<b>Public Works (Streets)</b>				
Street Reconstruction (Project Partnerships)	CIP9	2017 - County Wide Flashing Yellow Signal Conversion 2017 - CSAH 83  2018 - CR42/TH13 2019 - CR 21 / TH 13 / Main Ave / Arcadia Signal 2019 - CSAH 21 Bridge Deck Replacement 2020 - Duluth Avenue / TH 13 signal / Village Lake Roundabout 2020 - CSAH 21 and CSAH 87	These are Scott County or MNDOT projects. City will participate in storm sewer and other improvements on a cost sharing basis through a cooperative agreement.	These County or State Highway Improvement Projects will restore the driving surface and improve storm drainage in these respective areas.
Street Improvements (City Jurisdiction)	CIP10	2017 - Albany/CJ Circle/Five Hawks/Cates, Park, Balsam/Sunrise/Spruce, Sycamore, Franklin Trail (TH 13 to CR 21 south) 2018 - Pershing/Dunkirk/Dutch/Roanoke/Green Hts/Spring, Huron/Wildwood/Woodside/Santee, Franklin Trail (CR 44 to Summer) 2019 - Arcadia Ave. (Colorado to Pleasant), Fish Pt Road (Fawn Meadows to CR 21) 2020 - Hidden Oaks/Timberview/Timber, Millers/Omega/Glory, Fish Point Road (CR 44 to TH 13) 2021 - Northwood Road (Fremont to Knollridge), Northwood Road (Knollridge to CSAH 12), Knollridge/Hawk Ridge/Viewcrest/Lake Haven/Shady Cove/Lake Bluff/Fremont Cir/Fremont St/Crystal, Frost Point Circle, Rolling Oaks	To rehabilitate, reconstruct, or construct streets to extend useable life or reconstruct streets to a 7-ton or 9-ton standard.	Improved streets will reduce maintenance for the streets and for vehicles.
<b>Public Works (Water)</b>				
Meter Replacement Program	CIP11	Replacement of Automatic Meter Reading System (AMRS).	The AMRS is nearing the end of it's life and has started showing signs of MTU failures. In addition, water meters deteriorate with age, resulting in inaccurate readings. American Water Works replacement guidelines estimate a 15-year life on residential meters.	Battery failures may begin in the existing AMR system in 2017. The City will want to consider how the system will be replaced prior to significant failures. In addition, replacement of any meters will show a decrease in apparent loss and in increase in revenue.
Wells	CIP12	Construction of additional Wells for source water. NO additional wells needed with JPA with SMSC.	Provide additional source water.	Wells are needed to provide City firm pumping capacity and to utilize the Water Treatment Facility at full capacity.



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**PROJECT DETAIL**  
*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>Description</b>	<b>Purpose</b>	<b>Cost / Benefit Impact Statement</b>
Watermain Improvements	CIP13	Watermain replacements outside of replacements that are completed in conjunction with street projects. No projects currently planned for 2017-2021	Proactive replacement of deteriorated or undersized watermain. New watermain to provide looping and system redundancies.	Reduces the potential for costly emergency repairs due to leaks and breaks.
Water System	CIP14	Additional treatment capacity to accommodate demand growths within the City. Replacement of equipment at the Water Treatment Plant. 2017 - 2021 Annual Equipment Replacement Joint Agreement with SMSC to provide future finished water.	Replacement of existing equipment at Water Treatment Facility.	Replacement of key equipment necessary as it reaches its life expectancy. Additional capacity needed with current water supply deficit.
Pressure Reducing Valves	CIP15	No projects currently planned for 2017-2021.	Reduce pressure in service areas that have a lower elevation within the Prior Lake community.	Reducing pressure in the distribution system will assist in water conservation and water loss.
Water Storage	CIP16	Additional water storage facilities. Joint Agreement with SMSC to provide additional storage.	Increase water storage to provide adequate supply for high usage periods, fire protection and system pressure. Provides better water quality by increasing ability to circulate system.	Providing water pressure and fire flows to meet ISO and Ten State Standards ensures fire protection for properties within the community and better ISO ratings.
<b>Public Works (Sanitary Sewer)</b> Meter Replacement Program	CIP11	Replacement of Automatic Meter Reading System (AMRS).	The AMRS is nearing the end of its life and has started showing signs of MTU failures. In addition, water meters deteriorate with age, resulting in inaccurate readings. American Water Works replacement guidelines estimate a 15-year life on residential meters.	Battery failures may begin in the existing AMR system in 2017. The City will want to consider how the system will be replaced prior to significant failures. In addition, replacement of any meters will show a decrease in apparent loss and an increase in revenue.
Sanitary Improvement	CIP17	Sanitary Sewer replacements outside of replacements that are completed in conjunction with street projects. 2021 Raspberry Ridge Sewer Rehabilitation.	Improve sanitary sewer main line which services Commercial area, reduce infiltration issues and improve flow.	Reduction of infiltration and settlements in sanitary sewer which could be cause for sanitary back-ups and impede flow design of main line pipe.
Inflow / Infiltration Prevention	CIP18	Sanitary Sewer rehabilitation or replacement. Resume in 2019	Repairs or replacement of Sewers to reduce water infiltration into collection system.	Reduction of lift station pumping and treatment flow costs to the Met Council.



**CITY OF PRIOR LAKE  
CAPITAL IMPROVEMENT PROGRAM  
2017 - 2021**

**PROJECT DETAIL**  
*Adopted 08.22.2016*

<b>Project</b>	<b>CIP Reference</b>	<b>Description</b>	<b>Purpose</b>	<b>Cost / Benefit Impact Statement</b>
Sewer System Equipment Replacement	CIP19	Replacement of equipment associated with lift stations, etc. (pumps and controls)	To replace vital equipment in lift stations to minimize risk of failure.	Reduce risk of failures creating sanitary sewer backups and emergency situations.
<b>Public Works (Stormwater)</b>				
Stormwater Infrastructure Maintenance	CIP20	Maintaining existing structural stormwater practices and adding new treatment. (locations vary)	Maintenance, retrofit and creation of other structural practices such as; sump manholes, bioretention, infiltration and filtration.	Using a targeted maintenance and retrofit program to continually renew and improve the overall water quality system effectiveness and cost efficiency.
Pond Maintenance & Retrofit	CIP21	Maintaining existing stormwater treatment ponds and maximizing treatment (locations vary).	Maintenance, retrofit and creation of storm water ponds to restore and enhance overall system treatment efficiency.	Using a targeted maintenance and retrofit program to continually renew and improve the overall water quality system effectiveness and cost efficiency.
Stormwater Improvements	CIP22	Repair of Cates Creek Dam completed in conjunction with Albany reconstruction.	Address flooding of street, washout of dam, and lack of treatment.	Minimize street flooding, risk of dam failure and improve overall conveyance efficiency and treatment capacity.
<b>Vehicles &amp; Equipment</b>				
Equipment Replacement Plan	CIP23	Replace vehicles and equipment as identified in the replacement schedule.	To identify the City's vehicle and equipment needs and establish a regular replacement schedule.	Maximize the useful life of the City's vehicles and equipment.
<b>Facilities</b>				
Facilities Management Plan	CIP24	Repair or replace major components in City-owned facilities.	To identify major repairs or improvements to all City-owned facilities.	Maximize the useful life of the major components in City-owned facilities.
<b>Technology</b>				
Technology Plan	CIP25	Replace hardware and software as identified in the replacement schedule.	To identify hardware and software needs and establish a regular replacement schedule.	Maximize the useful life of the City's hardware. Upgrade software to utilize technology currently available in order to deliver services in a cost-effective manner.



