City of Minnetonka Beach
Finance Committee

Steve Howarth (Treasurer) Chair
Erik Bender
Lee Goehring
Colby Skelton
Paul Sperduto
Davida Suiter
Johnny Whitaker

Council Liaison – Jill Bartel
Staff: Susanne Griffin

Meeting Agenda – Finance Committee
Tuesday, November 27, 2018– 6:00 PM
City Hall

1. Call to Order

2. Introduction of New Treasurer Elect Chris Zinn

3. Approval of Minutes of May 2, 2018 and June 26, 2018

4. New Business

   4.1. Water Plant and Storage Financial Evaluation (Utilities Commission recommendations)

   4.2. Reserve Funds and Upcoming Bond Costs (Discussion Topics)

      4.2.1. Impact on bond interest costs without $400k offset

      4.2.2. Cost of interest if funded next year

      4.2.3. Northview Retaining wall Cost Estimates

   4.3. 2019 Capital Improvement Program Recommended Amendments

   4.4. 2019 Preliminary Budget and Final Budget Recommendations

5. Adjourn

City of Minnetonka Beach
Finance Committee

Members:
Steve Howarth (Treasurer) Chair
Erik Bender
Lee Goehring
Colby Skelton
Paul Sperduto
Davida Suiter
Johnny Whitaker

Council Liaison – Jill Bartel
Staff: Susanne Griffin
Consultant: Bruce Kimmel, Ehler's or alternate

Meeting Minutes
Wednesday, May 2, 2018– 6:30 PM
Finance Committee
City Hall

1. Call to Order

Chair Howarth called the meeting to order at 6:30 p.m.

Members Present: Chair Howarth, Erik Bender, Lee Goehring, Paul Sperduto, Davida Suiter, and Council Liaison Jill Bartel. Absent: Colby Skelton and Johnny Whitaker. Also in attendance was Chris Mickelson from Ehler's.

2. Approval of Agenda

Goehring motion, Suiter second to approve the agenda; all ayes. Motion passed.

3. Approval of Minutes of February 21, 2018 Finance Committee meeting

Chair Howarth asked for a correction on page 3, 5th paragraph. He asked that the minutes be clarified to state the following: "Howarth also discussed a possible policy on the use of City's reserve funds, ~~City funds and capital expenditures. "~~

Bender motion, Sperduto second to approve the minutes as amended; all in favor. Motion passed.

4. Old Business – Bonding for 2018 Capital Improvement Program

4.1 Scope of Project

Chair Howarth distributed a handout with an outline the issues and discussion for the Committee's discussion. The handout included the following topics: 1) Confirming the desired project scope; 2) Review, discuss and confirm the expected amount to cash funding from the general and utility

reserves; 3) Determine "affordability" – impact to utility rates and general tax rates; 4) Language for bond referendum.

Howarth also reviewed the discussion from the recent Joint Finance and Utilities Commission meeting held on April 4, 2018 for the benefit of the members who were not at that meeting. He stated that during the last meeting they discussed the projects under consideration for bond funding, funding requirements and cost estimates for the projects. They discussed financing alternatives and scenarios for funding the projects, and costs of financing, but they did not determine a final amount to be financed. They also discussed the use of city reserves on overall financing. He mentioned that for every $100,000 in tax levy on a $1,000,000 home equates to about $300 additional taxes per year.

With regarding to the desired scope of the projects, he asked members, staff, and members of the audience if the list of projects had changed any since the April 4th meeting. He stated that the complete list of projects under consideration were in the packet. He confirmed with staff and Council Member Lindstrom confirmed that there were no additions to the list that she was aware of. There are other projects coming up, but none that have been studied or approved by the City Council.

Member Goehring asked why the amount had increased from the earlier amount of around $1.3 million to now $2.225 million. Howarth explained that since the original dollar amount of $1,378,000 additional projects were added (replacing all 4" mains) bringing the principle amount of project to $2,224, 290, which was rounded it up to $2,250,000, but the actual cost of the project will be determined after projects are bid out later. All of the projects under discussion have been studied and recommended by the Utilities Commission and approved by the City Council as part of the 2018 Capital Improvement Program. They also talked about what would remain of the old pipe which is estimated to be 85 years old, and past its useful life, so future projects are likely.

4.2 Use of Reserve Funds

Howarth then directed members attention to the City Fund Reserve Balance sheet in the packet which showed cash balances of each city fund at the end of 2017 and excess reserves over the City's reserve fund balance policy. He pointed out that while the sheet showed a negative reserve balance at 2017 year-end for the Capital Projects fund, with 2018 budgets, that negative excess reserve balance will be back to zero, leaving about $600,000 in reserves at the end of 2018.

Howarth discussed the level of utilization of reserves, including the city's self-imposed policy of 65% of budgeted expenses. He asked members what level of excess reserves the members are comfortable recommending. Members discussed how capital projects are funded and whether excess funds are used. Members asked about what other projects are on the horizon that are not included in the 2018 CIP. Committee Member Bender stated that there are near-term projects that need to be done and doesn't want to push those projects down the road and that reserves can be used for those things. Those near-term projects need to be analyzed and prioritized. Member Suiter was concerned that there are other new items not yet discussed that will have to be budgeted for on top of any debt levy. Her goal is to minimize the tax impact to residents. Some of the projects in the future include the outcome of the paving management study, a water filter rehab project, water tower improvements, access paths to raised median project, etc. Suiter's goal is to minimize the tax impact on residents in

2019 by utilizing reserve funds on Capital or other projects. Administrator Griffin explained that the Capital Planning process is just beginning. Member Bender asked about the use of reserves for CIP or other projects. Bonding for the 2018 projects would not likely impact the annual budget until 2020. Bender stated that if the City has reserves, they should be used.

Member Goehring asked about upsides to the 2018 budget and what savings might there be. For 2018, the Police contract was a big savings.

Chair Howarth stated that for purposes of discussion and analysis ~~when looking at scenarios~~ he suggested using $400,000 of reserves. Chris Mickelson from Ehler's reviewed Bruce Kimmel's memo dated April 19. They provided eight scenarios ranging from no cash to $500,000 cash with terms ranging from 15-18 years. He reviewed each scenario including the costs of financing, project construction funds, and rounding amounts. 50 basis points were used for the scenarios.

Member Goehring asked about interest rate benefits in either scenario. Mickelson explained that due to the size of the bond there wouldn't be big rate benefits. Basically, the longer the term the more interest expenses. Member Bender asked about moving the process up sooner to take advantage of rates. It was explained that due to the bond referendum in August, the timing is what it is. The next steps of the process are to get actual construction bids before going out for bonding, so the amounts used from reserves could change. The Finance Committee needs to make a recommendation on affordability and the maximum bond amount they are comfortable with.

Howarth stated that with a 15-year term on $2.250 million bond, using no reserves equates to a 7.5% tax on the city portion only of taxes, using 2017 as the base.

Mr. Mickelson discussed his colleague Bruce Kimmel's recommendations which is $400K from reserves to buy the bond issue down, a 15- year term, and split 60% taxes and 40% utility revenues. Goehring clarified that the City's AAA bond rating would not be affected by decreasing reserves, which Mickelson confirmed. Chair Howarth's handout showed a scenario using $400,000 of reserves, 15-year term and a split of 40/60% (utility revenues/tax levy). This scenario would equate to a 2% tax levy increase for the debt service.

There has been previous discussion about the use of utility revenues for general obligations bonds. The City has determined over the years to use a percentage of utility revenues to pay back the debt. Generally other cities use utility funds to pay back debt. There was discussion of how the reserves have accumulated over the years, and there were tax increases over the years as well.

Members discussed how much of the reserves should be used. Goehring stated more of reserves should be used. These are funds that have been taxed and should be used responsibly. Suiter reviewed the amount of debt service requirements and varying amount of reserves and the differences were minimal. Members also discussed paying back the debt with taxes vs utility revenues. When this was discussed in previous years, paying back the debt with taxes was advantageous because taxes could be deducted whereas utilities could not. This is no longer the case. The discussion about the use of utility revenues to pay back the debt can be discussed later. Goehring stated he was not in favor of

the 40/60 split. Howarth stated that the 40/60 use of utility fees and the amount of reserves to use is for scenario planning only and to provide Council with tax increase information based on the scenarios. The Finance Committee can revisit these things later and including during the budget process.

Bender stated that since rates are low he suggests borrowing and authorizing the maximum lending amount and utilize reserves for other purposes. Howarth was supporting the use of Kimmel's recommendation on the maximum bond amount be $2,250,000. Suiter asked what the tax impact would be without the use of reserves. He calculated the tax increase without the use of utility revenues and it would be under 4% (with the use of $400,000 of reserves).

Sperduto asked again about other foreseeable expenses and whether the full amount should be bonded for since rates are so good right now. Suiter again brought up some possible projects on the horizon: final watermain improvements, road improvement, etc. Mickelson reminded members that this is a maximum referendum authority amount, but less could be borrowed.

Howarth clarified that what they need to present to Council a scenario, so they can evaluate the impact on the residents. They also need to be mindful of the use of capital and that the reserves under discussion are excess reserves of previously taxed dollars. It is fiscally responsible to continue to maintain reserves at an appropriate level and utilize unused reserves for the long-term benefit of the community. Goehring agreed with keeping reserves at the appropriate level and utilize excess reserves.

Bender made an initial motion to utilize $300K of reserves and a maximum lending of $2.25 million, but after further discussion amongst members, he amended the amount of reserves to $400,000 and $2,500,000, but intention is to use $2,325,000 for project costs. The remaining amount would be a cushion in case bids come back higher.

Bender motion, Sperduto second to recommend a scenario to the City Council that would include the use of $400,000 of reserves and a maximum borrowing amount of $2,500,000; all in favor. Motion passed.

Suiter motion, Sperduto second to recommend a scenario to the City Council that would include 40/60% (utility revenues/tax levy) for paying back the debt; all in favor. Motion passed.

Members discussed creating guidelines on excess reserves. This will be discussed at a later date.

5. Schedule and Process for 2019 – 2023 Capital Improvement Program

Chair Howarth summarized that the upcoming Capital Planning process was underway and his interest in the Finance Committee's involved as it relates to what is being requested and having a better understanding of what the request represents. Griffin explained that the process involves sending a worksheet out to all committees and commissions, and city staff requesting input into the capital plan. The Finance Committee will also be asked to submit input, and it is expected that the Finance

Committee will want to review a draft of the plan before the public hearing on June 25th. A Finance Committee meeting will be scheduled for early June.

The Chair recognized members of the audience and asked if anyone had any questions.

Council Member Kozloski asked about bond interest rates vs current investment CD rates. CD rates are variable but Howarth indicated that the rates are at least a point below the borrowing rate.

6. Adjourn

Suiter motion, Bender second to adjourn; all ayes. Motion passed. Finance Committee meeting adjourned at 8:05 p.m.

Others Present: Mayor Taylor, Council Members Kozloski and Lindstrom, Sue Kozloski, Mike Lang

City of the Village of Minnetonka Beach
Finance Committee Meeting Minutes
Wednesday, June 26, 2018– 6:00 PM

1. Call to Order

Chair Howarth called the meeting to order at 6:00 p.m.

Members Present: Chair Howarth, Erik Bender, Paul Sperduto, Davida Suiter, Johnny Whitaker, and Council Liaison Jaci Lindstrom for Bartel. Absent: Lee Goehring, Colby Skelton. Ken Herdeman from Ehler's Investments was also in attendance.

2. Approval of Agenda

(Suiter Motion, Whitaker second to approve the agenda; all ayes. Motion passed.

3. Liaison report

3.1. Lindstrom reported that at the May 14th council meeting they approved up to $2.5 million maximum bond amount. She reminded members that the referendum will be on the August 14th primary ballot, and absentee voting starts June 29th. Chair Howarth stated that the final amount of the bond will be determined later. Members discussed the amount of reserves to be used which they discussed at the last meeting. The proposed amount of reserves that they discussed at the previous meeting was $400,000 but the final amount is yet to be determined. The real cost to citizens had to be determined for analysis purposes, but final bond and reserve amounts are yet to be determined. Member Bender stated his concerns clear priorities for the city council. Member Suiter asked for clarification on what was recommended at the last meeting and Chair Howarth clarified that the recommendation from the Finance Committee was based on the tax impact to the residents and was done to identify affordability. There was discussion about the previous meeting's motion and the intent of that motion. It was clarified that the motion was based on the determination of affordability and that different scenarios were discussed. The final amounts have yet to be determined and will be discussed with the Finance Committee at a later date (January/February 2019).

3.2. For the record Chair Howarth clarified that "the activities associated with the scenario analysis which was recommended to the City Council as a preliminary analysis for purposes of affordability and the maximum bond amount that council would be comfortable going forward". For purposes of scenario planning and affordability the Finance committee recommended an amount that they felt was affordable for residents.

4. Approval of Minutes of May 2, 2018 Finance Committee meeting

Bender noted that there was a conversation at the May 2nd meeting about other city council priorities that were not included in the minutes such as the safe crossing and the water tower, section 4.2 of the minutes. He said someone suggested at that meeting that the city council did not see these other projects as priorities, and he doesn't believe that is the case. Griffin will listen to the tape and bring the minutes back at the next meeting.

(Whitaker motion, Sperduto second to table the minutes of May 2, 2018 of the Finance Committee to the next meeting. All ayes. Motion passed.

5. New Business – Investment Portfolio Review

5.1. Ken Herdeman, Ehler's Investments

Mr. Herdeman reviewed the investment portfolio review in the packet. He stated that the City does have an investment policy and they recommend that it be reviewed every 3 years vs the 5 years that the current policy states. Rating agencies do review these policies and like to see more frequent reviews. He suggested the language be updated to state that it be reviewed as needed but at least every five years. He reviewed the city's investment based on the City's policy. He stated that the objectives of the policy include safety, liquidity and then return.

Regarding safety, he stated that the city's current investments are very low risk in that the portfolio consists of 83% FDIC insured CD's. 17% US Treasury Bills and less than 1% in cash.

As for liquidity, the city's investments are very liquid as well. The average weighted maturity of the portfolio at 5/31/18 was slightly less than two years. Depending on cash flow requirements of the City, Ehler's recommends a laddered maturity structure and strives to maintain an average weighted portfolio maturity of not more than three years to minimize liquidity and market risk.

As for return, at 5/31/18 the average weighted yield to maturity of the portfolio was 1.856% net of fees. The average weighted yield to maturity includes interest paid and interest accrued, but not yet paid and does not include any unrealized gains or losses.

Herdeman stated that If the City reinvest the interest and holds all investments to maturity the city should earn $15,000 in interest for this year, maybe more than that. Th city budgeted interest at $12,000. He reviewed a portion of the report that discussed historical rates, and what the future might hold.

Finance member Bender asked about future maturities and the impact on use of those funds for buying down the next debt service or for other projects. They discussed the 4M fund as well and what their rates are, and relative liquidity. Member Whitaker stated that whatever funds are not invested should be earning the best possible rate. Herdeman stated that he can provide options for the future, but Howarth pointed out that they need to make a recommendation on the upcoming maturity. Bender suggested keeping the upcoming maturity fund liquid and in the best possible fund for rates. Herdeman stated he would look into the 4M fund rates and discuss other options with Howarth.

Sperduto motion, Whitaker second to authorize Chair Howarth to meet with Ehler's representative Ken Herdeman to discuss best options for the July investment maturity to recommend to the City Council at the July 9th Council meeting, and the Finance Committee to reassess investment options in August; all in favor. Motion passes.

5.2. Review of 2019 – 2023 Capital Improvement Program (CIP)

Administrator Griffin explained that the Planning Commission deemed the draft 2019-2023 CIP as conforming to the Comprehensive Plan and recommended approval of the plan. After taking that action Planning Commissioner Anderson made a motion that they recommend to the City Council that they delay any further city action on the raised median (Shoreline Drive crossing) until a number of issues were resolved. That motion was seconded and passed with a vote. Griffin explained that the raised median was not on the CIP because the County would be making those improvements since it is a county road (County Road 15 aka Shoreline Drive), but the CIP does include funds for the paths along Lafayette Park and Arcola Lane to access the raised median. The Planning Commission is responsible for determining whether the Capital Improvement Program is consistent with the Comprehensive Plan and to hold a public hearing. Any

further recommendations from the Planning Commission are typically passed along to Council. Griffin stated that the Finance Committee hasn't been involved in the CIP process at this juncture in the past. The Finance Committee's role will be to review the proposed CIP and help determine affordability, not determine appropriateness of the project.

Committee members discussed the issues related to the crossing on Shoreline Drive and the city's responsibilities relative to the crossing. Chair Howarth stated that Hennepin County and the City will be having a meeting on July 26th regarding the crossing, and ultimately going back to the Council at the August council meeting for final action. The discussion was around whether the funds were being appropriated for the access paths prematurely. Members discussed upcoming bond funds (assuming the referendum passes), and whether those funds could be used for some of the capital projects or use reserve funds. Griffin clarified that the bonds funds can only be used for the purposes spelled out in the referendum.

Another issue discussed was the recent survey done at the water plant where a number of inadequacies were identified. The total costs associated with alleviating the inadequacies is yet to be determined.

Members discussed how to better prioritize the requests. Whitaker suggested that each committee or person that submitted requests present their priorities to the Finance Committee. He recognized that the committees know best about what the priorities are and what the rationale is for their request. Chair Howarth will suggest at the July 9th City Council meeting that the Finance Committee meet with representatives of each committee/commission and ask them to provide a priority and rationale for the project. The Finance Committee would then be able to make a recommendation to the City Council. They discussed other ways to obtain the priority and rationale information.

If the city council agrees, staff will schedule a meeting in early August to continue their work on the Capital Program.

Staff will also provide the Stantec response to the MN Department of Health water plant survey to committee members.

Chair Howarth explained the preliminary budget process which includes a maximum tax levy and is determined in September. Whitaker stated he would suggest including all of the Capital Program items in the preliminary budget, but they can narrow it down later in the process before the final budget and tax levy is set in December. Chair Howarth will ask the Council about the idea of having the committee/commission chairs and staff to present priority and rationale information to the Finance Committee.

6. Month End P & L – FYI only

Members then briefly discussed the current profit and loss report for the city. Howarth explained the $25,000 in the grant fund category that was received in 2017 and there was supposed to be a journal entry for that entry. Staff will follow up with the accountant on a journal entry to reflect this amount.

Howarth also brought up legal expenses and whether the law suit expenses were included in the amount spent In the P & L report. He explained that the City budgeted additional funds in 2018 for legal fees associated with the law suit. Griffin stated that the city has a $2500 deductible and a 15% co-pay for land use claims, and that as of May 3, 2018, the city had $24,317 in outstanding legal fees before the appeal. The fees won't be due until after the appeal process.

7. Adjourn

(Suiter motion, Bender second to adjourn; all ayes.) Motion passed. Finance Committee meeting adjourned at 8:05 p.m.

Others Present: Lilla Gidlow

NEW

BUSINESS

City of Minnetonka Beach
City Council and Utilities Commission Study Session
Water Storage and Water Plant Issues

STUDY SESSION AGENDA
Tuesday, November 13, 2018 6:00 PM

1. **Call to Order – Council Member Lindstrom**

2. **Recap of Water Storage and Plant Issues – Darren Amundsen, City Engineer**
   2.1. **Meeting with Orono**

3. **Utilities Commission Discussions and Recommendations – Chair Carlson and Council Member Lindstrom**

4. **City Council Considerations**

5. **Next Steps - Direction to Utilities Commission and/or Finance Committee**

6. **Adjourn – 7:00**

Stantec

Memo

To:	City Council and Utilities Committee	From:	Darren Amundsen
File:	193804200	Date:	November 8, 2018

Reference: Water System Action Items from 10-24-2018 Utilities Committee Meeting

The following is a summary of action items assigned to me from the 10-24-2018 Utilities Committee Meeting.

1. Obtain clarification from Orono about Orono's water storage standards and needs.
    a. Orono is 20,000 gallons and Minnetonka Beach is 25,000 gallons short of recommended storage. I spoke with Adam Edwards, Orono City Engineer. Orono would be open to exploring having less than recommended combined system storage, but further study would be required to determine its feasibility.
2. Learn any other information from Orono about Orono's needs and situation.
    a. Orono may need to upsize some pipes to adequately serve Minnetonka Beach with water. Water system models will need updating with a level of service relative to fire flows established. Storage decisions will greatly influence the system model and would ideally be determined first.
3. Obtain data on whether other communities adhere to the recommended storage amounts.
    a. The table below shows information from various community Water Supply Plans relative to water storage and average daily use. Loretto is the closest sized community in water use and population that was available for comparison. Factors that influence storage amounts are growth and fire flow requirements based on land use/building types.

City	Current Storage	Average Day	Surplus/Deficit(-)	Info Date
Excelsior	550,000	270,000	280,000	2018
Long Lake	200,000	185,000	15,000	2018
Loretto	150,000	60,000	90,000	2018
Maple Plain	495,000	160,000	335,000	2018
Medina	600,000	430,000	170,000	2018
Minnetonka Beach	50,000	75,000	-25,000	2018
Minnetrista	700,000	550,000	150,000	2018
Mound	700,000	612,000	88,000	2018
Orono - Navarre	200,000	220,000	-20,000	2018
Spring Park	300,000	178,000	122,000	2018
Tonka Bay	565,000	132,000	433,000	2018
Wayzata	1,000,000	700,000	300,000	2018

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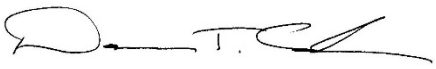

Darren Amundsen P.E.
Principal

Phone: (651) 604-4894
Darren.Amundsen@stantec.com

Stantec

Memo

To:	Utilities Committee	From:	Darren Amundsen
File:	193804200	Date:	October 24, 2018

Reference: 10-17-2018 Orono Water Supply Meeting Summary

Attendees: Susanne Griffin, Jaci Lindstrom, Brian Berent, Darren Amundsen, Orono City Engineer Adams Edwards, Orono City Administrator Dustin Rief

The following is a summary of items discussed

Orono Water System Capacity

- Water Treatment Plant has capacity to supply Minnetonka Beach
- Water storage system is approximately 20,000 gallons short of guidelines for Orono's current demand

Discussion Items at the Meeting

- Would need to consider *providing* approximately 100,000 gallons (20,000 for Orono, 80,000 for MB) of storage to the system likely in Minnetonka Beach
- Would need to verify existing Orono infrastructure (pipes) can adequately supply Minnetonka Beach with water through modeling
- Orono is connected to and views Spring Park and Minnetonka Beach as their "backup" combined water suppliers in long term maintenance or emergency situations
- Removing Orono's backup supply system will need to be explored
- Look into regionalizing water systems with surrounding communities
- Orono to lead initial discussion/meeting organization with interested communities (Spring Park, Mound, Minnetrista, Tonka Bay)
- Make initial contact with Dept. of Natural Resources for potential aquifer effects/issues after initial surrounding communities interest is confirmed
- Make initial contact with Dept. of Health for water system connection intent after initial surrounding communities interest is confirmed

Current Utilities Committee Focus Item

- Confirm recommendation to move to Orono water supply
- Discuss and make preliminary Minnetonka Beach based storage recommendation

Political and Other Considerations

- Existing water tower
- Shared water system
- Financial impact

Stantec Consulting Services Inc.

Darren Amundsen
Principal

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Attachment:

10/24/2018 Utilities Committee Meeting

	Plant Options	Project Duratation	Initial Cost Estiamtes	On-going Cost	Temp Orono Water Duration	Life Expectancy	Notes/assumptions
P1	Maintain Plant	on-going	Varies	High	Short	?	Assumes fixing things as the break
P2	Rehab Plant w/o storage existing site	6-8 Months	$617,500	Low	Long	20	Life expectancy could be driven by building, not treatment components
P3a	New Plant w/o storage existing site	8-12 Months	$2,750,000	Low	Long	80-100	Relies on Orono water supply availability
P3b	New Plant w/o storage new site	8-12 Months	$2,750,000	Low	Short	80-100	New site allows existing plant to remain online during construction
P4a	New Plant w/ storage existing site	8-12 Months	$3,000,000	Low	Long	80-100	Relies on Orono water supply availability
P4b	New Plant w/ storage new site	8-12 Months	$3,000,000	Low	Short	80-100	New site allows existing plant to remain online during construction
P5	No plant - Orono supply	3 months	?	?	NA	80?	Assumes Orono upgrades their system supplies water for MB

10/24/2018 Utilities Committee Meeting

	Storage Options	Project Duratation	Initial Tower Cost Est	Initial Ground Res Cost Est	Total Cost w/30% Engineering and Contingencies	On-going Cost	Temp Orono Water Duration	Life Expectancy	Notes/assumptions
S1	Rehab Tower, Rehab Ground Storage	4-6 Months	$556,000	$210,000	$995,800	Med	Long	10-20	Relies on Orono water for tower rehab
S2a	New Tower - existing site, Rehab Ground Storage	6-8 Months	$690,000	$210,000	$1,170,000	Med	Long	Mixed	Relies on Orono water for during new tower construction
S2b	New Tower - new site, Rehab Ground Storage	6-8 Months	$690,000	$210,000	$1,170,000	Med	Long	Mixed	New tower built off line
S3a	Rehab Tower, New Ground Storage - existing site	6-8 Months	$556,000	$300,000	$1,112,800	Med	Long	Mixed	Relies on Orono water for tower rehab
S3b	Rehab Tower, New Ground Storage - new site	6-8 Months	$556,000	$300,000	$1,112,800	Med	Long	Mixed	Relies on Orono water for tower rehab
S4a	New Tower - existing site, New Ground Storage - existing site	6-8 Months	$690,000	$300,000	$1,287,000	Low	Long	80-100	Relies on Orono water for during new tower construction
S4b	New Tower - new site, New Ground Storage - existing site	6-8 Months	$690,000	$300,000	$1,287,000	Low	Short	80-100	New tower built off line
S4c	New Tower - new site, New Ground Storage - new site	6-8 Months	$690,000	$300,000	$1,287,000	Low	Short	80-100	New tower built off line
S4d	New Tower - existing site, New Ground Storage - new site	6-8 Months	$690,000	$300,000	$1,287,000	Low	Long	80-100	Relies on Orono water for during new tower construction
S5a	New Tower - existing site, No Ground Storage	6-8 Months	$690,000	$0	$897,000	Low	Long	80-100	Relies on Orono water for during new tower construction
S5b	New Tower - new site, No Ground Storage	6-8 Months	$690,000	$0	$897,000	Low	Long	80-100	New tower built off line
S6a	No Tower, New Ground Storage - existing site	6-8 Months	$0	$300,000	$390,000	Low	Short	80-100	Not likely option, but possible
S6b	No Tower, New Ground Storage - new site	6-8 Months	$0	$300,000	$390,000	Low	Short	80-100	Not likely option, but possible
S7	No Tower, No Ground Storage	?	$0	$0	$0	?	NA	?	Assumes Orono upgrades their system supplies water for MB
S8a	New Big Tower - existing site, No Ground Storage	6-8 Months	$1,250,000	$0	$1,625,000	Low	Long	80-100	Relies on Orono water for during new tower construction
S8b	New Big Tower - new site, No Ground Storage	6-8 Months	$1,250,000	$0	$1,625,000	Low	Short	80-100	New tower built off line

Approved
City of the Village of Minnetonka Beach
Utilities Commission Regular Meeting Minutes
October 4, 2018

1. Call to Order

Chair Carlson called the meeting to order at 7:01 p.m.

Chair acknowledged members present Utilities Commission Members Present: Chair Alan Carlson, Commissioners Santiago Abraham, Mike Lang, Bill Raisbeck, Kevin Decker, and Council Liaison Jaci Lindstrom. Absent: Linda Cornelius.

Chair Carlson reported to the commission that Cornelius has resigned. He also reported that Council Liaison Lindstrom has asked Jon Redmond to join. Council would still need to appoint him before he can join the group.

City Staff present: Brian Berent, Public Works Director, Susanne Griffin City Administrator
City Engineer: Darren Amundsen, Stantec

2. **Approve Agenda –**

(Decker motion, Abraham second to approve agenda; All ayes.) Motion passed.

3. Approval of Minutes – Meetings from July 24, 2018

After brief discussion about two typographical errors, the Motion passed.

(Abraham motion, Decker second to approve minutes of July 24, 2018 as amended; all ayes.)

4. **Old Business -** Referral from City Council – Water Treatment Plant and Storage Issues:

Chair Carlson explained the history of the discussion about the tower, ground storage and water plant, and that they are expected to make recommendations to the city council. He stated that there will be a study session with the City Council to share the recommendations and their rationale.

Carlson stated that the council referral of these issues to Utilities follows a Minnesota Department of Health (MDH) survey of the city's water storage and treatment plant. The survey identified issues system-wide, but primarily with the water treatment plant. In June Stantec reviewed and prioritized the MDH report and later the Utilities Commission narrowed down to the most critical safety and security issues and made a recommendation to the city council.

Concurrently, the city council asked KLM to inspect the ground storage reservoir to determine if it could be put back into use to meet average daily requirements. Council then asked KLM to inspect the water tower and that report will be reviewed by the Utilities Commission. The charge for the Utilities Commission is to review and analyze all of the data and make a recommendation to the city council, hopefully by the November 13th city council meeting.

Carlson then explained how the water system works through the two city wells and the demand on the city's water system through the tower, ground reservoir and water treatment plant. He talked

about the ground storage and why it wasn't used. He also mentioned that there has been discussion about coordinating water services with the city of Orono.

4.1.1. KLM Water Tower Inspection Report and 4.1.2 Discuss Options

Berent explained that the discussion on the tower was also as a result of the most recent MN Department of Health (MDH) inspection which pointed out that the city was exceeding the average daily use during the summer. The report also identified other issues with the water tower. The reason the ground storage reservoir was inspected to determine what it would cost to put that storage reservoir back into service to meet the demand. City engineer Amundsen stated that it is not unusual to exceed the average daily use at times.

Berent explained what happens to the system when the city exceeds minimum requirements. He said the water tower was designed to meet the needs of residents before irrigation systems were in place and the homes were not year-round homes.