**CITY OF PRIOR LAKE  
2017-2026 TRANSPORTATION PLAN**

Adopted 8/22/2016

Year	Improvement	Project Type	Length Miles	Pavement OCI*	Utility OCI*	MSA	Street Oversizing	Tax Levy	Bond Type	Assessments	Water Utility Fund	Sewer Utility Fund	Stormwater/ Water Quality	Watermain Trunk Fund	Sanitary Trunk Fund	Storm Trunk Fund	Grant or Other Contribution	Total City Cost	Municipal Cost	County Cost	State Cost	Federal Cost	TOTAL PROJECT COST
2017	County Wide Flashing Yellow Signal Conversion	Partnership	NA	NA	NA			75,000	Recon									75,000	165,000	795,000	75,000		1,110,000
2017	CSAH 83	Partnership	NA	NA	NA				Recon		10,000							10,000		14,000,000			14,010,000
2017	Franklin Trail (TH 13 to CR 21 South)	Pavement/Recon	0.42	30	35			1,300,000	429	610,561	510,000	330,000	115,842					2,866,403					2,866,403
2017	Albany/CJ Circle/ Five Hawks/Cates (1972)	Pavement/Recon	0.45	23	41			690,000	429	354,173	525,000	185,000	121,259					1,875,432					1,875,432
2017	Park Avenue (1985)	Pavement/Rehab	0.14	24	78			150,000	429	100,000	49,500							299,500					299,500
2017	Balsam/Sunrise/Spruce (1982)	Pavement/Recon	0.36	19	50			460,000	429	308,338	400,000	210,000	100,007					1,478,346					1,478,346
2017	Balsam/Spruce/Spruce Ct (1986)	Pavement/Rehab	0.59	19	78			600,000	429	400,000								1,000,000					1,000,000
2017	Sycamore (1985)	Pavement/Recon	0.19	32	47			220,000	429	137,873	310,000	50,000	34,309					752,182					752,182
2017	<b>Project Totals</b>		<b>2.15</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,495,000</b>		<b>\$ 1,910,945</b>	<b>\$ 1,804,500</b>	<b>\$ 775,000</b>	<b>\$ 371,418</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,356,863</b>	<b>\$ 165,000</b>	<b>\$ 14,795,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 23,391,863</b>
2018	CSAH 42/TH 13	Partnership	NA	NA	NA	200,000			Recon		100,000							300,000	900,000	11,428,507	150,000		12,778,507
2018	Franklin Trail (CR 44 to Summer) (1972)	Pavement/Recon	0.33	17	26			1,050,000	429	489,727	360,000	330,000	89,590					2,319,317					2,319,317
2018	Pershing/Dunkirk/Dutch/Roanoke/Green Hts/Spring (1985)	Pavement/Recon	0.76	26	34			1,130,000	429	576,492	560,000	520,000	212,238					2,998,730					2,998,730
2018	Huron/Wildwood/Woodside/Santee (1986)	Pavement/Recon	0.72	18	25			1,100,000	429	536,676	775,000	550,000	190,015					3,151,691					3,151,691
2018	<b>Project Totals</b>		<b>1.81</b>			<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 3,280,000</b>		<b>\$ 1,602,895</b>	<b>\$ 1,795,000</b>	<b>\$ 1,400,000</b>	<b>\$ 491,843</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,769,738</b>	<b>\$ 900,000</b>	<b>\$ 11,428,507</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 21,248,245</b>
2019	Fish Point Road (Fawn Meadows to CR 21)	Pavement/Rehab	0.28	28	78			600,000	Recon									600,000					600,000
2019	Arcadia Avenue (Colorado to Pleasant)	Road Extension	NEW	NA	NA	200,000		900,000	429	120,000	50,000	40,000	40,000					1,350,000					1,350,000
2019	CSAH 21 Bridge Deck Replacement	Partnership	NA	NA	NA			175,000	Recon									175,000		700,000			875,000
2019	CR 21/ TH 13 / Main Ave / Arcadia Signal	Partnership	NA	NA	NA			500,000	Recon									500,000		9,272,268			9,772,268
2019	<b>Project Totals</b>		<b>0.28</b>			<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 2,175,000</b>		<b>\$ 120,000</b>	<b>\$ 50,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,625,000</b>	<b>\$ -</b>	<b>\$ 9,972,268</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,597,268</b>
2020	Hidden Oaks/Timberview/Timber (1986)	Pavement/Recon	0.4	22	39			705,000	429	248,154	400,000	100,000	112,230					1,565,384					1,565,384
2020	Millers/Omega/Glory (1982)	Pavement/Rehab	0.31	25	79			390,000	429	210,000	39,000							639,000					639,000
2020	Fish Point Road (CR 44 to TH 13)	Pavement/Recon	0.66	22	40			1,600,000	429	749,453	600,000	290,000	179,180					3,418,634					3,418,634
2020	CSAH 21 and CSAH 87	Partnership	NA	NA	NA			350,000	Recon									350,000		3,099,800			3,449,800
2020	Duluth Avenue / TH 13 Signal / Village Lake Roundabout	Partnership	0.1	NA	NA	200,000		700,000	429	175,000								1,075,000		205,000			1,280,000
2020	<b>Project Totals</b>		<b>1.47</b>			<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 3,745,000</b>		<b>\$ 1,382,607</b>	<b>\$ 1,039,000</b>	<b>\$ 390,000</b>	<b>\$ 291,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,048,018</b>	<b>\$ -</b>	<b>\$ 3,099,800</b>	<b>\$ 205,000</b>	<b>\$ -</b>	<b>\$ 10,352,818</b>
2021	Northwood Road (Fremont to Knollridge) (1994)	Pavement/Rehab	0.52	29	84			900,000	Recon									900,000					900,000
2021	Northwood Road (Knollridge to CSAH 12) (1994)	Pavement/Recon	0.6	16	79	400,000		1,320,000	429	202,230	190,000	50,000	158,346					2,320,576					2,320,576
2021	Knollridge/Hawk Ridge/Viewcrest (1998) Lake Haven/Shady Cove/Lake Bluff(2000)Fremont Cir/Fremont St/Crystal (1986)	Pavement/Resurf	NA	37	85			170,000	429	80,000								250,000					250,000
2021	Frost Point Circle (1974)	Pavement/Recon	0.17	24	35			250,000	429	180,465	160,000	115,000	45,698					751,163					751,163
2021	Rolling Oaks	Utility Extension	0.25	0	0		60,000		429	270,000			100,000	100,000			260,000	890,000					890,000
2021	<b>Project Totals</b>		<b>1.54</b>			<b>\$ 400,000</b>	<b>\$ 60,000</b>	<b>\$ 2,640,000</b>		<b>\$ 732,696</b>	<b>\$ 350,000</b>	<b>\$ 165,000</b>	<b>\$ 304,044</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 260,000</b>	<b>\$ 5,111,739</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,111,739</b>
2022	CSAH 17 (CSAH 42 to CSAH 82)	Partnership	NA	NA	NA			300,000	Recon									300,000	1,200,000	16,193,306			17,693,306
2022	Street Reconstruction Non-Specific	Pavement/Recon	2					2,850,000	429	1,340,768	825,000	425,000	361,152					5,801,920					5,801,920
2022	<b>Project Totals</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,150,000</b>		<b>\$ 1,340,768</b>	<b>\$ 825,000</b>	<b>\$ 425,000</b>	<b>\$ 361,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,101,920</b>	<b>\$ 1,200,000</b>	<b>\$ 16,193,306</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,495,226</b>
2023	Street Reconstruction Non-Specific	Pavement/Recon	2					2,850,000	429	1,340,768	825,000	425,000	361,152					5,801,920					5,801,920
2023	<b>Project Totals</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,850,000</b>		<b>\$ 1,340,768</b>	<b>\$ 825,000</b>	<b>\$ 425,000</b>	<b>\$ 361,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>
2024	Street Reconstruction Non-Specific	Pavement/Recon	2					2,850,000	429	1,340,768	825,000	425,000	361,152					5,801,920					5,801,920
2024	<b>Project Totals</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,850,000</b>		<b>\$ 1,340,768</b>	<b>\$ 825,000</b>	<b>\$ 425,000</b>	<b>\$ 361,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>
2025	Street Reconstruction Non-Specific	Pavement/Recon	2					2,850,000	429	1,340,768	825,000	425,000	361,152					5,801,920					5,801,920
2025	<b>Project Totals</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,850,000</b>		<b>\$ 1,340,768</b>	<b>\$ 825,000</b>	<b>\$ 425,000</b>	<b>\$ 361,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>
2026	Street Reconstruction Non-Specific	Pavement/Recon	2					2,850,000	429	1,340,768	825,000	425,000	361,152					5,801,920					5,801,920
2026	<b>Project Totals</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,850,000</b>		<b>\$ 1,340,768</b>	<b>\$ 825,000</b>	<b>\$ 425,000</b>	<b>\$ 361,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,801,920</b>
	<b>Program Totals</b>					<b>\$ 1,000,000</b>	<b>\$ 60,000</b>	<b>\$ 29,885,000</b>		<b>\$ 12,452,983</b>	<b>\$ 9,163,500</b>	<b>\$ 4,895,000</b>	<b>\$ 3,304,475</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 260,000</b>	<b>\$ 61,220,958</b>	<b>\$ 2,265,000</b>	<b>\$ 55,488,881</b>	<b>\$ 430,000</b>	<b>\$ -</b>	<b>\$ 119,404,839</b>

**CITY OF PRIOR LAKE, MN**  
**2017 to 2021 STREET RECONSTRUCTION PLAN**

*August 22, 2016*

**City of Prior Lake, MN**  
**2017-2021 Street Reconstruction Plan**

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**I. Introduction**

The City of Prior Lake (the “City”) historically has conducted street maintenance and reconstruction as part of its annual operational budget or as part of a street improvement capital improvement project. The maintenance and reconstruction has included seal coating, mill and overlay, complete reconstruction, and other such items incidental to the maintenance of city streets. The City finds that it does not always have the resources for reconstructing streets as quickly as required, due to increased need for major reconstruction projects.

Due to this fact, the City has in the past and plans to in the future finance a portion of its street reconstruction through the issuance of General Obligation Street Reconstruction Bonds.

**II. Statutory Authority and Requirements**

Minnesota Statutes, Section 475.58, Subd. 3b (the “Act”) authorizes Minnesota cities to adopt a Street Reconstruction Plan. The Plan must cover at least a five-year period and set forth the streets to be reconstructed, the estimated costs, and any planned reconstruction of other streets in the municipality over the next five years.

Street Reconstruction Bonds can be used to finance the reconstruction and bituminous overlay of existing city streets. Eligible improvements may include turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects. Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and the local share of state and county road projects, street reconstruction does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed. Street Reconstruction Bonds are subject to the debt limit.

The Act sets forth specific requirements for the issuance of Street Reconstruction Bonds, which are as follows:

- The projects financed under this authority must be described in a street reconstruction plan, as described above.
- The city must publish notice of and hold a public hearing on the proposed plan and the related issuance of bonds. The notice must be published at least ten days but not more than 28 days prior to the hearing date.

- The plan and the issuance of bonds must be approved by a vote of all of the members of the governing body present at the meeting.
- The issuance of bonds is subject to a reverse referendum. An election is required if voters equal to 5% of the votes cast in the last municipal general election file a petition with the city clerk within 30 days of the public hearing. If the city decides not to undertake an election, it may not propose the issuance of Street Reconstruction Bonds for the same purpose and in the same amount for a period of 365 days from the date of receipt of the petition. If the question of issuing the bonds is submitted and not approved by the voters, the provisions of section 475.58, subdivision 1a, shall apply (no resubmission for same purpose/amount for 180 days).

### III. History and Existing Street Reconstruction Bonds

At the time of the approval of this Street Reconstruction Plan, the City has the following outstanding Street Reconstruction Bonds issued under Chapter 475.