If the city chooses to rehab the elevated tower to maintain the historical tower, and the ground storage, the city would need to decide whether this was cost effective.

Commissioners discussed the MN Department of Health recommendations and whether the city could challenge the recommendations, however, Amundsen reminded commissioners that the components all have a life-span and each is nearing the end of that life span. Commissioners discussed the MDH involvement in the repair/replacement of the system components.

Amundsen had very preliminary conversations with Orono, and they should be able to meet the city's short-term needs, and possibly long-term needs but they will need to increase their capacity. Chair Carlson talked about the efficiencies utilizing Orono's water system if possible. The city (Berent, Amundsen, Griffin) is meeting with on the 17th so the Utilities Commission may meet again after that meeting. Understanding their level of participation could narrow down the options.

Commissioners discussed about various scenarios and options, including water rates and revenues from water rates, and the pros and cons of teaming up with Orono. Amundsen explained Orono's water systems and how other communities share these types of services. The city would need to consider any financial ramifications of buying water from Orono. There was discussion about including Spring Park in the discussions with Orono since Orono has supplied them with water for interim periods in the past.

Commissioners discussed the various treatment plant scenarios and options, long term and short term.

Carlson summarized the issues: Orono water with them doing storage, Orono with Minnetonka Beach doing storage, new or rehab water tower, ground reservoir and water treatment facility.

Members discussed variations of regional water systems and how other communities manage those systems.

4.1.2 – Discuss Options –

Amundsen explained the plant options in his memo. Abraham asked about costs, and Carlson agreed that costs associated with each option would be necessary to work through the options. Amundsen stated he wanted to narrow down the options before including estimated costs. They also discussed what would be the general number of years to determine the total cost of ownership, and the importance of the agreement when coordinated services with other cities.

Amundsen then reviewed the storage options. Carlson stated again the he would like to see cost estimates.

4.1.3 – Next Steps

Chair Carlson stated that there has been a study session planned for November 13th to discuss with Council the analysis that has been done to study the options. If after the meeting with Orono on October 17th there appears to be anything meaningful to discuss, another Utilities Commission can be scheduled prior to the study session. There may still be additional meetings needed to be able to make a recommendation to Council.

Chair Carlson asked Brian Berent about how he tests the water and whether the water from the tower is tested. Berent explained how the system is filtered and tested for chlorine, lead, etc. He also explained the various tests that are required by the Minnesota Department of Health and that the city has met safety levels in those tests. Carlson wanted to ensure that the rust indicated in the inspection reports wasn't getting into the water supply. Berent stated that rust in the tower isn't unusual and rust could possibly be in pipes as well, both city mains and resident service lines. Copper and lead tests are required by MDH throughout the city on a regular basis.

Carlson summarized that Utilities will get a report after the meeting with Orono and members should put November 13th at 6 pm on their calendars.

5. Liaison Report

Council Liaison Lindstrom also reminded members of the study session being held with city council on November 13th. She also stated that she would likely attend the meeting with Orono.

She reported that the Pavement Management study is underway, and a report will be presented at the October city council meeting, which will likely be referred to the Utilities Commission.

She reported that the preliminary design on 2019 Infrastructure projects is also underway. Amundsen also reported that he will be putting out plans and specs for replacing the Northview retaining wall to possible vendors.

6. Adjournment –

With no other business, Chair Carlson adjourned the meeting at 7:45 pm.

Minutes taken by City Administrator Griffin.

Others in attendance or that signed in: None

Unapproved
City of the Village of Minnetonka Beach
Utilities Commission Regular Meeting Minutes
October 24, 2018

1. Call to Order

Chair Carlson called the meeting to order at 6:00 p.m.

Chair acknowledged members present Utilities Commission Members Present: Chair Alan Carlson, Commissioners Santiago Abraham, Mike Lang, Jon Redmond, Bill Raisbeck, Kevin Decker, and Council Liaison Jaci Lindstrom. Absent: None.

City Staff present: Brian Berent, Public Works Director, Susanne Griffin City Administrator
City Engineer: Darren Amundsen, Stantec

2. **Approve Agenda –**
(Decker motion, Raisbeck second to approve agenda; All ayes.) Motion passed.

3. Oath of Office – Jon Redmond

4. Approval of Minutes – Meetings from October 4, 2018

(Decker motion, Abraham second to approve minutes of October 4, 2018; all ayes.)

5. **Old Business -** Referral from City Council – Water Treatment Plant and Storage Issues:

5.1 Report on Meeting with Orono - Chair Carlson asked Darren Amundsen to update members on the meeting with the city of Orono administrative and engineering staff.

Amundsen reported that the meeting with Orono went well. Orono is open to discussing options but were not in a position to say yes without more information and further exploration. He stated that the Orono water treatment plant has the capacity to provide water to Minnetonka Beach, but they need additional storage. Orono is short on storage by about 20,000 gallons short of the recommended guidelines, and they don't expect much growth in their system.

Amundsen explained that Minnetonka Beach needs 80,000 gallons and Orono would need 20,000 gallons in storage based on average daily needs. Orono doesn't have a site to build a new tower. Orono's water treatment plant softens the water. With the known water storage needs between Minnetonka Beach and Orono, a 100,000-gallon tower would meet those needs. Minnetonka Beach would need to decide on the value of keeping the existing tower.

City Administrator Griffin explained where the City grant process is at through the Minnesota Historical Society to place the city's tower on the Historic Register which would provide access to additional grant funds to rehab the existing tower. Specific denominations of funds would require a letter of agreement to maintain the historic property in a satisfactory manner. It is unknown exactly how much the city could receive in grant funds, but levels of funds require agreements for a specific number of years.

Chair Carlson challenged the idea that the city needs more capacity. Commission members discussed whether the capacity issue is a mandate or a recommendation and if a recommendation the city could operate with the existing tank if it were rehabbed. They discussed the Orono interconnect and that it is reciprocal. Members discussed the repercussions when the water goes below the average daily usage and if the pumps quit working. If a pump goes down the tower will take over until the problem can be resolved, and if longer, then the city could connect to Orono interconnect.

If we keep the tower, Orono would want to combine the average daily flow and determine needs based on that. Amundsen's sense is that Orono wants to keep within the guidelines.

The discussion centered around Minnetonka Beach vs working with Orono. Orono would likely want storage as part of agreement. Working with Orono would allow the city to not rehab the water plant otherwise the city would have to rehab the tower and the water plant.

They discussed the regional water system approach and opportunities for efficiencies and economies of scale. Amundsen stated that he doesn't anticipate a lot of excess storage from a regional sense since most communities are either at capacity and in some cases such as Minnetrista, they are still developing. Amundsen didn't believe Orono has the real estate to build a larger tower.

Council Liaison Lindstrom stated that from her notes from the Orono meeting, Orono had stated that there was value in volume and in the interconnects. Members discussed that Mound pumps well water and distributes it without a lot of water treatment. They discussed what other communities use the regional system which includes many communities around Minneapolis and St. Paul.

5.1.2 – Narrowing Down Options

Members discussed the options provided by city engineer Amundsen in his memo. They discussed what they were doing with the treatment plant short-term which was to correct the safety and security issues, and the city has two to three years for tower replacement according to the inspection report. The process for a new tower would take one to two years to complete.

Amundsen stated that if the existing tower is rehabbed then between 10-30 years it will have to be done again for same amount or more. If a new tower is built up front, it will last 20-30 years and not cost as much with regular maintenance.

Treasurer Howarth attending the meeting asked about cost benefit analysis information, specifically price maintenance sensitivity; i.e. all in cost, origination cost, cost of building, cost of financing, cost of maintenance, etc. Amundsen stated that Stantec can pull that information together, but there are a lot of assumptions in doing so such as the time period over which to calculate the financing.

Howarth stated that the Finance Committee is prepared to do the financial analysis on whatever the Utilities Commission recommends.

5.1.3 Next Steps

Carlson stated that there is a study session with the city council on November 13th to update Council on the analysis done to this point. If the health and safety issues have been taken care of at the treatment plant, there is time to study the storage issues. Orono will be starting discussions with other communities for a regional system in early December. Regardless of where that discussion ends up, Minnetonka Beach would like to continue discussions with Orono. In the meantime, it would be beneficial to confirm Orono's water storage standards/needs. Amundsen can get that clarification from Orono. Berent stated that Spring Park may need to be part of the conversation with Orono, even prior to regionalization. Treasurer Howarth stated that in terms of the Orono conversations, the longevity of the contract would be a very important issue for consistent cost and other factors. Storage requirements and contract longevity would be helpful information to obtain prior to study session with the city council.

As for the study session, Chair Carlson and Liaison Lindstrom can provide the necessary updates to council, but all members are welcome to attend.

Treasurer Howarth asked about 2019 budget implications for the Capital Program and whether any of the discussions about the water tower have identified any other costs for 2019 and Carlson stated that nothing new has been identified aside from the recommendations from the Utilities Commission regarding the water plant.

Council member Bartel asked about the likelihood of any serious issues happening with the water plant, tower, wells, etc. Berent was not willing to make a prediction but knows that it has been some time since wells were inspected or maintained. He could check with Ben Young, former public works director. He stated there is no back-up power supply to the wells, but then the interconnect would be opened which can provide water for a long time. He has had to repair a chlorine booster pump. Other pumps appear to be original to the plant.

Carlson clarified next steps which were:

- Continue to learn as much about Orono's needs/situation
- Gather data and/or refine financial estimates and life span of existing equipment

Raisbeck stated they need to whittle down the options, identify the non-starters.

Resident and Finance Committee member Davida Suiter asked about typical arrangements when sharing utilities. Amundsen stated it's usually:

- Who owns what
- Who maintains what
- Who pays for what
- Rate/cost reviews
- Term
- Cancellation

Members discussed whether they should weigh the options with financial considerations or not and Council Liaison Lindstrom stated that they should focus on functionality not financial issues. They still need financial data along with their functional recommendations.

Members discussed the following starting point:

1. Rehab tower
2. New tower – subparts depending on size and location
3. Ground tank rehab
4. Plant – plant plus storage option (no plant if Orono partnership)

They discussed other factors such as rates if Orono supplied water while a tower was being built, new site vs existing site, financial considerations, historical significance of tower. Carlson stated he thought many of the combinations were unnecessary. Abraham stated he thought they should assume the city wants to adhere to recommended storage amounts vs the minimum, particularly if that is the position Orono takes. He would like more data on whether other cities adhere to the recommended storage amounts. Redmond stated that the ground storage can be brought back online if necessary.

Ultimately, they eliminated building a new big tower if the ground storage is rehabbed. There was discussion on the historical significance of the tower, council has made no decision on the existing tower's historical significance as yet.

Treasurer Howarth sees the criteria for an ultimate decision by council as:

1. Does it meet recommended meet requirements?
2. Does it meet recommended safety standards?
3. Aesthetic, historic considerations
4. Financial analysis: Cost of ownership, longevity etc.

(Redmond motion, Lang second to recommend to the City Council to move forward with one on one discussions with Orono independent of a regional system. All ayes.) Motion passed.

(Redmond motion, Raisbeck second to recommend to council:

1) **Build a new tower**
2) **refurbish tower and or ground storage depending on Orono's requirements**
3) **rebuild plant**
4) **refurbish the plant**

All ayes.) Motion passed.

(Redmond motion, Raisbeck to recommend to the City Council that the City explore the following scenarios,

1) **Refurb existing tower (solo) 50,000**
2) **Build new tower – 75,000 (solo)**
3) **Build new tower - 100,000 (Orono capacity required)**
4) **Refurb ground storage if refurbished 50K tower (Orono capacity required)**
5) **Rebuild or refurbish plant (unless Orono treats water)**

This motion supersedes previous motion. All ayes.) Motion passed.

Amundsen would not recommend a ground storage only option because it needs pumps. He would only recommend refurbishing the ground storage if the city wanted to keep the old tower.

6. Liaison Report

Council Liaison Lindstrom reported that the city council affirmed all of the safety and security improvements at the water plant. A bid came in at $19,000, council asked for additional bids for November council meeting.

4. Adjournment –

Carlson reminded members of the 6 pm meeting with city council on November 13th. If there is any additional data receive before the meeting, it would be beneficial to provide that at the council session. It would be advantageous to understand the city council's stance on the existing water tower however it may be too soon to make that determination.

With no other business, Chair Carlson adjourned the meeting at 8:00pm.

Minutes taken by City Administrator Griffin.

Others in attendance or that signed in: Jill Bartel, Steve Howarth, Davida Suiter, and Andrew Myers

Stantec

Memo

To:	Utilities Committee	From:	Darren Amundsen
File:	193804200	Date:	October 1, 2018

Reference: Water Plant and Storage Options

Background

The utilities committee has been requested to explore future water treatment and storage options. We have generated a comprehensive list of options for the water treatment plant and storage facilities. The goal of the meeting will be to generally understand and eliminate as many options as possible. We certainly don't have all the information needed for every option listed and that is the reason to rate or quantify in general terms. Ultimately, the goal would be to narrow down the options for further study.

Water Usage

First, we examine how much water Minnetonka Beach uses on an annual basis. The average helps determine the storage capacity in the system. One day of storage is the standard. The maximum day helps set the water treatment plant capacity. The following table shows the average and maximum for 2011-2018. The timing and daily water usage numbers are shown on the next page and help understand the general water usage over the year.

Year	Average	Max
2011	73,000	219,000
2012	94,000	248,900
2013	81,000	237,400
2014	79,000	230,100
2015	75,000	202,000
2016	75,000	240,500
2017	73,000	203,800
2018, Jan – Aug	68,000	193,400

Storage and Treatment General Plant Options

There is one list of plant options and one list of storage options to somewhat simplify the tables. Note that only some plant options will work or make sense with specific storage options. Page 3 shows the plant options and page 4 shows the storage options. A meeting is scheduled with Orono to discuss potential water service during project construction and some of the listed options on October 17.

Stantec Consulting Services Inc.

Darren Amundsen
Principal

Phone: (651) 604-4894
Darren.Amundsen@stantec.com

10/4/2018 Utilities Committee Meeting

	Plant Options	Project Duratation	Initial Cost	On-going Cost	Temp Orono Water Duration	Life Expectancy	Notes/assumptions
P1	Maintain Plant	on-going	Low	High	Short	Short	Assumes fixing things as the break
P2	Rehab Plant w/o storage existing site	6-8 Months	Med	Low	Long	Med	Life expectancy could be driven by building, not treatment components
P3a	New Plant w/o storage existing site	8-12 Months	High	Low	Long	Long	Relies on Orono water supply availability
P3b	New Plant w/o storage new site	8-12 Months	High	Low	Short	Long	New site allows existing plant to remain online during construction
P4a	New Plant w/ storage existing site	8-12 Months	High	Low	Long	Long	Relies on Orono water supply availability
P4b	New Plant w/ storage new site	8-12 Months	High	Low	Short	Long	New site allows existing plant to remain online during construction
P5	No plant - Orono supply	3 months	High	?	NA	?	Assumes Orono upgrades their system supplies water for MB

Stantec Consulting Services Inc.
2335 Highway 36 West, St. Paul MN 55113

November 8, 2018

Honorable Mayor and City Council
City of The Village of Minnetonka Beach
2945 Westwood Rd
Minnetonka Beach, MN 55361

Re: Northview Road Retaining Wall Quotes
Project No. 193804200A
Quote Results

Dear Honorable Mayor and City Council:

Quotes were opened for the Project stated above on October 31, 2018. Transmitted herewith is a copy of the Quote Tabulation for your information and file. Copies will also be distributed to each Quoter once the Project has been awarded.