<u>Bond Issue</u>	<u>Amount Outstanding</u>
\$1,400,000 G.O. Street Reconstruction Bonds, Series 2007B	\$ 330,000
\$3,240,000 G.O. Bonds, Series 2011A	295,000
\$5,780,000 G.O. Bonds, Series 2011B	400,000
\$3,240,000 G.O. Bonds, Series 2013A	425,000
\$2,665,000 G.O. Bonds, Series 2014A	1,985,000
\$2,490,000 G.O. Taxable Bonds, Series 2015B	2,330,000
\$3,505,000 G.O. Bonds, Series 2016A	<u>350,000</u>
Total Outstanding Street Reconstruction Bonds	\$ 6,115,000

### IV. Net Debt Limits

Minnesota Statutes Section 475.53, Subd. 1 states that no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the market value of taxable property in the municipality.

Bonds issued under the authority granted by this Street Reconstruction Plan are subject to the net debt limit restriction described above. The net debt capacity for the City is shown on the next page under Statutory Debt Limit.

## Statutory Debt Limit<sup>1</sup>

Minnesota Statutes, Section 475.53 states that a city or county may not incur or be subject to a net debt in excess of three percent (3%) of its estimated market value. Net debt is, with limited exceptions, debt paid solely from ad valorem taxes.

Computation of Legal Debt Margin as of May 2, 2016:

2015/2016 Estimated Market Value	\$2,981,761,500
Multiplied by 3%	x <u>0.03</u>
Statutory Debt Limit	<u>\$ 89,452,845</u>
\$6,260,000 G.O. Refunding Bonds, Series 2005A	( 1,535,000)
\$1,400,000 G.O. Street Reconstruction Bonds, Series 2007B	( 330,000)
\$3,240,000 G.O. Bonds, Series 2011A	( 295,000)
\$5,780,000 G.O. Bonds, Series 2011B	( 3,780,000)
\$9,825,000 G.O. Capital Improvement Plan Bonds, Series 2012A	( 8,240,000)
\$3,240,000 G.O. Bonds, Series 2013A	( 425,000)
\$2,665,000 G.O. Bonds, Series 2014A	( 1,985,000)
\$2,490,000 Taxable G.O. Bonds, Series 2015B	( 2,330,000)
\$3,630,000 G.O. Bonds, Series 2016A	( <u>760,000</u> )
Less outstanding debt applicable to debt limit:	(\$ 19,680,000)
Legal debt margin	<u>\$ 69,772,845</u>

The City is proposing to issue an amount not to exceed \$2,680,000 in General Obligation Street Reconstruction Bonds between August 22, 2016 and August 22, 2021. (The maximum amount includes estimated cost of issuance of bonds and rounding.) The proposed bond issuance is within the current City's Legal Debt Margin.

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<sup>1</sup> Effective June 2, 1997 and pursuant to Minnesota Statutes 465.71, any lease revenue or public project revenue bond issues/agreements of \$1,000,000 or more are subject to the statutory debt limit. Lease revenue or public project revenue bond issues/agreements less than \$1,000,000 are not subject to the statutory debt limit.

**V. Proposed Street Reconstruction and Cost Estimate**

The City’s Street Reconstruction Plan, as detailed in Table A, includes all street reconstructions to be undertaken between August 22, 2016 and August 22, 2021 and financed in whole or part through the issuance of General Obligation Street Reconstruction Bonds. The City reserves the right to adjust the amount of annual spending between years, as long as the overall 2017-2021 Street Reconstruction Plan is not increased.

**TABLE A**

<b>CITY OF PRIOR LAKE 2017-2022 STREET RECONSTRUCTION PLAN</b>	<b>Amounts</b>
<b>August 22, 2016 through August 22, 2017</b>	
County wide flashing yellow signal conversion	\$75,000
<b>TOTAL 2017</b>	<b>\$75,000</b>
<b>August 23, 2017 through August 22, 2018</b>	
<b>TOTAL 2018</b>	<b>\$0</b>
<b>August 23, 2018 through August 22, 2019</b>	
Fish Point Road (Fawn Meadows to CR 21) Reconstruction	\$600,000
CSAH21 Bridge Deck Replacement	\$175,000
CR 21 / TH 13 / Main Ave Reconstruction and / Arcadia Signal	\$500,000
<b>TOTAL 2019</b>	<b>\$1,275,000</b>
<b>August 23, 2019 through August 22, 2020</b>	
CSAH21 and CASH87 Reconstruction	\$350,000
<b>TOTAL 2020</b>	<b>\$350,000</b>
<b>August 23, 2020 through August 22, 2021</b>	
Northwood Road (Fremont to Knollridge) (1994) Reconstruction	\$900,000
<b>TOTAL 2021</b>	<b>\$900,000</b>
<b>GRAND TOTAL (3/30/17 THROUGH 3/30/22)</b>	<b>\$2,600,000</b>
Bond Issue Costs, Capitalized Interest, and Rounding	\$80,000
<b>GRAND TOTAL</b>	<b>\$2,680,000</b>



**CITY OF PRIOR LAKE  
2017 - 2026 EQUIPMENT REPLACEMENT PLAN**

**Adopted 8/22/2016**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Use of Funds:</b>										
Fire Dept Total	\$ -	\$ 694,890	\$ 61,193	\$ 48,341	\$ 724,546	\$ 140,062	\$ 73,792	\$ 386,365	\$ -	\$ 880,265
Police Dept Total	112,700	270,784	171,887	175,579	191,667	96,320	167,672	182,837	105,252	196,884
Public Works Dept Total	748,004	442,663	603,776	782,283	220,493	629,444	623,530	386,409	753,478	582,429
Total Use of Funds	\$ 860,704	\$ 1,408,336	\$ 836,856	\$ 1,006,203	\$ 1,136,706	\$ 865,827	\$ 864,994	\$ 955,611	\$ 858,730	\$ 1,659,578
<b>Source of Funds:</b>										
Interest Earnings (2%)	10,594	7,912	8,116	7,143	2,502	9,858	8,279	6,884	3,650	2,288
Annual Equipment Levy	375,000	550,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
General Fund Contribution	-	-	-	-	-	-	-	-	-	-
Water Fund Contribution	160,000	70,000	70,000	70,000	75,000	75,000	80,000	80,000	80,000	80,000
Sewer Fund Contribution	160,000	70,000	70,000	70,000	75,000	75,000	80,000	80,000	80,000	80,000
Water Quality Fund Contribution	21,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Forfeiture Funds / Donations	-	28,644	13,113	-	-	-	-	-	-	-
Auction Proceeds	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Bond Proceeds	-	665,000	-	-	725,000	-	-	-	-	840,000
Total Source of Funds	\$ 726,594	\$ 1,418,556	\$ 788,229	\$ 774,143	\$ 1,504,502	\$ 786,858	\$ 795,279	\$ 793,884	\$ 790,650	\$ 1,629,288
<b>Change in Fund Balance</b>	\$ (134,110)	\$ 10,220	\$ (48,627)	\$ (232,060)	\$ 367,796	\$ (78,969)	\$ (69,715)	\$ (161,727)	\$ (68,080)	\$ (30,290)
<b>Beginning Fund Balance</b>	\$ 529,688	\$ 395,578	\$ 405,798	\$ 357,171	\$ 125,111	\$ 492,907	\$ 413,938	\$ 344,223	\$ 182,496	\$ 114,416
<b>Ending Fund Balance</b>	\$ 395,578	\$ 405,798	\$ 357,171	\$ 125,111	\$ 492,907	\$ 413,938	\$ 344,223	\$ 182,496	\$ 114,416	\$ 84,126



**CITY OF PRIOR LAKE  
2017 - 2026 PARK PLAN**

Adopted 8/22/2016

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>General Fund (F101)</b>	<b>NO CAPITAL ACTIVITY</b>									
<b>Capital Park Fund (F225)</b>										
<b>Use of Funds:</b>										
Neighborhood Park Development			170,000		170,000		170,000		170,000	
New Development Trail Alignments	-	-	-	-	-	-	-	-	-	-
Community Park Development									3,200,000	
<b>Total Use of Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ 3,370,000</b>	<b>\$ -</b>
<b>Sources of Funds:</b>										
Interest Earnings (2%)	10,175	18,479	26,949	32,187	40,931	46,450	55,479	61,288	70,614	12,726
Park Dedication Fees	405,000	405,000	405,000	405,000	405,000	405,000	405,000	405,000	405,000	405,000
<b>Total Source of Funds</b>	<b>415,175</b>	<b>423,479</b>	<b>431,949</b>	<b>437,187</b>	<b>445,931</b>	<b>451,450</b>	<b>460,479</b>	<b>466,288</b>	<b>475,614</b>	<b>417,726</b>
<b>Change in Fund Balance</b>	<b>\$ 415,175</b>	<b>\$ 423,479</b>	<b>\$ 261,949</b>	<b>\$ 437,187</b>	<b>\$ 275,931</b>	<b>\$ 451,450</b>	<b>\$ 290,479</b>	<b>\$ 466,288</b>	<b>\$ (2,894,386)</b>	<b>\$ 417,726</b>
<b>Beginning Fund Balance</b>	<b>\$ 508,772</b>	<b>\$ 923,947</b>	<b>\$ 1,347,426</b>	<b>\$ 1,609,375</b>	<b>\$ 2,046,562</b>	<b>\$ 2,322,494</b>	<b>\$ 2,773,943</b>	<b>\$ 3,064,422</b>	<b>\$ 3,530,711</b>	<b>\$ 636,325</b>
<b>Ending Fund Balance</b>	<b>\$ 923,947</b>	<b>\$ 1,347,426</b>	<b>\$ 1,609,375</b>	<b>\$ 2,046,562</b>	<b>\$ 2,322,494</b>	<b>\$ 2,773,943</b>	<b>\$ 3,064,422</b>	<b>\$ 3,530,711</b>	<b>\$ 636,325</b>	<b>\$ 1,054,051</b>
<b>Revolving Park Equipment Fund (F430)</b>										
<b>Use of Funds:</b>										
Capital Replacement Projects	\$ 50,000	\$ 100,776	\$ 97,762	\$ 87,500	\$ 77,500	\$ 13,178	\$ 332,619	\$ 257,658	\$ 43,856	\$ 266,333
Park Amenity Replacements	133,406	137,408	141,530	145,776	150,149	154,654	159,294	164,072	168,995	174,064
Trail, Sidewalk, and Boardwalk Replacement	30,000	130,000	230,000	330,000	430,000	530,000	545,900	562,277	579,145	596,520
Natural Area Restoration	-	-	-	-	-	-	-	-	-	-
Existing Trail and Sidewalk Gap Priorities	-	-	-	150,000	-	65,000	-	265,000	-	-
<b>Total Use of Funds</b>	<b>213,406</b>	<b>368,184</b>	<b>469,292</b>	<b>713,276</b>	<b>657,649</b>	<b>762,832</b>	<b>1,037,813</b>	<b>1,249,007</b>	<b>791,996</b>	<b>1,036,917</b>
<b>Sources of Funds:</b>										
Interest Earnings (2%)	8,003	8,163	8,327	8,493	5,663	5,776	4,592	4,684	477	1,487
Previous General Fund Tax Levy	213,406	368,184	469,292	563,276	657,649	697,832	1,037,813	984,007	791,996	1,036,917
Tax Levy	-	-	-	-	-	-	-	50,000	50,000	50,000
<b>Total Source of Funds</b>	<b>221,409</b>	<b>376,348</b>	<b>477,619</b>	<b>571,769</b>	<b>663,312</b>	<b>703,608</b>	<b>1,042,405</b>	<b>1,038,691</b>	<b>842,473</b>	<b>1,088,404</b>
<b>Change in Fund Balance</b>	<b>\$ 8,003</b>	<b>\$ 8,163</b>	<b>\$ 8,327</b>	<b>\$ (141,507)</b>	<b>\$ 5,663</b>	<b>\$ (59,224)</b>	<b>\$ 4,592</b>	<b>\$ (210,316)</b>	<b>\$ 50,477</b>	<b>\$ 51,487</b>
<b>Beginning Fund Balance</b>	<b>\$ 400,159</b>	<b>\$ 408,162</b>	<b>\$ 416,326</b>	<b>\$ 424,652</b>	<b>\$ 283,145</b>	<b>\$ 288,808</b>	<b>\$ 229,584</b>	<b>\$ 234,176</b>	<b>\$ 23,859</b>	<b>\$ 74,337</b>
<b>Ending Fund Balance</b>	<b>\$ 408,162</b>	<b>\$ 416,326</b>	<b>\$ 424,652</b>	<b>\$ 283,145</b>	<b>\$ 288,808</b>	<b>\$ 229,584</b>	<b>\$ 234,176</b>	<b>\$ 23,859</b>	<b>\$ 74,337</b>	<b>\$ 125,823</b>
<b>Community Park Referendum Needs* - Large scale projects developing new community park facilities or renovating existing facilities to serve changing and expanding community needs. Funding from referendum, donations, or other project partners.</b>										
<b>Capital Facility Replacements &amp; Renovation</b>										
Lakefront									\$257,325	
Memorial										
Sand Point Beach										
The Ponds									\$185,848	
Thomas Ryan Memorial									\$210,442	
Watzl										
<b>Park Development Projects*</b>										
Spring Lake Park Athletic Fields									\$8,835,969	
Campbell Lake Park										
Lakefront Park									\$846,321	
Radanke Farm Park										
Thomas Ryan Park									\$1,656,164	
The Ponds Athletic Fields									\$1,445,619	
Vierling Community Park										
<b>TOTAL REFERENDUM NEEDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,437,688</b>	<b>\$ -</b>



**CITY OF PRIOR LAKE  
2017 - 2026 TECHNOLOGY PLAN**

*Adopted 8/22/2016*

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Use of Funds:</b>										
<b>Hardware</b>										
Administration	\$ 6,100	\$ 15,605	\$ 5,000	\$ 7,988	\$ 7,393	\$ 6,997	\$ 6,911	\$ 15,507	\$ 5,000	\$ 8,172
Building Inspection/Engineering	2,400	2,323	1,122	1,133	-	7,567	2,548	3,645	1,191	1,203
Community/Economic Development	1,100	-	6,733	-	1,041	2,207	1,168	-	7,147	-
Finance	-	2,222	1,122	2,576	-	3,363	-	2,359	1,191	2,734
Fire	-	1,111	-	10,200	-	-	-	1,179	-	-
Police	7,000	11,918	19,790	8,345	3,954	5,360	7,431	15,117	14,619	9,187
Public Works	4,100	6,666	6,835	2,267	5,411	10,615	5,095	7,719	7,255	2,406
Cable Television	11,250	9,292	-	15,558	-	3,153	2,654	7,237	7,580	-
Printers/Scanners	9,500	34,088	867	1,010	22,576	33,313	-	7,719	1,083	6,507
Network Infrastructure	12,908	10,939	11,267	20,362	28,915	12,311	12,681	66,668	13,453	23,153
Miscellaneous	500	505	29,784	6,697	3,642	1,997	-	-	-	-
<b>Total Hardware</b>	<b>\$ 54,858</b>	<b>\$ 94,668</b>	<b>\$ 82,519</b>	<b>\$ 76,136</b>	<b>\$ 72,932</b>	<b>\$ 86,884</b>	<b>\$ 38,487</b>	<b>\$ 127,151</b>	<b>\$ 58,519</b>	<b>\$ 53,362</b>
<b>Software</b>										
Existing / Maintenance / Upgrades	\$ 118,150	\$ 123,891	\$ 152,660	\$ 126,640	\$ 129,472	\$ 132,286	\$ 136,025	\$ 139,878	\$ 143,003	\$ 153,316
Proposed Software	107,404	34,522	29,761	71,829	826	851	877	903	930	930
<b>Total Software</b>	<b>\$ 225,554</b>	<b>\$ 158,413</b>	<b>\$ 182,421</b>	<b>\$ 198,469</b>	<b>\$ 130,299</b>	<b>\$ 133,138</b>	<b>\$ 136,902</b>	<b>\$ 140,781</b>	<b>\$ 143,933</b>	<b>\$ 154,246</b>
<b>Total Use of Funds</b>	<b>\$ 280,412</b>	<b>\$ 253,081</b>	<b>\$ 264,940</b>	<b>\$ 274,605</b>	<b>\$ 203,231</b>	<b>\$ 220,022</b>	<b>\$ 175,389</b>	<b>\$ 267,932</b>	<b>\$ 202,452</b>	<b>\$ 207,609</b>
<b>Source of Funds:</b>										
General Fund	\$ 170,136	\$ 183,099	\$ 171,228	\$ 191,390	\$ 137,895	\$ 136,319	\$ 99,916	\$ 188,121	\$ 117,654	\$ 124,199
Water Fund	\$ 48,763	\$ 30,139	\$ 47,817	\$ 34,435	\$ 32,443	\$ 37,311	\$ 35,587	\$ 36,041	\$ 39,601	\$ 42,319
Sewer Fund	\$ 48,763	\$ 30,139	\$ 45,471	\$ 32,786	\$ 32,443	\$ 42,776	\$ 35,587	\$ 36,041	\$ 37,111	\$ 40,569
Water Quality Fund	\$ 1,500	\$ 412	\$ 424	\$ 437	\$ 450	\$ 463	\$ 1,645	\$ 492	\$ 506	\$ 521
Cable Franchise Fund	\$ 11,250	\$ 9,292	\$ -	\$ 15,558	\$ -	\$ 3,153	\$ 2,654	\$ 7,237	\$ 7,580	\$ -
<b>Total Source of Funds</b>	<b>\$ 280,412</b>	<b>\$ 253,081</b>	<b>\$ 264,940</b>	<b>\$ 274,605</b>	<b>\$ 203,231</b>	<b>\$ 220,022</b>	<b>\$ 175,389</b>	<b>\$ 267,932</b>	<b>\$ 202,452</b>	<b>\$ 207,609</b>
<b>Net Source (Use) of Funds</b>	<b>\$ -</b>									
<b>Operating Budget</b>	<b>\$ 164,242</b>	<b>\$ 192,450</b>	<b>\$ 177,192</b>	<b>\$ 181,427</b>	<b>\$ 170,452</b>	<b>\$ 189,862</b>	<b>\$ 175,389</b>	<b>\$ 214,325</b>	<b>\$ 202,452</b>	<b>\$ 198,313</b>
<b>Capital Improvement Plan</b>	<b>\$ 116,170</b>	<b>\$ 60,631</b>	<b>\$ 87,748</b>	<b>\$ 93,178</b>	<b>\$ 32,779</b>	<b>\$ 30,160</b>	<b>\$ -</b>	<b>\$ 53,607</b>	<b>\$ -</b>	<b>\$ 9,296</b>

**Source of Funds (Operating Budget):**

General Fund	\$ 91,746	\$ 129,537	\$ 112,463	\$ 105,938	\$ 105,115	\$ 113,947	\$ 99,916	\$ 134,514	\$ 117,654	\$ 114,903
Water Fund	\$ 29,873	\$ 30,139	\$ 33,326	\$ 34,435	\$ 32,443	\$ 33,417	\$ 35,587	\$ 36,041	\$ 39,601	\$ 42,319
Sewer Fund	\$ 29,873	\$ 30,139	\$ 30,980	\$ 32,786	\$ 32,443	\$ 38,882	\$ 35,587	\$ 36,041	\$ 37,111	\$ 40,569
Water Quality Fund	\$ 1,500	\$ 412	\$ 424	\$ 437	\$ 450	\$ 463	\$ 1,645	\$ 492	\$ 506	\$ 521
Cable Franchise Fund	\$ 11,250	\$ 2,222	\$ -	\$ 7,830	\$ -	\$ 3,153	\$ 2,654	\$ 7,237	\$ 7,580	\$ -
<b>Total Source of Funds: Op. Budget</b>	<b>\$ 164,242</b>	<b>\$ 192,450</b>	<b>\$ 177,192</b>	<b>\$ 181,427</b>	<b>\$ 170,452</b>	<b>\$ 189,862</b>	<b>\$ 175,389</b>	<b>\$ 214,325</b>	<b>\$ 202,452</b>	<b>\$ 198,313</b>