There was a total of 2 Quotes. The following summarizes the results of the Quotes received:

	Contractor	***Total Quote 2018 Construction***	***Total Quote 2019 Construction***
Low	Sam's Lawn Care, Inc.	No Quote	$87,668.50
#2	Sunram Construction, Inc.	$101,265.00	$94,115.00

The low Quoter on the Project was Sam's Lawn Care, Inc. with a Total Quote Amount of $87,668.50. These Quotes have been reviewed and found to be in order.

If the City Council wishes to award the Project to the low Quoter, then Sam's Lawn Care, Inc. should be awarded the Project on the **Total Base Quote Amount of $87,668.50 for 2019 construction or $94,115.00 for 2018 construction.**

Should you have any questions, please feel free to contact me at (651) 604-4894.

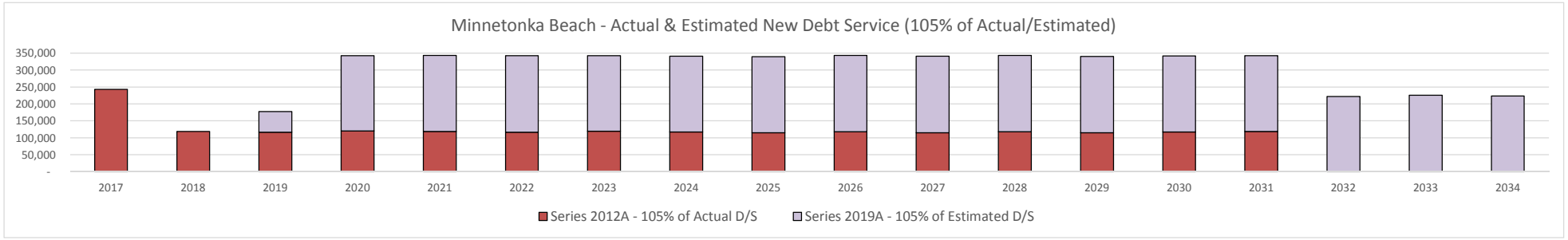
Sincerely,

Darren Amundsen, PE
Enclosure

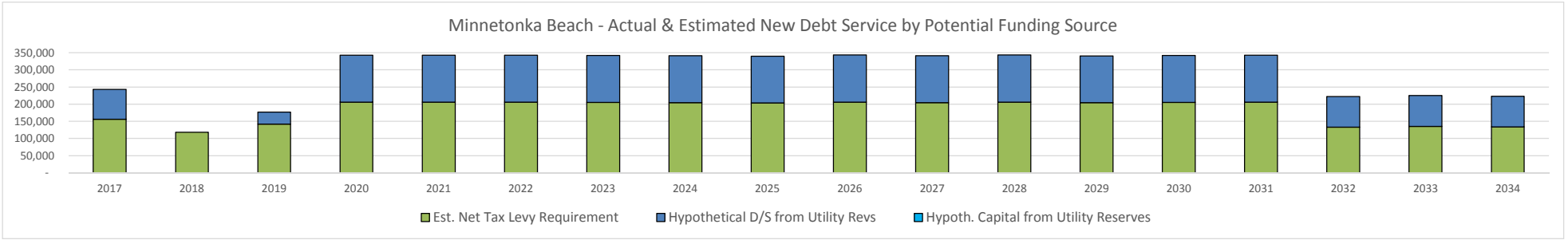
City of the Village of Minnetonka Beach - Projected Debt Profile with Series 2019 Bonds / Allocation of Debt Service between Property Taxes and Utility Revenues - May 14, 2018 City Council Meeting
Standard Assumption: Utility Revenues Pay 40% of Debt Service

Scenario 1: City issues proposed ballot question maximum $2,500,000 of Series 2019A Bonds to fund $2,423,000 of Project Costs

Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Bond Year ending:	2/1/18	2/1/19	2/1/20	2/1/21	2/1/22	2/1/23	2/1/24	2/1/25	2/1/26	2/1/27	2/1/28	2/1/29	2/1/30	2/1/31	2/1/32	2/1/33	2/1/34	2/1/35
Series 2012A - 105% of Actual D/S	243,238	118,393	116,713	120,283	118,498	116,490	119,732	117,369	115,007	117,894	115,201	117,758	114,923	117,023	118,965	-	-	-
Series 2019A - 105% of Estimated D/S	-	-	60,443	222,340	224,401	226,123	222,317	223,608	224,606	225,299	225,677	225,729	225,446	224,724	223,548	221,999	225,417	223,107
Total Debt Service Requirement	***243,238***	***118,393***	***177,155***	***342,623***	***342,899***	***342,612***	***342,048***	***340,977***	***339,612***	***343,193***	***340,877***	***343,487***	***340,368***	***341,746***	***342,513***	***221,999***	***225,417***	***223,107***



Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Debt Service Requirement	243,238	118,393	177,155	342,623	342,899	342,612	342,048	340,977	339,612	343,193	340,877	343,487	340,368	341,746	342,513	221,999	225,417	223,107
Hypothetical % from Utility Revenues	***36%***	***0%***	***20%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***
	Actual	*Actual*																
Hypothetical D/S from Utility Revs	87,566	-	35,431	137,049	137,159	137,045	136,819	136,391	135,845	137,277	136,351	137,395	136,147	136,698	137,005	88,800	90,167	89,243
	Actual	*Actual*																
Est. Net Tax Levy Requirement	155,672	118,393	141,724	205,574	205,739	205,567	205,229	204,586	203,767	205,916	204,526	206,092	204,221	205,048	205,508	133,199	135,250	133,864

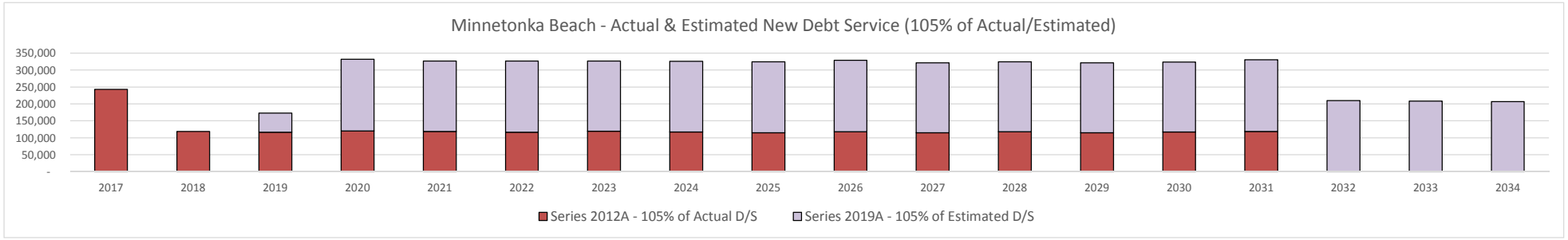


Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual	*Actual*																
Hypothetical D/S from Utility Revs	87,566	-	35,431	137,049	137,159	137,045	136,819	136,391	135,845	137,277	136,351	137,395	136,147	136,698	137,005	88,800	90,167	89,243
	n/a	*For 2019 Project Costs*																
Hypoth. Capital from Utility Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Utility Revenue Funding	***87,566***	***-***	***35,431***	***137,049***	***137,159***	***137,045***	***136,819***	***136,391***	***135,845***	***137,277***	***136,351***	***137,395***	***136,147***	***136,698***	***137,005***	***88,800***	***90,167***	***89,243***

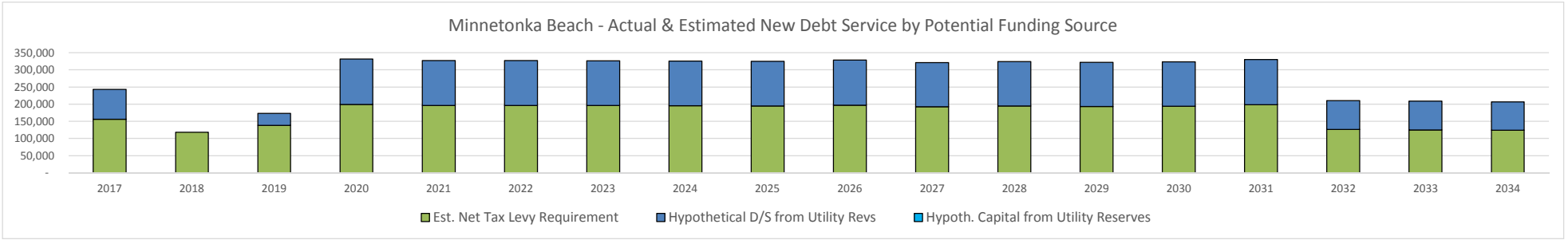
City of the Village of Minnetonka Beach - Projected Debt Profile with Series 2019 Bonds / Allocation of Debt Service between Property Taxes and Utility Revenues - May 14, 2018 City Council Meeting
Standard Assumption: Utility Revenues Pay 40% of Debt Service

Scenario 2: City uses $0 of reserves, issues $2,325,000 of Series 2019A Bonds to fund $2,250,000 of Project Costs

Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Bond Year ending:	2/1/18	2/1/19	2/1/20	2/1/21	2/1/22	2/1/23	2/1/24	2/1/25	2/1/26	2/1/27	2/1/28	2/1/29	2/1/30	2/1/31	2/1/32	2/1/33	2/1/34	2/1/35
Series 2012A - 105% of Actual D/S	243,238	118,393	116,713	120,283	118,498	116,490	119,732	117,369	115,007	117,894	115,201	117,758	114,923	117,023	118,965	-	-	-
Series 2019A - 105% of Estimated D/S	-	-	56,184	211,412	208,341	210,315	206,771	208,336	209,617	210,604	206,036	206,561	206,766	206,556	211,166	209,984	208,525	206,782
Total Debt Service Requirement	***243,238***	***118,393***	***172,897***	***331,695***	***326,839***	***326,805***	***326,503***	***325,705***	***324,623***	***328,498***	***321,237***	***324,319***	***321,689***	***323,579***	***330,131***	***209,984***	***208,525***	***206,782***



Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Debt Service Requirement	243,238	118,393	172,897	331,695	326,839	326,805	326,503	325,705	324,623	328,498	321,237	324,319	321,689	323,579	330,131	209,984	208,525	206,782
Hypothetical % from Utility Revenues	***36%***	***0%***	***20%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***
	Actual	*Actual*																
Hypothetical D/S from Utility Revs	87,566	-	34,579	132,678	130,736	130,722	130,601	130,282	129,849	131,399	128,495	129,728	128,675	129,431	132,052	83,994	83,410	82,713
	Actual	*Actual*																
Est. Net Tax Levy Requirement	155,672	118,393	138,318	199,017	196,103	196,083	195,902	195,423	194,774	197,099	192,742	194,591	193,013	194,147	198,078	125,991	125,115	124,069

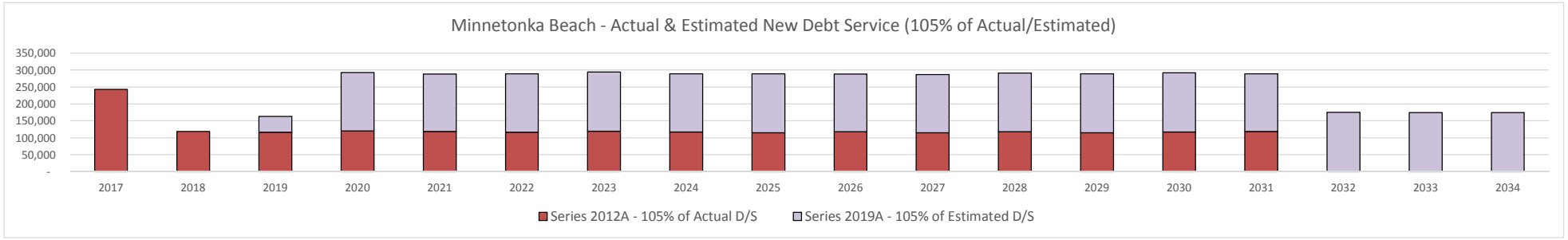


Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual	*Actual*																
Hypothetical D/S from Utility Revs	87,566	-	34,579	132,678	130,736	130,722	130,601	130,282	129,849	131,399	128,495	129,728	128,675	129,431	132,052	83,994	83,410	82,713
	n/a	*For 2019 Project Costs*																
Hypoth. Capital from Utility Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Utility Revenue Funding	***87,566***	***-***	***34,579***	***132,678***	***130,736***	***130,722***	***130,601***	***130,282***	***129,849***	***131,399***	***128,495***	***129,728***	***128,675***	***129,431***	***132,052***	***83,994***	***83,410***	***82,713***

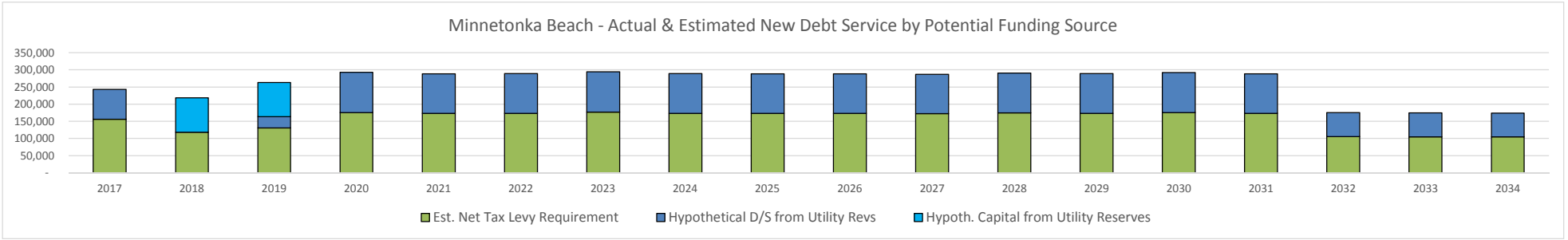
City of the Village of Minnetonka Beach - Projected Debt Profile with Series 2019 Bonds / Allocation of Debt Service between Property Taxes and Utility Revenues - May 14, 2018 City Council Meeting
Standard Assumption: Utility Revenues Pay 40% of Debt Service

Scenario 3: City uses $400,000 of reserves ($200,000 from General Fund; $200,000 from Utility Fund), issues $1,925,000 of Series 2019A Bonds to fund $2,250,000 of Project Costs

Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Bond Year ending:	2/1/18	2/1/19	2/1/20	2/1/21	2/1/22	2/1/23	2/1/24	2/1/25	2/1/26	2/1/27	2/1/28	2/1/29	2/1/30	2/1/31	2/1/32	2/1/33	2/1/34	2/1/35
Series 2012A - 105% of Actual D/S	243,238	118,393	116,713	120,283	118,498	116,490	119,732	117,369	115,007	117,894	115,201	117,758	114,923	117,023	118,965	-	-	-
Series 2019A - 105% of Estimated D/S	-	-	46,573	172,347	169,866	172,470	174,833	171,693	173,683	170,155	171,751	173,064	174,082	174,725	169,727	175,082	174,741	174,132
Total Debt Service Requirement	***243,238***	***118,393***	***163,286***	***292,630***	***288,364***	***288,960***	***294,564***	***289,062***	***288,690***	***288,049***	***286,952***	***290,821***	***289,005***	***291,748***	***288,692***	***175,082***	***174,741***	***174,132***



Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Debt Service Requirement	243,238	118,393	163,286	292,630	288,364	288,960	294,564	289,062	288,690	288,049	286,952	290,821	289,005	291,748	288,692	175,082	174,741	174,132
Hypothetical % from Utility Revenues	***36%***	***0%***	***20%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***	***40%***
	Actual	*Actual*																
Hypothetical D/S from Utility Revs	87,566	-	32,657	117,052	115,346	115,584	117,826	115,625	115,476	115,220	114,781	116,328	115,602	116,699	115,477	70,033	69,896	69,653
	Actual	*Actual*																
Est. Net Tax Levy Requirement	155,672	118,393	130,628	175,578	173,018	173,376	176,739	173,437	173,214	172,829	172,171	174,493	173,403	175,049	173,215	105,049	104,845	104,479



Fiscal / Tax Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual	*Actual*																
Hypothetical D/S from Utility Revs	87,566	-	32,657	117,052	115,346	115,584	117,826	115,625	115,476	115,220	114,781	116,328	115,602	116,699	115,477	70,033	69,896	69,653
	n/a	*For 2019 Project Costs*																
Hypoth. Capital from Utility Reserves	-	100,000	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Utility Revenue Funding	***87,566***	***100,000***	***132,657***	***117,052***	***115,346***	***115,584***	***117,826***	***115,625***	***115,476***	***115,220***	***114,781***	***116,328***	***115,602***	***116,699***	***115,477***	***70,033***	***69,896***	***69,653***

City of Minnetonka Beach, Minnesota

Scenario 1: $2,500,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - No Cash

Sources & Uses

Dated 05/01/2019 | Delivered 05/01/2019

Sources Of Funds

Par Amount of Bonds	$2,500,000.00
Total Sources	**$2,500,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	30,000.00
Costs of Issuance	47,000.00
Deposit to Project Fund	2,423,000.00
Total Uses	**$2,500,000.00**

EHLERS
LEADERS IN PUBLIC FINANCE

City of Minnetonka Beach, Minnesota

Scenario 1: $2,500,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - No Cash

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/01/2019	-	-	-	-	-
02/01/2020	-	-	57,564.38	57,564.38	57,564.38
08/01/2020	-	-	38,376.25	38,376.25	-
02/01/2021	135,000.00	2.250%	38,376.25	173,376.25	211,752.50
08/01/2021	-	-	36,857.50	36,857.50	-
02/01/2022	140,000.00	2.400%	36,857.50	176,857.50	213,715.00
08/01/2022	-	-	35,177.50	35,177.50	-
02/01/2023	145,000.00	2.500%	35,177.50	180,177.50	215,355.00
08/01/2023	-	-	33,365.00	33,365.00	-
02/01/2024	145,000.00	2.600%	33,365.00	178,365.00	211,730.00
08/01/2024	-	-	31,480.00	31,480.00	-
02/01/2025	150,000.00	2.700%	31,480.00	181,480.00	212,960.00
08/01/2025	-	-	29,455.00	29,455.00	-
02/01/2026	155,000.00	2.800%	29,455.00	184,455.00	213,910.00
08/01/2026	-	-	27,285.00	27,285.00	-
02/01/2027	160,000.00	2.900%	27,285.00	187,285.00	214,570.00
08/01/2027	-	-	24,965.00	24,965.00	-
02/01/2028	165,000.00	3.000%	24,965.00	189,965.00	214,930.00
08/01/2028	-	-	22,490.00	22,490.00	-
02/01/2029	170,000.00	3.100%	22,490.00	192,490.00	214,980.00
08/01/2029	-	-	19,855.00	19,855.00	-
02/01/2030	175,000.00	3.250%	19,855.00	194,855.00	214,710.00
08/01/2030	-	-	17,011.25	17,011.25	-
02/01/2031	180,000.00	3.400%	17,011.25	197,011.25	214,022.50
08/01/2031	-	-	13,951.25	13,951.25	-
02/01/2032	185,000.00	3.500%	13,951.25	198,951.25	212,902.50
08/01/2032	-	-	10,713.75	10,713.75	-
02/01/2033	190,000.00	3.550%	10,713.75	200,713.75	211,427.50
08/01/2033	-	-	7,341.25	7,341.25	-
02/01/2034	200,000.00	3.600%	7,341.25	207,341.25	214,682.50
08/01/2034	-	-	3,741.25	3,741.25	-
02/01/2035	205,000.00	3.650%	3,741.25	208,741.25	212,482.50
Total	**$2,500,000.00**	**-**	**$761,694.38**	**$3,261,694.38**	**-**

Yield Statistics

Bond Year Dollars	$23,250.00
Average Life	9.300 Years
Average Coupon	3.2761049%
Net Interest Cost (NIC)	3.4051371%
True Interest Cost (TIC)	3.4093578%
Bond Yield for Arbitrage Purposes	3.2541776%
All Inclusive Cost (AIC)	3.6577560%

IRS Form 8038

Net Interest Cost	3.2761049%
Weighted Average Maturity	9.300 Years

EHLERS
LEADERS IN PUBLIC FINANCE

City of Minnetonka Beach, Minnesota

Scenario 1: $2,500,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - No Cash

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2020	-	-	57,564.38	57,564.38	60,442.60
02/01/2021	135,000.00	2.250%	76,752.50	211,752.50	222,340.13
02/01/2022	140,000.00	2.400%	73,715.00	213,715.00	224,400.75
02/01/2023	145,000.00	2.500%	70,355.00	215,355.00	226,122.75
02/01/2024	145,000.00	2.600%	66,730.00	211,730.00	222,316.50
02/01/2025	150,000.00	2.700%	62,960.00	212,960.00	223,608.00
02/01/2026	155,000.00	2.800%	58,910.00	213,910.00	224,605.50
02/01/2027	160,000.00	2.900%	54,570.00	214,570.00	225,298.50
02/01/2028	165,000.00	3.000%	49,930.00	214,930.00	225,676.50
02/01/2029	170,000.00	3.100%	44,980.00	214,980.00	225,729.00
02/01/2030	175,000.00	3.250%	39,710.00	214,710.00	225,445.50
02/01/2031	180,000.00	3.400%	34,022.50	214,022.50	224,723.63
02/01/2032	185,000.00	3.500%	27,902.50	212,902.50	223,547.63
02/01/2033	190,000.00	3.550%	21,427.50	211,427.50	221,998.88
02/01/2034	200,000.00	3.600%	14,682.50	214,682.50	225,416.63
02/01/2035	205,000.00	3.650%	7,482.50	212,482.50	223,106.63
Total	**$2,500,000.00**	**-**	**$761,694.38**	**$3,261,694.38**	**$3,424,779.10**

Significant Dates

Dated	5/01/2019
First Coupon Date	2/01/2020

Yield Statistics

Bond Year Dollars	$23,250.00
Average Life	9.300 Years
Average Coupon	3.2761049%
Net Interest Cost (NIC)	3.4051371%
True Interest Cost (TIC)	3.4093578%
Bond Yield for Arbitrage Purposes	3.2541776%
All Inclusive Cost (AIC)	3.6577560%

IRS Form 8038

Net Interest Cost	3.2761049%
Weighted Average Maturity	9.300 Years

EHLERS
LEADERS IN PUBLIC FINANCE

City of Minnetonka Beach, Minnesota

Scenario 2: $2,325,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - No Cash

Sources & Uses

Dated 05/01/2019 | Delivered 05/01/2019

Sources Of Funds

Par Amount of Bonds	$2,325,000.00
Total Sources	**$2,325,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	27,900.00
Costs of Issuance	47,000.00
Deposit to Project Construction Fund	2,250,000.00
Rounding Amount	100.00
Total Uses	**$2,325,000.00**

City of Minnetonka Beach, Minnesota

Scenario 2: $2,325,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - No Cash

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/01/2019	-	-	-	-	-
02/01/2020	-	-	53,508.75	53,508.75	53,508.75
08/01/2020	-	-	35,672.50	35,672.50	-
02/01/2021	130,000.00	2.250%	35,672.50	165,672.50	201,345.00
08/01/2021	-	-	34,210.00	34,210.00	-
02/01/2022	130,000.00	2.400%	34,210.00	164,210.00	198,420.00
08/01/2022	-	-	32,650.00	32,650.00	-
02/01/2023	135,000.00	2.500%	32,650.00	167,650.00	200,300.00
08/01/2023	-	-	30,962.50	30,962.50	-
02/01/2024	135,000.00	2.600%	30,962.50	165,962.50	196,925.00
08/01/2024	-	-	29,207.50	29,207.50	-
02/01/2025	140,000.00	2.700%	29,207.50	169,207.50	198,415.00
08/01/2025	-	-	27,317.50	27,317.50	-
02/01/2026	145,000.00	2.800%	27,317.50	172,317.50	199,635.00
08/01/2026	-	-	25,287.50	25,287.50	-
02/01/2027	150,000.00	2.900%	25,287.50	175,287.50	200,575.00
08/01/2027	-	-	23,112.50	23,112.50	-
02/01/2028	150,000.00	3.000%	23,112.50	173,112.50	196,225.00
08/01/2028	-	-	20,862.50	20,862.50	-
02/01/2029	155,000.00	3.100%	20,862.50	175,862.50	196,725.00
08/01/2029	-	-	18,460.00	18,460.00	-
02/01/2030	160,000.00	3.250%	18,460.00	178,460.00	196,920.00
08/01/2030	-	-	15,860.00	15,860.00	-
02/01/2031	165,000.00	3.400%	15,860.00	180,860.00	196,720.00
08/01/2031	-	-	13,055.00	13,055.00	-
02/01/2032	175,000.00	3.500%	13,055.00	188,055.00	201,110.00
08/01/2032	-	-	9,992.50	9,992.50	-
02/01/2033	180,000.00	3.550%	9,992.50	189,992.50	199,985.00
08/01/2033	-	-	6,797.50	6,797.50	-
02/01/2034	185,000.00	3.600%	6,797.50	191,797.50	198,595.00
08/01/2034	-	-	3,467.50	3,467.50	-
02/01/2035	190,000.00	3.650%	3,467.50	193,467.50	196,935.00
Total	**$2,325,000.00**	**-**	**$707,338.75**	**$3,032,338.75**	**-**

Yield Statistics

Bond Year Dollars	$21,588.75
Average Life	9.285 Years
Average Coupon	3.2764229%
Net Interest Cost (NIC)	3.4056569%
True Interest Cost (TIC)	3.4098142%
Bond Yield for Arbitrage Purposes	3.2543893%
All Inclusive Cost (AIC)	3.6776085%

IRS Form 8038

Net Interest Cost	3.2764229%
Weighted Average Maturity	9.285 Years

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LEADERS IN PUBLIC FINANCE

City of Minnetonka Beach, Minnesota

Scenario 2: $2,325,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - No Cash

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2020	-	-	53,508.75	53,508.75	56,184.19
02/01/2021	130,000.00	2.250%	71,345.00	201,345.00	211,412.25
02/01/2022	130,000.00	2.400%	68,420.00	198,420.00	208,341.00
02/01/2023	135,000.00	2.500%	65,300.00	200,300.00	210,315.00
02/01/2024	135,000.00	2.600%	61,925.00	196,925.00	206,771.25
02/01/2025	140,000.00	2.700%	58,415.00	198,415.00	208,335.75
02/01/2026	145,000.00	2.800%	54,635.00	199,635.00	209,616.75
02/01/2027	150,000.00	2.900%	50,575.00	200,575.00	210,603.75
02/01/2028	150,000.00	3.000%	46,225.00	196,225.00	206,036.25
02/01/2029	155,000.00	3.100%	41,725.00	196,725.00	206,561.25
02/01/2030	160,000.00	3.250%	36,920.00	196,920.00	206,766.00
02/01/2031	165,000.00	3.400%	31,720.00	196,720.00	206,556.00
02/01/2032	175,000.00	3.500%	26,110.00	201,110.00	211,165.50
02/01/2033	180,000.00	3.550%	19,985.00	199,985.00	209,984.25
02/01/2034	185,000.00	3.600%	13,595.00	198,595.00	208,524.75
02/01/2035	190,000.00	3.650%	6,935.00	196,935.00	206,781.75
Total	**$2,325,000.00**	**-**	**$707,338.75**	**$3,032,338.75**	**$3,183,955.69**

Significant Dates

Dated	5/01/2019
First Coupon Date	2/01/2020

Yield Statistics

Bond Year Dollars	$21,588.75
Average Life	9.285 Years
Average Coupon	3.2764229%
Net Interest Cost (NIC)	3.4056569%
True Interest Cost (TIC)	3.4098142%
Bond Yield for Arbitrage Purposes	3.2543893%
All Inclusive Cost (AIC)	3.6776085%

IRS Form 8038

Net Interest Cost	3.2764229%
Weighted Average Maturity	9.285 Years

EHLERS
LEADERS IN PUBLIC FINANCE

City of Minnetonka Beach, Minnesota

Scenario 3: $1,925,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - $400K Cash

Sources & Uses

Dated 05/01/2019 | Delivered 05/01/2019

Sources Of Funds

Par Amount of Bonds	$1,925,000.00
Planned Issuer Equity contribution	400,000.00
Total Sources	**$2,325,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	23,100.00
Costs of Issuance	47,000.00
Deposit to Project Construction Fund	2,250,000.00
Rounding Amount	4,900.00
Total Uses	**$2,325,000.00**

City of Minnetonka Beach, Minnesota

Scenario 3: $1,925,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - $400K Cash

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/01/2019	-	-	-	-	-
02/01/2020	-	-	44,355.00	44,355.00	44,355.00
08/01/2020	-	-	29,570.00	29,570.00	-
02/01/2021	105,000.00	2.250%	29,570.00	134,570.00	164,140.00
08/01/2021	-	-	28,388.75	28,388.75	-
02/01/2022	105,000.00	2.400%	28,388.75	133,388.75	161,777.50
08/01/2022	-	-	27,128.75	27,128.75	-
02/01/2023	110,000.00	2.500%	27,128.75	137,128.75	164,257.50
08/01/2023	-	-	25,753.75	25,753.75	-
02/01/2024	115,000.00	2.600%	25,753.75	140,753.75	166,507.50
08/01/2024	-	-	24,258.75	24,258.75	-
02/01/2025	115,000.00	2.700%	24,258.75	139,258.75	163,517.50
08/01/2025	-	-	22,706.25	22,706.25	-
02/01/2026	120,000.00	2.800%	22,706.25	142,706.25	165,412.50
08/01/2026	-	-	21,026.25	21,026.25	-
02/01/2027	120,000.00	2.900%	21,026.25	141,026.25	162,052.50
08/01/2027	-	-	19,286.25	19,286.25	-
02/01/2028	125,000.00	3.000%	19,286.25	144,286.25	163,572.50
08/01/2028	-	-	17,411.25	17,411.25	-
02/01/2029	130,000.00	3.100%	17,411.25	147,411.25	164,822.50
08/01/2029	-	-	15,396.25	15,396.25	-
02/01/2030	135,000.00	3.250%	15,396.25	150,396.25	165,792.50
08/01/2030	-	-	13,202.50	13,202.50	-
02/01/2031	140,000.00	3.400%	13,202.50	153,202.50	166,405.00
08/01/2031	-	-	10,822.50	10,822.50	-
02/01/2032	140,000.00	3.500%	10,822.50	150,822.50	161,645.00
08/01/2032	-	-	8,372.50	8,372.50	-
02/01/2033	150,000.00	3.550%	8,372.50	158,372.50	166,745.00
08/01/2033	-	-	5,710.00	5,710.00	-
02/01/2034	155,000.00	3.600%	5,710.00	160,710.00	166,420.00
08/01/2034	-	-	2,920.00	2,920.00	-
02/01/2035	160,000.00	3.650%	2,920.00	162,920.00	165,840.00
Total	**$1,925,000.00**	**-**	**$588,262.50**	**$2,513,262.50**	**-**