**Source of Funds (CIP):**

General Fund	\$ 78,390	\$ 53,561	\$ 58,766	\$ 85,451	\$ 32,779	\$ 22,372	\$ -	\$ 53,607	\$ -	\$ 9,296
Water Fund	\$ 18,890	\$ -	\$ 14,491	\$ -	\$ -	\$ 3,894	\$ -	\$ -	\$ -	\$ -
Sewer Fund	\$ 18,890	\$ -	\$ 14,491	\$ -	\$ -	\$ 3,894	\$ -	\$ -	\$ -	\$ -
Water Quality Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cable Franchise Fund	\$ -	\$ 7,070	\$ -	\$ 7,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Source of Funds: CIP</b>	<b>\$ 116,170</b>	<b>\$ 60,631</b>	<b>\$ 87,748</b>	<b>\$ 93,178</b>	<b>\$ 32,779</b>	<b>\$ 30,160</b>	<b>\$ -</b>	<b>\$ 53,607</b>	<b>\$ -</b>	<b>\$ 9,296</b>



**CITY OF PRIOR LAKE  
2017 - 2026 FACILITIES MANAGEMENT PLAN**

*Adopted 8/22/2016*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Use of Funds:</b>											
City Hall	-	-	-	-	-	303,610	-	-	255,374	-	699,287
Police Station	44,558	-	-	-	-	168,262	-	-	309,638	-	524,584
Fire Station #1	-	17,484	859,410	67,998	64,479	-	-	-	102,890	-	-
Fire Station #2	20,369	-	-	-	-	-	-	40,154	29,029	-	255,385
Library & Club Prior	-	79,961	-	21,965	-	-	-	-	137,580	-	-
Maintenance Center	615,176	114,081	85,876	-	4,500	299,136	5,700	-	40,317	-	307,052
Water Treatment Facility	-	-	5,065	-	-	-	-	138,997	40,317	-	-
Transfer to GESP Debt Service Fund	45,614	20,614	-	-	-	-	-	-	-	-	-
<i>Pike Lake Buildings</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Old Maintenance Shop</i>	NO SIGNIFICANT REPAIRS OR REPLACEMENTS PLANNED FOR THESE FACILITIES										
<i>16220 Main Avenue</i>	-	-	-	-	-	-	-	-	-	-	-
<i>16244 Main Avenue</i>	-	-	-	-	-	-	-	-	-	-	-
Other <sup>(1)</sup>		620,000									
<b>Total Use of Funds</b>	<b>725,717</b>	<b>852,139</b>	<b>950,352</b>	<b>89,963</b>	<b>68,979</b>	<b>771,008</b>	<b>5,700</b>	<b>179,152</b>	<b>915,147</b>	<b>-</b>	<b>1,786,307</b>
<b>Source of Funds:</b>											
Interest Earnings (2%)	8,021	7,167	3,801	2,837	2,296	2,801	2,312	5,157	5,130	2,923	6,517
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-
Transfer from Water Fund	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476
Transfer from Sewer Fund	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
Annual Property Tax Levy	-	-	-	-	30,000	80,000	80,000	105,000	130,000	105,000	275,000
Capital Facility Charge	-	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	620,000	840,000	-	-	600,000	-	-	600,000	-	1,350,000
Other <sup>(1)</sup>	620,000	-	-	-	-	-	-	-	-	-	-
Bond Proceeds - Referendum	-	-	-	-	-	-	-	-	-	-	-
<b>Total Source of Funds</b>	<b>683,021</b>	<b>683,817</b>	<b>902,150</b>	<b>62,937</b>	<b>94,199</b>	<b>746,561</b>	<b>147,984</b>	<b>177,800</b>	<b>804,803</b>	<b>179,686</b>	<b>1,705,432</b>
<b>Change in Fund Balance</b>	<b>(42,696)</b>	<b>(168,322)</b>	<b>(48,201)</b>	<b>(27,026)</b>	<b>25,220</b>	<b>(24,447)</b>	<b>142,284</b>	<b>(1,352)</b>	<b>(110,344)</b>	<b>179,686</b>	<b>(80,875)</b>
<b>Beginning Fund Balance</b>	<b>401,053</b>	<b>358,357</b>	<b>190,035</b>	<b>141,834</b>	<b>114,808</b>	<b>140,028</b>	<b>115,581</b>	<b>257,865</b>	<b>256,513</b>	<b>146,169</b>	<b>325,855</b>
<b>Ending Fund Balance</b>	<b>358,357</b>	<b>190,035</b>	<b>141,834</b>	<b>114,808</b>	<b>140,028</b>	<b>115,581</b>	<b>257,865</b>	<b>256,513</b>	<b>146,169</b>	<b>325,855</b>	<b>244,980</b>

**CITY OF PRIOR LAKE, MN**  
**2016 to 2021 CAPITAL IMPROVEMENT PLAN**

**August 22, 2016**

**Adopted August 22, 2016**

**CITY OF PRIOR LAKE**  
**2016-2021 CAPITAL IMPROVEMENT PLAN**

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**I. INTRODUCTION**

In 2003, the Minnesota State Legislature adopted a statute that generally exempts city and town general obligation bonds issued under a capital improvement plan from the referendum requirements usually required for city halls, public works, public safety facilities and libraries. The statute on general obligation capital improvement plan bonds is Minnesota Statutes, Section 475.521 (the “Act”).

On August 8, 2016, the City Council held a public hearing on the adoption of the 2016-2021 Capital Improvement Plan and the issuance of general obligation improvement bonds.

On August 22, 2016, the City Council adopted Resolution No. 16-108 approving the 2016-2021 Capital Improvement Plan (the “CIP”). The approved 2017-2021 Capital Improvement Plan anticipates the issuance of general obligation bonds to finance certain facilities improvements as described in the CIP.

In order for the City of Prior Lake (the “City”) to proceed to issue general obligation bonds, pursuant to the Act, the City must make certain findings. These findings are included in this document.

**II. PURPOSE**

Under the Act, a capital improvement is a major expenditure of City funds for the acquisition or betterment to public lands, buildings, or other improvements used as a city hall, town hall, library, public safety, or public works facility, which has a useful life of five years or more. Under the Act, capital improvements do not include light rail transit or related activities, parks, road/bridges, administrative buildings other than a city hall or town hall, or land for those facilities. For the purposes of the Act, the CIP is a document designed to anticipate capital improvement expenditures and schedule them over at least a five-year period so that they may be purchased in the most efficient and cost effective method possible. A CIP allows the matching of expenditures with anticipated income. As potential expenditures are reviewed, the City considers the benefits, costs, alternatives and impact on operating expenditures.

Before issuing bonds under a CIP, the City must hold a public hearing on the CIP and the proposed bonds, and must then approve the CIP and authorize the issuance of the bonds by at least a 3/5 majority.

If a petition signed by voters equal to at least 5 percent of the votes cast in the last general City election requesting a vote on the issuance of bonds is received by the municipal clerk within 30 days after the public hearing, then the bonds may not be issued unless approved by the voters at an election.

The statute has established certain criteria that must be considered for each project to be undertaken pursuant to this CIP (the “Projects”). These criteria are:

1. Condition of the City’s existing infrastructure and projected need for repair or replacement
2. Demand for the improvement
3. Cost of the improvement
4. Availability of public resources
5. Level of overlapping debt
6. Cost/benefits of alternative uses of funds
7. Operating costs of the proposed improvements
8. Alternatives for providing services most efficiently through shared facilities with other municipalities or local governments

The CIP is designed to be updated and modified on an annual basis. In this manner, it becomes an ongoing fiscal planning tool that continually anticipates future capital expenditures and funding sources.

### **III. PLAN SUMMARY**

This CIP is intended to describe and analyze the need for the Projects in accordance with the Act. The City may modify this CIP from year to year as authorized by the Act.

Following is a summary of estimated expenditures for the Projects, including cost of financing:

#### 2016 Expenditures

The City intends to construct improvements to the roof of a public works facility, which the City refers to as the maintenance center. The estimated cost for this Project is \$650,000. This Project is to be financed through bond proceeds issued in 2017.

#### 2017 Expenditures

No Projects anticipated in this CIP.

#### 2018 Expenditures

The City intends to construct improvements to fire station #1, and certain public works facilities including HVAC, building, and exterior site improvements. The combined estimated cost of the improvement to these facilities to be financed through bond proceeds is \$540,000.

### 2019 Expenditures

No Projects anticipated in this Plan.

### 2020 Expenditures

No Projects anticipated in this Plan.

### 2021 Expenditures

The City intends to construct improvements to the city hall, police station, and public works facilities consisting of capital maintenance including building and exterior site improvements. The combined estimated cost of the improvement to these facilities to be finance through bond proceeds is \$660,000.

### Analysis

The City has analyzed the eight points required by the Act for the Projects on an individual basis and as a whole. The findings are as follows:

#### **1. Conditions of City Infrastructure, Including the Projected Need for Repair or Replacement and Need for the Project**

The existing roof of the maintenance facility is in need of structural repair in order to maintain the facility. Other improvement to City public safety, public works, and city hall facilities in future years is for capital maintenance and repair of existing facilities.

#### **2. Likely Demand for the Project**

The City's basic government service operations, including administration, police, fire, and public works operations are housed in the facilities that are in need of capital maintenance and repair.

#### **3. Estimated Cost of the Project**

The estimated cost, including architectural/engineering, contingency, legal and bonding, of the Project is set forth in Appendix A.

#### **4. Available Public Resources**

The City does not have sufficient cash reserves on hand to finance the improvement of the city hall and public works and public safety facilities without issuing bonds. The City plans to use the bond proceeds to reimburse the City for the Projects.

## 5. Level of Overlapping Debt in the City

As of December 31, 2015, the level of overlapping debt in the City is provided in the table below:

Taxing Unit	2015/2016 Tax Net TC	Est. GO Debt 12/31/15
Scott County	167,963,574	11,270,670
ISD No. 719 (Prior Lake-Savage)	52,160,036	60,924,290
ISD No. 720 (Shakopee)	51,591,841	3,444,745
Metropolitan Council	3,482,132,267	154,025
Metro Transit	3,079,729,513	2,552,814
Prior Lake/Spring Lake Watershed District	37,796,575	646,665

## 6. Relative Benefits and Costs of Alternative Uses of the Funds

The proposed Projects could potentially be financed through the issuance of lease-revenue bonds. However, both costs of issuance and overall debt service payments would be significantly higher, since lease-revenue bonds are not general obligation debt and are therefore not as attractive to potential purchasers. The issuance of general obligation capital improvement plan bonds represents the most cost-efficient way to finance the proposed Projects.

## 7. Operating Costs of the Proposed Project

Operating costs are not expected to be impacted to any significant degree with the proposed improvements. Repair and maintenance costs may decrease due to the roof replacement.

## 8. Alternatives for Providing Services Most Efficiently Through Shared Facilities with Other Municipalities or Local Government Units

The proposed capital improvements are being made to maximize effective, cost-effective City facilities, and as such, there would be no greater efficiency achieved through constructing shared facilities with other local government units.

## IV. FINANCING THE CAPITAL IMPROVEMENT PLAN

The total amount of requested expenditures under the CIP is expected not to exceed \$1,850,000, including estimated cost of issuance of bonds. These expenditures are to be funded by the sale of the City's general obligation capital improvement plan bonds not to exceed \$1,850,000.

In the financing of the CIP, two statutory limitations apply. Under Minnesota Statutes, Chapter 475, as amended, with few exceptions, a municipality cannot incur debt in excess of 3% of the assessor's Estimated Market Value ("EMV") for the municipality. In the case of a municipality with a population of 2,500 or less, the bonds are not subject to the net debt limits. The City's 2014 population was 24,911. Therefore, the proposed general obligation capital improvement plan bonds to be issued in the years 2016 through 2021 would be subject to the debt limit.

Another limitation on bonding under the Act is that without referendum, the total amount that can be used for principal and interest in any one year for CIP debt cannot exceed 0.16% of the EMV for the City. The City has one outstanding series of bonds, its General Obligation Capital Improvement Plan Refunding Bonds, Series 2012A, issued under the Act. The maximum amount of principal and interest due in any year on the Series 2012A Bonds is \$821,600. In payable year 2016, the City's EMV was \$2,981,761,500. Therefore, the total amount available to be used to pay principal and interest on any new bonds issued under this Plan is \$3,949,218 per year ( $\$2,981,761,500 \times 0.16\% - \$821,600$ ).

Under this CIP the City may issue up to \$1,850,000 in general obligation capital improvement plan bonds in the years 2016 through 2021 to finance the Project. If the City were to issue general obligation capital improvement bonds in the maximum principal amount of \$1,850,000 for the Project, the bond issue would be repaid over a period not to exceed thirty (30) years pursuant to the Act.

Expected debt service on the proposed bonds for the Projects is within the statutory limits.

#### **Annual Review of the Capital Improvement Plan**

The City Council, using the process outlined in this CIP, plans to review this CIP annually, taking into account proposed expenditures, making priority decisions and seeking funding for those expenditures it deems necessary for the City. If deemed appropriate, the City Council will prepare an update to this CIP.

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**APPENDIX A**

**ESTIMATED COSTS OF PROJECT<sup>1</sup>**

**Year 2016** – Improvements to Maintenance Facility Roof \$650,000

**Year 2018** – Improvements to the Fire Station #1, the maintenance facility, and the water treatment facility \$540,000

**Year 2021** – Improvements to the city hall, police station, and maintenance facility \$660,000

Notes:

<sup>1</sup> The estimated costs of project include cost of issuance of bonds.



**CITY OF PRIOR LAKE  
2017 - 2026 WATER OPERATING PLAN**

*Adopted 8/22/2016*

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2026 Totals
<b>Use of Funds:</b>											
Operations & Maintenance	\$ 2,256,529	\$ 2,369,356	\$ 2,487,824	\$ 2,612,215	\$ 2,742,826	\$ 2,879,967	\$ 3,023,965	\$ 3,175,163	\$ 3,333,922	\$ 3,500,618	28,382,384
Capital Projects	3,026,390	1,901,090	1,173,764	1,151,551	\$ 465,927	\$ 948,299	\$ 947,987	\$ 951,677	\$ 955,477	\$ 959,392	12,481,554
Interfund Transfer	391,300	306,391	311,593	316,918	\$ 327,367	\$ 332,932	\$ 343,624	\$ 349,455	\$ 355,415	\$ 361,506	3,396,501
Debt Service	549,797	637,622	645,986	654,050	\$ 670,520	\$ 679,450	\$ 710,020	\$ 715,435	\$ 729,712	\$ 731,307	6,723,899
<b>Total Use of Funds</b>	<b>6,224,017</b>	<b>5,214,458</b>	<b>4,619,166</b>	<b>4,734,734</b>	<b>4,206,640</b>	<b>4,840,648</b>	<b>5,025,596</b>	<b>5,191,730</b>	<b>5,374,526</b>	<b>5,552,823</b>	<b>50,984,338</b>
<b>Source of Funds:</b>											
Water Usage Charge	4,005,333	4,169,827	4,340,607	4,517,907	4,701,967	4,893,036	5,091,373	5,297,244	5,510,927	5,732,708	48,260,929
Other Revenues	192,630	196,483	200,412	204,421	208,509	212,679	216,933	221,271	225,697	230,211	2,109,245
Bond Proceeds	850,000	-	-	-	-	-	-	-	-	-	850,000
Trunk Fund Contribution	250,000	-	1,000,000	-	-	-	-	-	-	-	1,250,000
<b>Total Source of Funds</b>	<b>5,297,963</b>	<b>4,366,309</b>	<b>5,541,019</b>	<b>4,722,328</b>	<b>4,910,476</b>	<b>5,105,715</b>	<b>5,308,305</b>	<b>5,518,515</b>	<b>5,736,624</b>	<b>5,962,919</b>	<b>51,220,174</b>
<b>Change in Fund Balance</b>	<b>\$ (926,054)</b>	<b>\$ (848,149)</b>	<b>\$ 921,854</b>	<b>\$ (12,406)</b>	<b>\$ 703,836</b>	<b>\$ 265,067</b>	<b>\$ 282,709</b>	<b>\$ 326,785</b>	<b>\$ 362,098</b>	<b>\$ 410,096</b>	<b>\$ 235,836</b>
<b>Beginning Fund Balance</b>	<b>\$ 2,989,685</b>	<b>\$ 2,063,631</b>	<b>\$ 1,215,482</b>	<b>\$ 2,137,336</b>	<b>\$ 2,124,930</b>	<b>\$ 2,828,765</b>	<b>\$ 3,093,833</b>	<b>\$ 3,376,542</b>	<b>\$ 3,703,327</b>	<b>\$ 4,065,425</b>	
<b>Ending Fund Balance</b>	<b>\$ 2,063,631</b>	<b>\$ 1,215,482</b>	<b>\$ 2,137,336</b>	<b>\$ 2,124,930</b>	<b>\$ 2,828,765</b>	<b>\$ 3,093,833</b>	<b>\$ 3,376,542</b>	<b>\$ 3,703,327</b>	<b>\$ 4,065,425</b>	<b>\$ 4,475,521</b>	