Yield Statistics

Bond Year Dollars	$17,943.75
Average Life	9.321 Years
Average Coupon	3.2783699%
Net Interest Cost (NIC)	3.4071055%
True Interest Cost (TIC)	3.4113314%
Bond Yield for Arbitrage Purposes	3.2564340%
All Inclusive Cost (AIC)	3.7346262%

IRS Form 8038

Net Interest Cost	3.2783699%
Weighted Average Maturity	9.321 Years

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LEADERS IN PUBLIC FINANCE

City of Minnetonka Beach, Minnesota

Scenario 3: $1,925,000 General Obligation Bonds, Series 2019A
Assumes Current Market GO BQ AAA Rates + 50 Bpts
15 Years - $400K Cash

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2020	-	-	44,355.00	44,355.00	46,572.75
02/01/2021	105,000.00	2.250%	59,140.00	164,140.00	172,347.00
02/01/2022	105,000.00	2.400%	56,777.50	161,777.50	169,866.38
02/01/2023	110,000.00	2.500%	54,257.50	164,257.50	172,470.38
02/01/2024	115,000.00	2.600%	51,507.50	166,507.50	174,832.88
02/01/2025	115,000.00	2.700%	48,517.50	163,517.50	171,693.38
02/01/2026	120,000.00	2.800%	45,412.50	165,412.50	173,683.13
02/01/2027	120,000.00	2.900%	42,052.50	162,052.50	170,155.13
02/01/2028	125,000.00	3.000%	38,572.50	163,572.50	171,751.13
02/01/2029	130,000.00	3.100%	34,822.50	164,822.50	173,063.63
02/01/2030	135,000.00	3.250%	30,792.50	165,792.50	174,082.13
02/01/2031	140,000.00	3.400%	26,405.00	166,405.00	174,725.25
02/01/2032	140,000.00	3.500%	21,645.00	161,645.00	169,727.25
02/01/2033	150,000.00	3.550%	16,745.00	166,745.00	175,082.25
02/01/2034	155,000.00	3.600%	11,420.00	166,420.00	174,741.00
02/01/2035	160,000.00	3.650%	5,840.00	165,840.00	174,132.00
Total	**$1,925,000.00**	**-**	**$588,262.50**	**$2,513,262.50**	**$2,638,925.63**

Significant Dates

Dated	5/01/2019
First Coupon Date	2/01/2020

Yield Statistics

Bond Year Dollars	$17,943.75
Average Life	9.321 Years
Average Coupon	3.2783699%
Net Interest Cost (NIC)	3.4071055%
True Interest Cost (TIC)	3.4113314%
Bond Yield for Arbitrage Purposes	3.2564340%
All Inclusive Cost (AIC)	3.7346262%

IRS Form 8038

Net Interest Cost	3.2783699%
Weighted Average Maturity	9.321 Years

EHLERS
LEADERS IN PUBLIC FINANCE

CAPITAL IMPROVEMENT PROGRAM - 2019-2023

Planning Commission Recommended 6/25/2018, Council Adopted: 8/14/2018

	A	B	D	E	F	G	H	I	J	K	L
1		***Capital Improvement Program:***	**2019**	**2020**	**2021**	**2022**	**2023**	**Potential Funding Source**	**Recommended or Supported By**	**Comments/Explanation**	
2		**Parks & Facilities**									
3	1	EAB Treatment - A		8,000		8,000		Tax Levy	Park Commission	Standard treatment for EAB-possible grants funds available	
4	2	City Hall Maintenance- B		2,500				Tax Levy	Staff	~~Refinish floor in office and~~ update flooring in bathroom and kitchen	
5	3	Irrigation for City Hall grounds - B/C	5,000					Tax Levy	CM Lindstrom & Bartel, Staff, Park Comm	Only Liza Crear garden currentlly irrigatec. City hall grounds and other gardens need irrigation to grow grass and plants-updated quote 7.16.18	
6	5	Margaret Dahl Library Improvements - C	20,000					Tax Levy	CM Bartel, Park Commission	Library part of city's heritage and history, should be repaired and updated. Park Comm is investigating costs for improvements	
7	6	Update Playground equipment-City Hall - C		10,000				Tax Levy	CM Bartel	current equipment is outdated	
8	7	Enhancements to City Entrances - C	TBD	TBD					Civic	Add lighting to Welcome sign, add flower baskets to added poles, add flower pots to medians	
9		**Streets**									
10	1	Transportation Study-Phase 1 Construction Access Paths to Raised Median - A	45,000					Tax Levy/Grant/Reserves	Planning Commission, CM Myers, Civic	Construction Cost total is $45,000-Planning Comm recommends increase from $20K to $45K-DNR grant denied for $22,000 or half of construction cost	
11	2	Transportation Study-Engineering for Phase 2 Construction-Access Paths to Raised Median - B	5,000					Tax Levy/Grant/Reserves	Planning Commission, CM Myers	Could be partially funded with County aid funds	
12	3	Transportation Study-Phase 2 Construction Access Paths to Raised Median - B		50,000				Tax Levy/Grant/Reserves	Planning Commission, CM Myers	Construction cost for phase 2 of access paths	
13	4	Road Repairs based on outcome of Paving Management Study - A		TBD				Tax Levy/Bond	Civic/Utilities	Study authorized in 2018 and supported by Utilities Commission	
14	5	Speed Bumps - B	5,000					Tax Levy	Civic/Planning Commission	If additional funds are needed from 2018	
15		**Equipment:**									
16	1	SCADA alarm system (Water/Lift Stations) - A	40,000					Tax Levy or Water/Sewer Fund or Reserves	PW, supported by Utilities Comm, CM Myers	Upgrade alarm system to lift stations and water treatment facility to allow for quicker response to problems and alleviate potential sewer back ups	
17	2	Utility Vehicle - C		35,000				Tax Levy or Grants	PW, supported by Utilities Comm, CM Myers	Utility vehicle would create efficiencies in public works and park tasks	

CAPITAL IMPROVEMENT PROGRAM - 2019-2023
Planning Commission Recommended 6/25/2018, Council Adopted: 8/14/2018

	A	B	D	E	F	G	H	I	J	K	L
18	3	System for watering flowers around city - C		3,000				Tax Levy	CM Bartel	This could be done with utility vehicle	
19	4	Lift Station control panels - A/B	40,000					Tax Levy or Sewer Fund	PW, supported by Utilities Comm, CM Myers	Replace old electrical controls and components at each lift station-2 sites per year. Lafayette list station could be more expensive.	
20	5	Portable Generator - B/C		40,000				Tax Levy or Reserves	PW, supported by Utilities Comm, CM Myers	Replace current generator and rewire panels to conform to standard plug	
21	6	Wood Chipper B				50,000		Tax Levy	PW increased from $35K to $50K, supported by Utilities Comm	Replace current chipper for chipping brush	
22	7	Bobcat/Power Broom - B				48,000		Tax Levy	PW, supported by Utilities Comm	Equipment used for many PW tasks in city	
23	8	Mower - B					18,000	Tax Levy or lease	PW, supported by Utilities Comm	replacement of existing mower-consider leasing	
24		**Water Improvements:**									
25	1	Replace filter media			90,000			Water Fund, Reserves or Tax Lev	PW, supported by Utilities Comm, CM Myers	Filter media recommended to be replaced every 10-20 years	
26	2	Water Tower historic register study						Grants	CM Myers	Historic preservation designation	
27	3	Water Plant and Water Storage Upgrades	TBD					Reserves and/or Tax Levy	CM Myers	To meet Water Supply standards of use	
28	4	All remaining old water mains				TBD		Bond	CM Bartel	once complete all water mains would be updated	
29	5	Water meter head replacements - A/B			$6,750	7650	9720	Water fund or tax levy	staff	water meter registers are approaching the end of their 10 year full warranty period and into prorated warranty period. Replacing meter heads over time will provide new full warranties. Staff recommends replacement over 3 year period	
30	6	Meter reader - A			$2,675			Water fund or tax levy		Current meter reader is 10 years old and hardware is no longer supported or under maintenance.	
31	7	Data Logger (trimble) - A				3000		Water fund or tax levy		This devise collects data from meter heads to identify excessive water usage for residents. Current devise doesn't work on new heads.	
32	8	Water Plant upgrades from Health Dept Survey	44,000							UTILITIES COMMISSION RECOMMENDS-2018: $47,500/2019: 44,000	
33		TOTAL	204,000	148,500	99,425	116,650	27,720				**596,295**
34											
35											
36											

CAPITAL IMPROVEMENT PROGRAM - 2019-2023

Planning Commission Recommended 6/25/2018, Council Adopted: 8/14/2018

	A	B	D	E	F	G	H	I	J	K	L
37											

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through December 2018

	Jan - Dec 18	Budget	$ Over Budget	% of Budget
Income				
1000 · TAXES				
1010 · General Property Tax	623,665.75	864,873.72	-241,207.97	72.11%
1011 · Fiscal Disparities	1,182.22	2,799.00	-1,616.78	42.24%
1014 · Fiscal Disparities Debt Service	158.38	500.00	-341.62	31.68%
1030 · Bond & Interest	85,821.66	118,392.75	-32,571.09	72.49%
Total 1000 · TAXES	710,828.01	986,565.47	-275,737.46	72.05%
1100 · LICENSES & PERMITS				
1110 · Business				
1115 · Liquor Licenses	1,200.00	1,200.00	0.00	100.0%
Total 1110 · Business	1,200.00	1,200.00	0.00	100.0%
1120 · Non-Business				
1125 · Dock Permits	30,677.50	30,000.00	677.50	102.26%
1130 · Dog & Cat Licenses	171.00	160.00	11.00	106.88%
1140 · Bldg/Plbg/Mech/Variances	50,947.50	75,000.00	-24,052.50	67.93%
1150 · Leaf Pick-Up	7,023.40	7,000.00	23.40	100.33%
Total 1120 · Non-Business	88,819.40	112,160.00	-23,340.60	79.19%
Total 1100 · LICENSES & PERMITS	90,019.40	113,360.00	-23,340.60	79.41%
1200 · INTERGOVERNMENTAL REVENUE				
1210 · State Grants				
1230 · Other				
1245 · PERA AID	270.00	540.00	-270.00	50.0%
1230 · Other - Other	33,645.00	25,000.00	8,645.00	134.58%
Total 1230 · Other	33,915.00	25,540.00	8,375.00	132.79%
Total 1210 · State Grants	33,915.00	25,540.00	8,375.00	132.79%
1250 · Hennepin County Grants				
1260 · Road Aid	4,498.00	1,700.00	2,798.00	264.59%
1270 · Recycling	1,605.00	1,906.00	-301.00	84.21%
1280 · Other	333.00			
Total 1250 · Hennepin County Grants	6,436.00	3,606.00	2,830.00	178.48%
Total 1200 · INTERGOVERNMENTAL REVENUE	40,351.00	29,146.00	11,205.00	138.44%
1300 · CHARGES FOR SERVICES				
1310 · General Government				
1320 · U.S. Post Office	4,583.37	5,000.00	-416.63	91.67%
Total 1310 · General Government	4,583.37	5,000.00	-416.63	91.67%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through December 2018

	Jan - Dec 18	Budget	$ Over Budget	% of Budget
1330 · Garbage, Recycle, Refuse				
1335 · Garbage Receipts	62,390.02	60,398.00	1,992.02	103.3%
1337 · Recycling Proceeds	8,876.30	8,868.90	7.40	100.08%
Total 1330 · Garbage, Recycle, Refuse	71,266.32	69,266.90	1,999.42	102.89%
1370 · Fines & Forfeits	5,930.75	5,000.00	930.75	118.62%
Total 1300 · CHARGES FOR SERVICES	81,780.44	79,266.90	2,513.54	103.17%
1400 · MISCELLANEOUS RECEIPTS				
1410 · Interest Earnings - General Fun	17,324.53	12,000.00	5,324.53	144.37%
1416 · Interest Income CIP Reserve	338.77			
1420 · All Other				
1450 · Miscellaneous	2,997.24			
Total 1420 · All Other	2,997.24			
1460 · Misc Income Fees and Taxes				
1461 · General Rate Sales Tax	1,034.55	1,500.00	-465.45	68.97%
1462 · Garbage Tax	5,937.83	5,796.00	141.83	102.45%
1463 · Water Test Fee	1,426.43	1,462.00	-35.57	97.57%
Total 1460 · Misc Income Fees and Taxes	8,398.81	8,758.00	-359.19	95.9%
Total 1400 · MISCELLANEOUS RECEIPTS	29,059.35	20,758.00	8,301.35	139.99%
1500 · OTHER FINANCING SOURCES				
1510 · Enterprise Fund Transfers				
1520 · Water				
1521 · Water Base Fee	21,627.89	21,412.14	215.75	101.01%
1520 · Water - Other	83,950.44	81,207.67	2,742.77	103.38%
Total 1520 · Water	105,578.33	102,619.81	2,958.52	102.88%
1530 · Sewer	84,483.73	75,000.00	9,483.73	112.65%
1531 · Stormwater Utility Fee	14,026.90	13,800.00	226.90	101.64%
1540 · Penalty/Interest - Water	717.22	800.00	-82.78	89.65%
1550 · Penalty/Interest - Sewer	608.35	250.00	358.35	243.34%
Total 1510 · Enterprise Fund Transfers	205,414.53	192,469.81	12,944.72	106.73%
1560 · Orono Water Assessments	6,107.18	4,500.00	1,607.18	135.72%
Total 1500 · OTHER FINANCING SOURCES	211,521.71	196,969.81	14,551.90	107.39%
Total Income	1,163,559.91	1,426,066.18	-262,506.27	81.59%
Gross Profit	1,163,559.91	1,426,066.18	-262,506.27	81.59%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through December 2018

	Jan - Dec 18	Budget	$ Over Budget	% of Budget
Expense				
2000 · GENERAL GOVERNMENT				
2010 · Administration & Finance				
2015 · City Adminstrator	72,742.72	83,250.00	-10,507.28	87.38%
2020 · City Clerk	47,664.59	54,202.72	-6,538.13	87.94%
2025 · Unfunded Liability Account	0.00	5,000.00	-5,000.00	0.0%
2030 · Post Office & Part-Time	13,423.16	16,000.00	-2,576.84	83.9%
2040 · P/R Taxes & Benefits	33,353.52	40,000.00	-6,646.48	83.38%
Total 2010 · Administration & Finance	167,183.99	198,452.72	-31,268.73	84.24%
2050 · Other Government				
2060 · Legal Fees/Prosecution	19,606.24	50,000.00	-30,393.76	39.21%
2070 · Assessor	7,384.39	11,000.00	-3,615.61	67.13%
2080 · Zoning Administrator				
2081 · Comprehensive Plan	20,982.50	40,000.00	-19,017.50	52.46%
2080 · Zoning Administrator - Other	15,396.33	40,000.00	-24,603.67	38.49%
Total 2080 · Zoning Administrator	36,378.83	80,000.00	-43,621.17	45.47%
2090 · Banking/Invest. Expense	1,169.83	1,000.00	169.83	116.98%
2095 · Accounting & Audits	12,930.65	13,250.00	-319.35	97.59%
2100 · Office Expense	14,188.52	16,000.00	-1,811.48	88.68%
2103 · Computer and Systems Expenses	3,844.00	4,000.00	-156.00	96.1%
2110 · Telephone	2,019.14	3,500.00	-1,480.86	57.69%
2120 · Village Hall	13,613.28	11,930.00	1,683.28	114.11%
2130 · Election Costs	3,340.80	3,000.00	340.80	111.36%
2140 · Membership Dues	1,605.75	1,500.00	105.75	107.05%
2141 · Continuing Education	350.00	1,000.00	-650.00	35.0%
2150 · Reimbursable Expense	97.01	500.00	-402.99	19.4%
2160 · Miscellaneous	0.00	500.00	-500.00	0.0%
2170 · General Rate Sales Tax	1,103.00	1,500.00	-397.00	73.53%
Total 2050 · Other Government	117,631.44	198,680.00	-81,048.56	59.21%
Total 2000 · GENERAL GOVERNMENT	284,815.43	397,132.72	-112,317.29	71.72%
2205 · PUBLIC SAFETY				
2210 · Police				
2220 · Contractual Services	129,250.00	141,000.00	-11,750.00	91.67%
Total 2210 · Police	129,250.00	141,000.00	-11,750.00	91.67%
2240 · Fire				
2250 · Contractual Services	90,594.24	98,859.00	-8,264.76	91.64%
Total 2240 · Fire	90,594.24	98,859.00	-8,264.76	91.64%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through December 2018

	Jan - Dec 18	Budget	$ Over Budget	% of Budget
2270 · Other Protection				
2280 · Building Inspections				
2281 · Building Permit Fees	1,324.35	3,000.00	-1,675.65	44.15%
2280 · Building Inspections - Other	16,505.75	16,000.00	505.75	103.16%
Total 2280 · Building Inspections	17,830.10	19,000.00	-1,169.90	93.84%
2290 · Animal Control	0.00	100.00	-100.00	0.0%
2295 · Prisoner Room & Board	75.00	300.00	-225.00	25.0%
Total 2270 · Other Protection	17,905.10	19,400.00	-1,494.90	92.29%
Total 2205 · PUBLIC SAFETY	237,749.34	259,259.00	-21,509.66	91.7%
2300 · STREETS & HIGHWAYS				
2310 · Street Maint. & Sewers				
2320 · Supt./Staff Salaries	46,652.36	53,114.38	-6,462.02	87.83%
2321 · Part Time Wages/OT	4,512.11	5,000.00	-487.89	90.24%
2330 · Maint. P/R Taxes & Benefits	11,103.63	16,500.00	-5,396.37	67.3%
2340 · Roads & Parks Maint.				
2341 · Blacktop/Seal Coating	12,145.34	5,000.00	7,145.34	242.91%
2342 · Salt/Sand/Dirt/Rock	1,364.31	2,000.00	-635.69	68.22%
2343 · Fuel	5,378.82	6,000.00	-621.18	89.65%
2344 · Communications	1,346.27	1,600.00	-253.73	84.14%
2345 · Street Sweeping	1,709.00	2,500.00	-791.00	68.36%
2346 · Park Operation	2,631.54	5,000.00	-2,368.46	52.63%
2347 · Repairs, Shop Parts	4,403.13	5,000.00	-596.87	88.06%
2348 · Equip Rental	64.80	1,900.00	-1,835.20	3.41%
2349 · Signage	201.40	500.00	-298.60	40.28%
2350 · 2350 - Dues/Fees/Training	2,521.45	1,500.00	1,021.45	168.1%
2351 · Emerg. Siren/Exting.	553.50	525.00	28.50	105.43%
2353 · Gopher State/Other	413.95	600.00	-186.05	68.99%
2355 · Equip Repair	3,098.98	3,000.00	98.98	103.3%
2356 · Tools	60.27	500.00	-439.73	12.05%
2358 · Tree Removal	800.00	1,000.00	-200.00	80.0%
2359 · Orono On Call	1,241.20	1,000.00	241.20	124.12%
2360 · Street Lights	7,712.74	9,000.00	-1,287.26	85.7%
2361 · Leaf Pick up	100.00	6,000.00	-5,900.00	1.67%
Total 2340 · Roads & Parks Maint.	45,746.70	52,625.00	-6,878.30	86.93%
Total 2310 · Street Maint. & Sewers	108,014.80	127,239.38	-19,224.58	84.89%
Total 2300 · STREETS & HIGHWAYS	108,014.80	127,239.38	-19,224.58	84.89%
2400 · REFUSE & WASTE REMOVAL				

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through December 2018

	Jan - Dec 18	Budget	$ Over Budget	% of Budget
2410 · Rubbish Removal	55,878.70	60,000.00	-4,121.30	93.13%
2411 · Solid Waste Management Tax	5,530.66	6,000.00	-469.34	92.18%
2420 · Recycling	8,176.50	8,942.40	-765.90	91.44%
Total 2400 · REFUSE & WASTE REMOVAL	69,585.86	74,942.40	-5,356.54	92.85%
2500 · CULTURE & RECREATION				
2510 · Parks & Recreation				
2520 · Current Expenditures				
2523 · Park Commission				
2524 · Tree and Forest Maintenace	7,571.15	13,000.00	-5,428.85	58.24%
2525 · General Landscape Maintenance	5,728.88	9,175.00	-3,446.12	62.44%
2527 · Ray Peters Park	817.24	1,900.00	-1,082.76	43.01%
2528 · Beach Park / Project	2,929.91	5,750.00	-2,820.09	50.96%
Total 2523 · Park Commission	17,047.18	29,825.00	-12,777.82	57.16%
2530 · Lakes and Docks				
2531 · LMCD Annual Fee	6,647.00	6,647.00	0.00	100.0%
2532 · LMCD Application fees	171.25	1,500.00	-1,328.75	11.42%
2533 · Dock Supplies	1,870.00	500.00	1,370.00	374.0%
Total 2530 · Lakes and Docks	8,688.25	8,647.00	41.25	100.48%
2540 · Community Education	61.06	400.00	-338.94	15.27%
2550 · Civic Committee	100.35			
Total 2520 · Current Expenditures	25,896.84	38,872.00	-12,975.16	66.62%
Total 2510 · Parks & Recreation	25,896.84	38,872.00	-12,975.16	66.62%
Total 2500 · CULTURE & RECREATION	25,896.84	38,872.00	-12,975.16	66.62%
2600 · MISCELLANEOUS EXPENDITURE				
2610 · Insurance	18,153.00	22,000.00	-3,847.00	82.51%
Total 2600 · MISCELLANEOUS EXPENDITURE	18,153.00	22,000.00	-3,847.00	82.51%
2700 · OTHER FINANCING USES				
2710 · Enterprise Fund Transfers				
2715 · Water				
2716 · FT Wages - Water	8,747.27	9,958.95	-1,211.68	87.83%
2717 · Water Billing	1,677.88	1,853.53	-175.65	90.52%
2718 · PR Taxes & Benefits - Water	2,310.65	2,700.00	-389.35	85.58%
2719 · Engineering Studies	28,474.50	15,000.00	13,474.50	189.83%
2720 · Water Test Fee	698.00	1,462.00	-764.00	47.74%
2721 · Water Meter Supplies	792.66	1,000.00	-207.34	79.27%
2722 · Supplies	1,882.88	2,000.00	-117.12	94.14%
2725 · Plant Operation	27,552.71	11,000.00	16,552.71	250.48%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through December 2018

	Jan - Dec 18	Budget	$ Over Budget	% of Budget
2726 · Repairs/TV	17,992.03	7,500.00	10,492.03	239.89%
2727 · Dues/Fees/Training	2,406.50	3,000.00	-593.50	80.22%
2728 · Orono Water	4,699.12	4,500.00	199.12	104.43%
2729 · Plant Maint.	1,968.75	1,000.00	968.75	196.88%
Total 2715 · Water	99,202.95	60,974.48	38,228.47	162.7%
2730 · Sewer				
2731 · FT Wages - Sewer	2,917.67	3,319.65	-401.98	87.89%
2732 · Sewer Billing	1,677.86	1,853.53	-175.67	90.52%
2733 · PR Taxes & Benefits - Sewer	920.79	1,100.00	-179.21	83.71%
2735 · MCES (Sludge Removal)	50,368.08	50,368.02	0.06	100.0%
2737 · Repairs Sanitary Sewer	720.00	2,000.00	-1,280.00	36.0%
2738 · Lift Stations 1-4	2,573.47	7,000.00	-4,426.53	36.76%
2739 · Televising Lines	0.00	1,000.00	-1,000.00	0.0%
2740 · Storm Sewer Repairs	3,335.56	1,000.00	2,335.56	333.56%
Total 2730 · Sewer	62,513.43	67,641.20	-5,127.77	92.42%
Total 2710 · Enterprise Fund Transfers	161,716.38	128,615.68	33,100.70	125.74%
Total 2700 · OTHER FINANCING USES	161,716.38	128,615.68	33,100.70	125.74%
2800 · DEBT SERVICE FUNDS				
2801 · GO Bonds, Series 2002A				
2805 · Bond Principal pmts	195,000.00	195,000.00	0.00	100.0%
2806 · Bond interest pmts	34,705.00	34,705.00	0.00	100.0%
2807 · Fiscal Charges	450.00	500.00	-50.00	90.0%
Total 2801 · GO Bonds, Series 2002A	230,155.00	230,205.00	-50.00	99.98%
2810 · Bond Issuance Costs	750.00			
Total 2800 · DEBT SERVICE FUNDS	230,905.00	230,205.00	700.00	100.3%
2900 · CAPITAL PROJECT FUNDS				
2901 · 2002 Water/PWF projects				
2950 · Capital Reserve	0.00	10,000.00	-10,000.00	0.0%
Total 2901 · 2002 Water/PWF projects	0.00	10,000.00	-10,000.00	0.0%
2960 · Capital Improvement Program	53,766.36	137,800.00	-84,033.64	39.02%
Total 2900 · CAPITAL PROJECT FUNDS	53,766.36	147,800.00	-94,033.64	36.38%
2999 · Revenue/Expense Received in PY	25,000.00			
Total Expense	1,215,603.01	1,426,066.18	-210,463.17	85.24%
Net Income	**-52,043.10**	**0.00**	**-52,043.10**	**100.0%**

CITY OF MTKA BEACH
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4M FUND
LEAGUE OF MINNESOTA CITIES
MINNESOTA MUNICIPAL MONEY MARKET FUND

4M FUND Monthly Statement

Statement for the Account of:
CITY OF MINNETONKA BEACH

(35117-101) GENERAL FUND

Statement Period
Oct 1, 2018 to Oct 31, 2018

ACTIVITY SUMMARY

INVESTMENT POOL SUMMARY	4M	4MP
Beginning Balance	**$913,881.73**	**$1.19**
Dividends	$1,387.73	$0.00
Credits	$0.00	$0.00
Checks Paid	($67,000.00)	$0.00
Other Debits	$0.00	$0.00
Ending Balance	**$848,269.46**	**$1.19**
Average Monthly Rate	1.89%	1.96%

PLEASE NOTE: THE FUND WILL BE CLOSED NOVEMBER 12TH AND NOVEMBER 22ND IN OBSERVANCE OF THE VETERANS DAY AND THANKSGIVING DAY HOLIDAYS

TOTAL 4M AND 4M PLUS	**$848,270.65**
TOTAL FIXED INCOME	**$0.00**
ACCOUNT TOTAL	**$848,270.65**

CITY OF MINNETONKA BEACH
Steve Howarth
P.O. Box 146
2945 Westwood Rd
Minnetonka Beach, MN 55361

CITY OF MINNETONKA BEACH

Statement Period
Oct 1, 2018 to Oct 31, 2018

TRANSACTION ACTIVITY

BEGINNING BALANCE **$913,881.73**

4M

Transaction	Trade Date	Settle Date	Description	Redemption/Debit	Purchase/Credit	Share Price	Shares this Transaction	
1411770	10/10/18	10/11/18	US Bank Checks Paid Redemption	($67,000.00)		$1.00	(67,000.000)	
1419842	10/31/18	10/31/18	Dividend Reinvest		$1,387.73	$1.00	1,387.730	
			TOTALS FOR PERIOD	**($67,000.00)**	**$1,387.73**		**(65,612.270)**	
			ENDING BALANCE					**$848,269.46**

CITY OF MINNETONKA BEACH

Statement Period
Oct 1, 2018 to Oct 31, 2018

CURRENT PORTFOLIO

Type	Code	Holding ID	Trade	Settle	Maturity	Description	Cost	Rate	Face/Par	Market Value
4M				10/31/18		4M Account Balance	$848,269.46	1.890%	$848,269.46	$848,269.46
4MP				10/31/18		4MP Account Balance	$1.19	1.960%	$1.19	$1.19
						Totals for Period:	**$848,270.65**		**$848,270.65**	**$848,270.65**

Weighted Average Portfolio Yield: 0.000 %

Weighted Average Portfolio Maturity: 0.00 Days

Portfolio Summary:

Type	Allocation (%)	Allocation ($)	Description
4M	100.00%	$848,269.46	4M
4MP	0.00%	$1.19	4M Plus

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated using "Market Value" and are only based on the fixed rate investments (excluding SDA investments).

"Cost" is comprised of the total amount you paid for the investment including any fees and commissions.
"Rate" is the Net Yield to Maturity.
"Face/Par" is the amount received at maturity.
"Market Value" reflects the market value as reported by an independent third-party pricing service. Certificates of Deposit and Commercial Paper and other assets for which market pricing is not readily available from a third-party pricing service are listed at "Cost".

About Your Account and Statement

4M and 4M Plus Activity
This section shows all of the activity in the 4M and 4M Plus shares. The Average Rate represents the average net interest rate over the previous month which is then annualized. Income Summary represents the interest earned for the Month and Fiscal Year to Date.

Information regarding the 4M Fund investment objectives, risks, charges and expenses can be found in the 4M Fund Information Statement, which can be obtained at www.4MFund.com or by calling PMA at the phone number listed.