**CITY OF PRIOR LAKE  
2017 - 2026 SANITARY SEWER OPERATING PLAN**

*Adopted 8/22/2016*

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2025 Totals
<b>Use of Funds:</b>											
Operations & Maintenance	\$ 1,067,948	\$ 1,099,986	\$ 1,132,986	\$ 1,166,975	\$ 1,201,984	\$ 1,238,044	\$ 1,275,185	\$ 1,313,441	\$ 1,352,844	\$ 1,393,429	12,242,822
MCES Fees	1,382,757	1,435,229	1,489,461	1,545,507	1,603,424	1,663,271	1,725,109	1,788,999	1,855,005	1,923,193	16,411,956
Capital Improvement Projects	1,704,479	1,462,407	268,770	610,708	992,329	663,043	666,173	673,408	680,861	688,536	8,410,714
Interfund Transfer	355,250	269,259	273,347	277,525	286,793	291,141	300,579	305,118	309,748	314,469	2,983,228
Debt Service	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	900,000
<b>Total Use of Funds</b>	<b>4,510,434</b>	<b>4,366,881</b>	<b>3,264,564</b>	<b>3,700,715</b>	<b>4,184,530</b>	<b>3,955,499</b>	<b>4,067,046</b>	<b>4,180,966</b>	<b>4,298,457</b>	<b>4,419,628</b>	<b>40,948,720</b>
<b>Source of Funds:</b>											
Wastewater Collection Revenue	3,327,824	3,456,366	3,589,499	3,727,383	3,870,184	4,018,071	4,171,223	4,329,820	4,494,052	4,664,114	39,648,536
Other Revenues	61,384	62,611	63,863	65,141	66,444	67,772	69,128	70,510	71,921	73,359	672,133
Bond Proceeds	850,000	-	-	-	-	-	-	-	-	-	850,000
<b>Total Source of Funds</b>	<b>4,239,207</b>	<b>3,518,977</b>	<b>3,653,362</b>	<b>3,792,524</b>	<b>3,936,627</b>	<b>4,085,844</b>	<b>4,240,351</b>	<b>4,400,331</b>	<b>4,565,973</b>	<b>4,737,473</b>	<b>41,170,669</b>
<b>Change in Fund Balance</b>	<b>\$ (271,227)</b>	<b>\$ (847,904)</b>	<b>\$ 388,799</b>	<b>\$ 91,809</b>	<b>\$ (247,903)</b>	<b>\$ 130,345</b>	<b>\$ 173,304</b>	<b>\$ 219,365</b>	<b>\$ 267,515</b>	<b>\$ 317,845</b>	<b>\$ 221,949</b>
<b>Beginning Fund Balance</b>	<b>\$ 2,031,846</b>	<b>\$ 1,760,619</b>	<b>\$ 912,714</b>	<b>\$ 1,301,513</b>	<b>\$ 1,393,322</b>	<b>\$ 1,145,420</b>	<b>\$ 1,275,765</b>	<b>\$ 1,449,069</b>	<b>\$ 1,668,434</b>	<b>\$ 1,935,950</b>	
<b>Ending Fund Balance</b>	<b>\$ 1,760,619</b>	<b>\$ 912,714</b>	<b>\$ 1,301,513</b>	<b>\$ 1,393,322</b>	<b>\$ 1,145,420</b>	<b>\$ 1,275,765</b>	<b>\$ 1,449,069</b>	<b>\$ 1,668,434</b>	<b>\$ 1,935,950</b>	<b>\$ 2,253,795</b>	



**CITY OF PRIOR LAKE  
2017 - 2026 WATER QUALITY OPERATING PLAN**

*Adopted 8.22.2016*

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2026 Totals
<b>Use of Funds:</b>											
Operations & Maintenance	\$ 493,186	\$ 500,283	\$ 498,576	\$ 507,069	\$ 515,770	\$ 524,683	\$ 543,815	\$ 543,172	\$ 552,763	\$ 562,590	\$ 5,621,159
Capital Projects	756,418	601,843	425,000	401,411	649,044	431,152	706,152	431,152	706,152	706,152	5,995,220
<b>Total Use of Funds</b>	<b>1,249,604</b>	<b>1,102,126</b>	<b>923,576</b>	<b>908,480</b>	<b>1,164,814</b>	<b>955,835</b>	<b>1,249,967</b>	<b>974,324</b>	<b>1,258,915</b>	<b>1,268,742</b>	<b>11,616,379</b>
<b>Source of Funds:</b>											
Interest Earnings (2%)	\$ 13,779	\$ 17,098	\$ 9,915	\$ 6,545	\$ 7,435	\$ 9,431	\$ 7,228	\$ 10,197	\$ 8,235	\$ 12,885	\$ 107,377
Charges for Services	876,673	916,517	958,173	1,001,722	1,047,250	1,094,848	1,144,609	1,196,631	1,251,018	1,307,877	11,159,959
Grants	-	-	-	-	-	-	-	-	-	-	95,000
<b>Total Source of Funds</b>	<b>890,452</b>	<b>933,615</b>	<b>968,088</b>	<b>1,008,267</b>	<b>1,054,685</b>	<b>1,104,279</b>	<b>1,151,837</b>	<b>1,206,828</b>	<b>1,259,252</b>	<b>1,320,762</b>	<b>\$ 11,362,336</b>
<b>Change in Fund Balance</b>	<b>\$ (359,152)</b>	<b>\$ (168,510)</b>	<b>\$ 44,512</b>	<b>\$ 99,787</b>	<b>\$ (110,128)</b>	<b>\$ 148,443</b>	<b>\$ (98,131)</b>	<b>\$ 232,504</b>	<b>\$ 338</b>	<b>\$ 52,020</b>	<b>\$ (254,043)</b>
<b>Beginning Fund Balance</b>	<b>\$ 854,905</b>	<b>\$ 495,752</b>	<b>\$ 327,242</b>	<b>\$ 371,754</b>	<b>\$ 471,541</b>	<b>\$ 361,413</b>	<b>\$ 509,856</b>	<b>\$ 411,725</b>	<b>\$ 644,229</b>	<b>\$ 644,567</b>	
<b>Ending Fund Balance</b>	<b>\$ 495,752</b>	<b>\$ 327,242</b>	<b>\$ 371,754</b>	<b>\$ 471,541</b>	<b>\$ 361,413</b>	<b>\$ 509,856</b>	<b>\$ 411,725</b>	<b>\$ 644,229</b>	<b>\$ 644,567</b>	<b>\$ 696,586</b>	



## DEBT ANALYSIS AND TAX IMPACT

In reviewing the Capital Improvement Program (CIP), the City Council considers the level of debt as well as the annual tax impact of the scheduled projects.

As of 12/31/2015, the City of Prior Lake had \$45,594,450 in debt. The following chart reflects the type of debt that comprised the \$45.59M:

Debt Type	Amount	Purpose
G.O. Special Assessment Bonds	16,370,000	Street Improvement Projects
G.O. Tax Increment	225,000	Tax Increment Project
G.O. Bonds (MV)	4,915,000	Referendum Projects (Park & Fire Stations)
G.O. Bonds	330,000	Street Reconstruction Project
G.O. Revenue Bonds	12,650,000	Water Treatment Facility (includes advanced refunding – 5,360,000)
G.O. Capital Improvement Bonds	8,240,000	City Hall & Police Station
G.O. Capital Improvement Bonds	290,000	Scott County Cooperative Agreement
Energy Lease Loan Payable (GESP)	2,574,450	Guaranteed Energy Savings Program projects
<b>Total</b>	<b>\$ 45,594,450</b>	

The 2017-2021 CIP includes projects that are funded by bond proceeds. Bonds are issued for the project costs that the City is funding through tax levies as well as the costs that are specially assessed to property owners. Over the 5-year period, the CIP anticipates issuing about \$21.1M in bonding for transportation projects, \$2.06M for major facility repairs, and \$1.39M for equipment replacement. The source of repayment for these bonds will come from a property tax levy and special assessments. The water/sewer plan has programmed the replacement of the meter reading system in 2017. Bonds totaling about \$1.7M will be issued to pay for this capital project. Repayment will be from water and sewer revenues.

Year	Major Facility Repairs	Equipment Replacements	Water Plan (funded by Water Revenues)	Sewer Plan (funded by Sewer Revenues)
2017	620,000	665,000	850,000	850,000
2018	-	-	-	-
2019	840,000	-	-	-
2020	-	-	-	-
2021	600,000	725,000	-	-

Major projects scheduled for 2017 which involve a property tax levy (payable 2018) are listed below:

Project Description	Project Levy
County Wide Flashing Yellow Signal Conversion	75,000
Franklin Trail (TH 13 to CR 21 South)	1,300,000
Albany/CJ Circle/Five Hawks/Cates/Park	840,000
Balsam/Sunrise/Spruce/Spruce Ct	1,060,000
Sycamore	220,000
Total	\$ 3,495,000

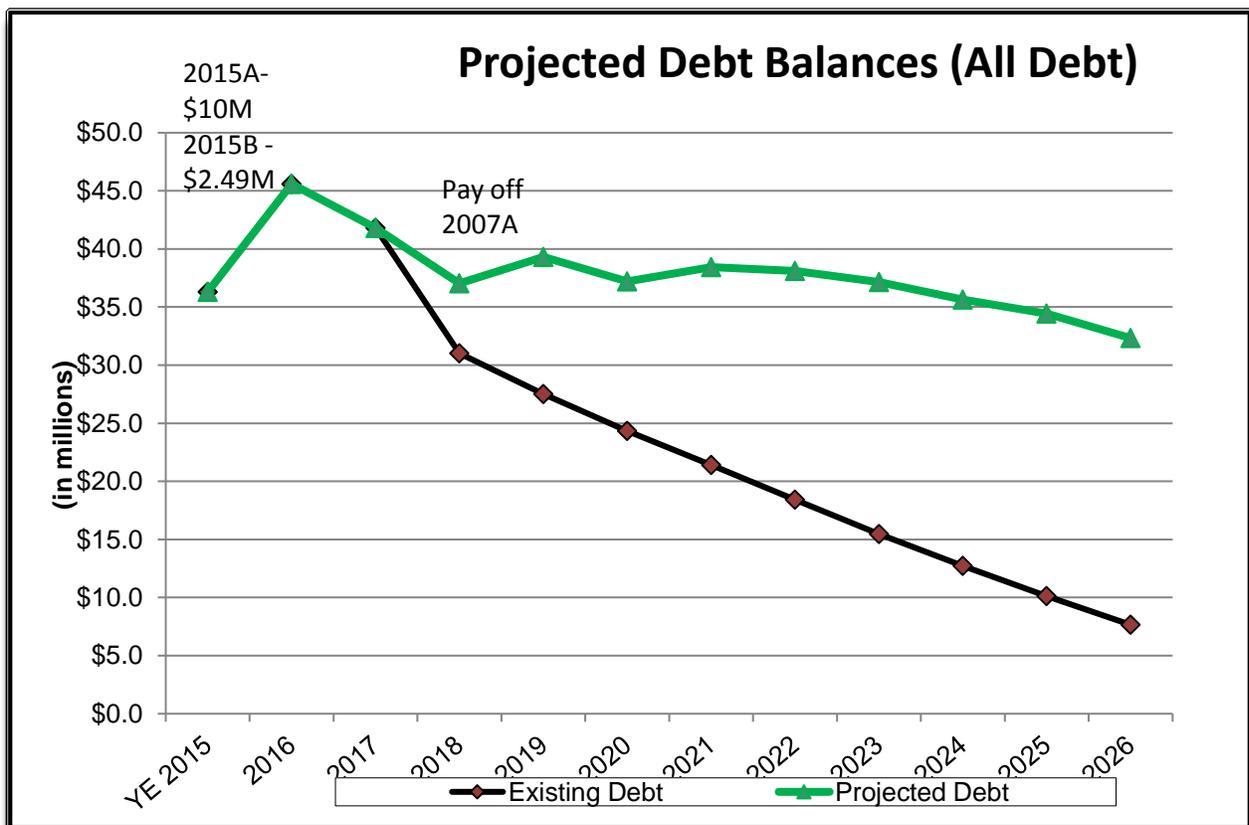
There is one facility-related project scheduled for 2016 which would be funded with bonds in 2017 and the debt service paid with a tax levy starting in 2018:

Project Description	Project Levy
Facility Repairs	\$ 620,000
Total	\$ 620,000

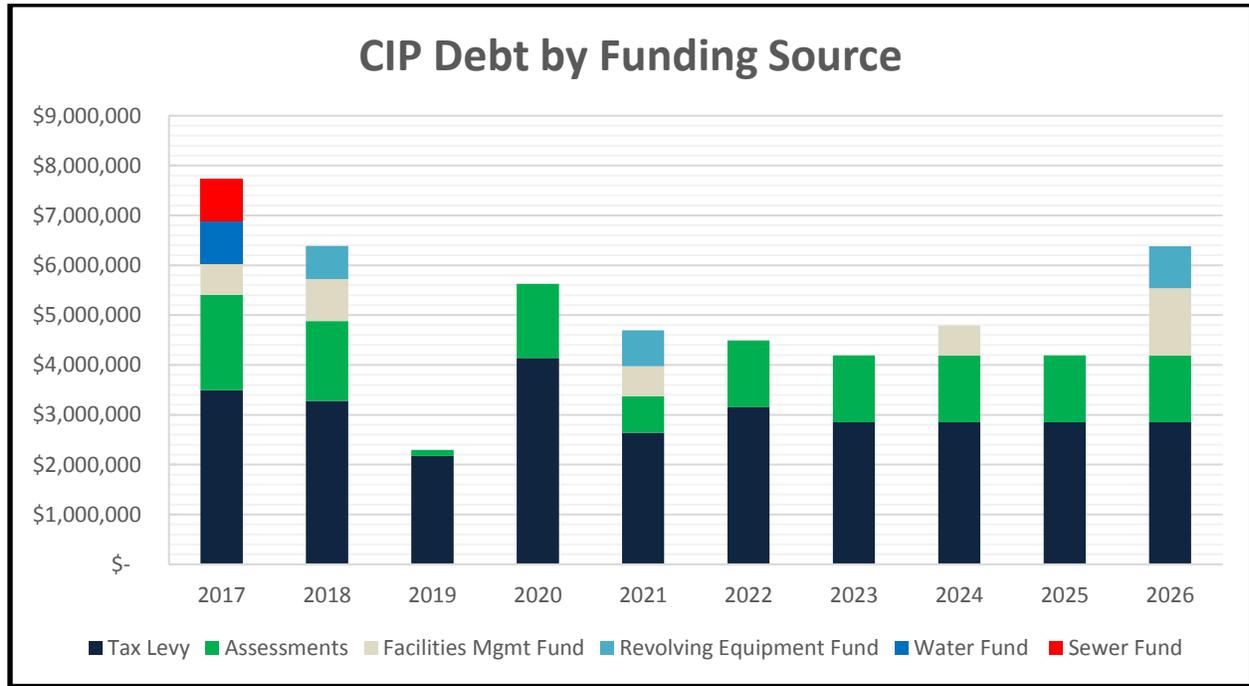
There are equipment replacements scheduled for 2017 which would be funded with debt and the debt service paid with a tax levy:

Project Description	Project Levy
Equipment Replacement	\$ 665,000
Total	\$ 665,000

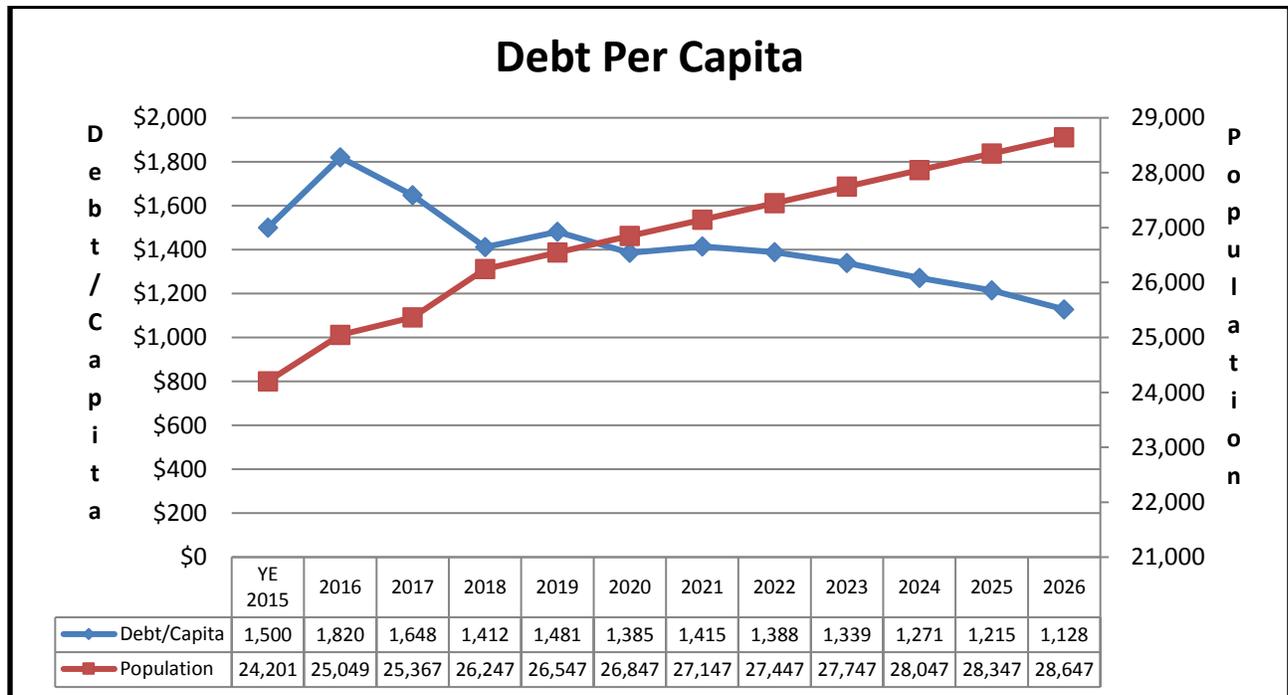
The following chart reflects the cumulative effect of new debt issued as indicated in the CIP and the retirement of existing debt. The top line is the resulting debt balance at the end of the year. The bottom line is simply the retirement of existing debt, if no new CIP were added.



The following chart details the annual CIP debt by funding source.



The following chart reflects the cumulative effect of new debt issued as indicated in the proposed CIP and the retirement of existing debt on a per capita basis.



*Based on Population Growth of 120 permits/year x 2.5 persons per household*

The impact of the 2017-2021 CIP and other anticipated bond payment adjustments on the debt service property tax levy are reflected in the following tables:

2017-2021 CIP	Projected Change in Debt Levy				
	2017	2018	2019	2020	2021
<b>Debt:</b>					
Existing CIP	258,087	213,124	(368,007)	(281,570)	12,103
New CIP	-	494,000	574,000	261,000	449,000
GESP Lease Payment	30,000	15,614	(0)	-	-
Market Referendum	(66,700)	(790,801)	7,200	7,000	11,720
Change in Debt Levy	221,387	(68,063)	213,193	(13,570)	472,823

The debt service for 2017 is already established. The Council approved of the sale of bonds for the 2016 projects (TH13/150<sup>th</sup> Street, Manitou Road, and equipment purchases) at the council meeting on April 11, 2016. The first levy associated with this bond issue will be in 2017. The 2017 projected debt levy below includes \$255,000 for the GESP lease, which is not bonded indebtedness.

2017-2021 CIP	2016	Projected Debt Levy				
		2017	2018	2019	2020	2021
Debt Service	3,425,569	3,646,956	3,578,893	3,792,086	3,778,516	4,251,339

Each year, certain bond issues mature and the corresponding debt service payments are eliminated. In the early 2000s, the level of bonding was lower due to the capital improvement projects being much smaller in scope. Current projects are larger and as a result the amount of debt service dropping off each year is less than the amount that we are adding for new CIP projects. This results in an increase in the debt service property tax levy.

The debt associated with Market Referendum bonds which funded park improvements and construction of the fire stations typically incrementally increases each year. The final payment for the park improvements occurs in 2017 and significantly decreases the debt schedule in 2018.

This debt service estimate for years 2017-2021 is based on ten-year level annual debt service payments. The Council can choose to manage the annual debt service in various ways. Staff recommends continued discussion and direction from Council on the debt service policy and options the City could use to smooth annual debt service payments. The table below summarizes the projected CIP tax levy by component.

2017-2021 CIP	Projected CIP Tax Levy				
	2017	2018	2019	2020	2021
<b>Tax Levies:</b>					
Equipment Revolving Fund	375,000	550,000	600,000	600,000	600,000
Revolving Park Equip Fund	213,406	368,184	469,292	563,276	657,649
Facilities Management Fund	-	-	-	30,000	50,000
Debt Service	3,646,956	3,578,893	3,792,086	3,778,516	4,251,339
Total CIP Tax Levies	4,235,362	4,497,077	4,861,378	4,971,792	5,558,988