An investment in 4M and 4M Plus is not insured or guaranteed by the FDIC or any other governmental agency. Although the 4M and 4M Plus seek to maintain a stable value of $1.00 per share, it is possible to lose money by investing in the 4M and 4M Plus.

Securities and municipal advisory brokerage services (investments purchased with proceeds from a municipal securities issuance), and investments cleared through our clearing firm, Pershing LLC, are offered through PMA Securities, Inc., a broker-dealer and municipal advisor registered with the SEC and MSRB, and a member of FINRA and SIPC. All other products and brokerage services are generally provided by PMA Financial Network, Inc. Thus, certificates of deposit ("CD"), savings deposit accounts ("SDA") and commercial paper ("CP") may be executed through either PMA entity, as applicable, depending on whether the investment was purchased with proceeds derived from municipal securities. PMA Securities, Inc. and PMA Financial Network, Inc. are operated under common ownership and are affiliated with Prudent Man Advisors, Inc.

Fixed Rate Investment Activity
This section shows all of the fixed term investments purchased and sold, maturities, interest received, and activity. This will include all CD, SDA, CP, securities and money market funds purchased through PMA Financial Network, Inc. or PMA Securities, Inc. as applicable. It also shows the approximate market value of each security whose price is obtained from an independent source believed to be reliable. However, PMA cannot guarantee their accuracy. This data is provided for informational purposes only. Listed values should not be interpreted as an offer to buy or sell at a specific price. CD's and CP are listed at their original cost. Redemption of a CD prior to maturity may result in early withdrawal penalties. Market values are based on the last day of the month for which this report date range is ending. If the run date of this report is prior to the end of the current month, the market values are listed as equivalent to the cost values.

Money Market Fund
The Rate shown for the money market fund represents the average net interest rate over the previous month which is then annualized. Information regarding the money market fund's investment objectives, risks, charges and expenses can be found in the money market fund's prospectus, which can be obtained by calling PMA at the phone numbers listed. The performance data featured represents past performance, which is no guarantee of future results. Investment returns will fluctuate. Current performance may be higher or lower than the performance data quoted. Please call PMA for the most recent performance figures.

The performance data featured represents past performance, which is no guarantee of future results. Investment returns will fluctuate. Current performance may be higher or lower than the performance data quoted. Please call PMA for the most recent performance figures.

Additional Disclosures
All funds, and/or securities are located and safe kept in an account under the client's name at their custodial bank. Any certificates of deposit listed are located in the client's name at the respective bank. Any money market fund shares are held directly with the money market fund. It is recommended that any oral communications be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act.

Debt Securities
Some debt securities are subject to redemption prior to maturity. In the event of a partial or whole call of a security, the securities call will be automatically selected on a random basis as is customary in the securities industry. The probability that your securities will be selected is proportional to the amount of your holdings relative to the total holdings. Redemption prior to maturity could affect the yield represented. Additional information is available upon request.

A financial statement of PMA Securities, Inc. is available for inspection at its office or a copy will be mailed to you upon written request.

PLEASE ADVISE PMA AND OUR CLEARING FIRM, PERSHING LLC, IMMEDIATELY OF ANY INACCURACY OR DISCREPANCY ON YOUR STATEMENT. FOR A CHANGE OF ADDRESS OR QUESTIONS REGARDING YOUR ACCOUNT, PLEASE NOTIFY YOUR PMA REPRESENTATIVE. ANY ORAL COMMUNICATIONS SHOULD BE RE-CONFIRMED IN WRITING.

How to Contact PMA
Please call (630) 657-6400 or write to us at PMA, 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563.

How to Contact Pershing, LLC
Please call (201) 413-3330 or write to Pershing, LLC, One Pershing Plaza, Jersey City, New Jersey, 07399

In accordance with FINRA Rule 2267, PMA Securities, Inc. is providing the following information in the event you wish to contact FINRA. You may call (301) 590-6500 or write to FINRA at 1735 K Street NW, Washington, D.C. 20006-1500. In addition to the public disclosure number (800) 289-9999, FINRA provides an investor brochure which describes their Public Disclosure Program. Additional information is also available at www.finra.org.

4M FUND
LEAGUE OF MINNESOTA CITIES
MINNESOTA MUNICIPAL MONEY MARKET FUND

4M FUND Monthly Statement

Statement for the Account of:
CITY OF MINNETONKA BEACH

(35117-102) CAPITAL IMPROVEMENT FUND

Statement Period
Oct 1, 2018 to Oct 31, 2018

ACTIVITY SUMMARY

INVESTMENT POOL SUMMARY	4M	4MP
Beginning Balance	**$31,451.08**	**$0.00**
Dividends	$50.39	$0.00
Credits	$0.00	$0.00
Checks Paid	$0.00	$0.00
Other Debits	$0.00	$0.00
Ending Balance	**$31,501.47**	**$0.00**
Average Monthly Rate	1.89%	1.96%

PLEASE NOTE: THE FUND WILL BE CLOSED NOVEMBER 12TH AND NOVEMBER 22ND IN OBSERVANCE OF THE VETERANS DAY AND THANKSGIVING DAY HOLIDAYS

TOTAL 4M AND 4M PLUS	**$31,501.47**
TOTAL FIXED INCOME	**$0.00**
ACCOUNT TOTAL	**$31,501.47**

CITY OF MINNETONKA BEACH
Steve Howarth
P.O. Box 146
2945 Westwood Rd
Minnetonka Beach, MN 55361

CITY OF MINNETONKA BEACH

Statement Period
Oct 1, 2018 to Oct 31, 2018

TRANSACTION ACTIVITY

BEGINNING BALANCE **$31,451.08**

4M Transaction	Trade Date	Settle Date	Description		Redemption/Debit	Purchase/Credit	Share Price	Shares this Transaction	
1420037	10/31/18	10/31/18	Dividend Reinvest			$50.39	$1.00	50.390	
				TOTALS FOR PERIOD	**0.00**	**$50.39**		**50.390**	
				ENDING BALANCE					**$31,501.47**

CITY OF MINNETONKA BEACH

Statement Period
Oct 1, 2018 to Oct 31, 2018

CURRENT PORTFOLIO

Type	Code	Holding ID	Trade	Settle	Maturity	Description	Cost	Rate	Face/Par	Market Value
4M				10/31/18		4M Account Balance	$31,501.47	1.890%	$31,501.47	$31,501.47
						Totals for Period:	**$31,501.47**		**$31,501.47**	**$31,501.47**

Weighted Average Portfolio Yield: 0.000 %

Weighted Average Portfolio Maturity: 0.00 Days

Portfolio Summary:

Type	Allocation (%)	Allocation ($)	Description
4M	100.00%	$31,501.47	4M

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated using "Market Value" and are only based on the fixed rate investments (excluding SDA investments).

"Cost" is comprised of the total amount you paid for the investment including any fees and commissions.
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About Your Account and Statement

4M and 4M Plus Activity
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Information regarding the 4M Fund investment objectives, risks, charges and expenses can be found in the 4M Fund Information Statement, which can be obtained at www.4MFund.com or by calling PMA at the phone number listed.

An investment in 4M and 4M Plus is not insured or guaranteed by the FDIC or any other governmental agency. Although the 4M and 4M Plus seek to maintain a stable value of $1.00 per share, it is possible to lose money by investing in the 4M and 4M Plus.

Securities and municipal advisory brokerage services (investments purchased with proceeds from a municipal securities issuance), and investments cleared through our clearing firm, Pershing LLC, are offered through PMA Securities, Inc., a broker-dealer and municipal advisor registered with the SEC and MSRB, and a member of FINRA and SIPC. All other products and brokerage services are generally provided by PMA Financial Network, Inc. Thus, certificates of deposit ("CD"), savings deposit accounts ("SDA") and commercial paper ("CP") may be executed through either PMA entity, as applicable, depending on whether the investment was purchased with proceeds derived from municipal securities. PMA Securities, Inc. and PMA Financial Network, Inc. are operated under common ownership and are affiliated with Prudent Man Advisors, Inc.

Fixed Rate Investment Activity
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4M FUND
LEAGUE OF MINNESOTA CITIES
MINNESOTA MUNICIPAL MONEY MARKET FUND

CITY OF MINNETONKA BEACH

MONTHLY ACTIVITY SUMMARY

Statement Period
Oct 1, 2018 to Oct 31, 2018

4M & 4M Plus	Beginning Balance	Contributions	Interest	Checks Paid	Other Withdrawals	Month End Balance
35117-101 4M GENERAL FUND	$913,881.73	$0.00	$1,387.73	$67,000.00	$0.00	$848,269.46
35117-101 4MP GENERAL FUND	$1.19	$0.00	$0.00	$0.00	$0.00	$1.19
35117-102 4M CAPITAL IMPROVEMENT FUND	$31,451.08	$0.00	$50.39	$0.00	$0.00	$31,501.47
35117-102 4MP CAPITAL IMPROVEMENT FUND	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	$945,334.00	$0.00	$1,438.12	$67,000.00	$0.00	$879,772.12

MONTHLY STATEMENT

Reporting Period: **October 1 - 31, 2018**

INSURED DEPOSIT ACCOUNT ACTIVITY

Transaction Date	Settlement Date	Transaction	Description	Amount	Balance
Opening Balance					**$263.30**
10/09	10/09	Delivered	FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC REDEMPTION FDIC INSURED DEPOSIT ACCOUNT	$(86.11)	177.19
10/19	10/19	Received	FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC PURCHASE FDIC INSURED DEPOSIT ACCOUNT	185.84	363.03
10/31	10/31	Received	INTEREST: INSURED DEPOSIT ACCOUNT BANK NA	0.02	363.05
Closing Balance					**$363.05**
TD Bank NA				**$363.05**	

FDIC Insured Deposit Account (IDA) *balances reflected in your brokerage account are FDIC-insured up to applicable limits and held by one or more banks ("Program Banks"). Two of the Program Banks are TD Bank, N.A. and TD Bank USA, N.A., both affiliates of TD Ameritrade. The IDA balances are not covered by the Securities Investor Protection Corporation (SIPC) protection applicable to your brokerage account.*

****** THANK YOU FOR CHOOSING TD AMERITRADE INSTITUTIONAL - END OF STATEMENT ******

Account 939-632155
CITY OF MINNETONKA BEACH
ATTN: MIKE TAYLOR
CORPORATION

MONTHLY STATEMENT

Reporting Period: **October 1 - 31, 2018**

TRANSACTIONS DETAIL

Transaction Date	Settlement Date	Activity Type	Description	Symbol/ CUSIP	Quantity	Price	Transaction Amount
10/08	10/08	Other Income or Expense	MONTHLY MGMT FEE EHLERS INVESTMENT PARTNERS 9396321551	-	-	$ -	$(86.11)
10/19	10/19	Dividends and Interest	WELLS FARGO BANK NA CD MTHLY 1.7% 07/19/2019 PAYABLE: 10/19/2018 TAXABLE INT CREDITED 185.84	949763JM9	-	-	185.84
10/31	10/31	Dividends and Interest	FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC ON .02 SHARES INTEREST: INSURED DEPOSIT ACCOUNT BANK NA PAYABLE: 10/31/2018 INSURED DEPOSIT ACCOUNT INTEREST 0.02	MMDA12	0.02	-	0.02

INSURED DEPOSIT ACCOUNT TD AMERITRADE INTEREST CREDIT/EXPENSE

Begin Date	Balance	Number of Days	Interest Rate	Interest Accrued	MTD Accrued	MTD Paid
10/01	$263.30	4	0.0800	$-	$-	$ -
10/05	263.30	4	0.0900	-	-	-
10/09	177.19	10	0.0900	0.01	0.01	-
10/19	363.03	13	0.0900	0.01	0.02	0.02
TOTAL INTEREST INCOME						**$0.02**

MONTHLY STATEMENT

Reporting Period: **October 1 - 31, 2018**

HOLDINGS DETAIL

CASH AND CASH ALTERNATIVES

Investment Description	Quantity	Price	Market Value
FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC	-	$ -	$363.05
TOTAL CASH & CASH ALTERNATIVES			**$363.05**

FIXED INCOME

Investment Description	Symbol/ CUSIP	Quantity	Closing Price	Market Value
CAPITAL ONE NA CD 2.05% 07/19/2021	14042RGK1	134	$97.16	$130,194.40
GOLDMAN SACHS BK USA NY CD 1.85% 07/20/2020	38148PLN5	133	98.208	130,616.64
HSBC BK USA N A MC LEAN VA CD CALLABLE 2.3% 07/14/2022	40434YLE5	134	96.516	129,331.44
WELLS FARGO BANK NA CD MTHLY 1.7% 07/19/2019	949763JM9	133	99.492	132,324.36
TOTAL FIXED INCOME				**$522,466.84**

TOTAL HOLDINGS	**$522,829.89**
TOTAL ACCOUNT VALUE	**$522,829.89**

Account 939-632155
CITY OF MINNETONKA BEACH
ATTN: MIKE TAYLOR
CORPORATION

MONTHLY STATEMENT

Reporting Period: **October 1 - 31, 2018**

ACCOUNT SUMMARY

Total Account Value: $522,829.89

YOUR INDEPENDENT ADVISOR

EHLERS INVESTMENT PARTNERS LLC
N21W23350 RIDGEVIEW PARKWAY WEST
SUITE 100
WAUKESHA WI 53188

For questions regarding the services provided by your Independent Advisor call (262) 796-6164

CHANGE IN ACCOUNT VALUE

	This Month 10/1/18 - 10/31/18	Year to Date 1/1/18 - 10/31/18
BEGINNING VALUE	**$523,480.08**	**$798,738.47**
Dividends and Interest	**185.86**	11,959.25
Market Appreciation/(Depreciation)	**(749.94)**	(7,615.89)
Withdrawals from Account	-	(279,000.00)
Other Income or Expense	**(86.11)**	(1,251.94)
ENDING VALUE	**$522,829.89**	**$522,829.89**
CHANGE IN VALUE	**$(650.19)**	$(275,908.58)

Market Appreciation/ Depreciation
The change in value of investments due to the market assessment of their worth, which is separate from value added by corporate actions (such as the issuance of dividend or interest payments) and your own additions or withdrawals.

Other Income or Expense
Miscellaneous expenses including management fees, as well as TD Ameritrade fees (such as for wire transfer or returned checks) and/or miscellaneous income credited to the account such as a margin interest adjustment, royalties, etc.

SUMMARY OF HOLDINGS (does not represent an asset allocation)

	Market Value as of 10/31/18	Percent of Account
Cash and Cash Alternatives	$363.05	<.1%
Fixed Income	522,466.84	99.93
TOTAL VALUE	**$522,829.89**	**100.0%**

Fixed Income *Includes Corporate, Municipal, Agency, Treasury, CMOs, CDs, Structured Products, etc.*

Terms and Conditions

TD Ameritrade provides monthly statements for active accounts and inactive accounts with assets.[1]

Account Summary: Tracks the current value of your account as of the report date and compares it to the prior month.

Retirement Account Activity Overview: Review the IRS regulated transactions for the current and prior years. IRS Form 5498 fair market value is based on the current account value including Alternative Investments as of December 31 of the previous year and will be furnished to the IRS.

Holdings Detail: View your investments at the current market value. The display of cost basis information is optional. Estimated Annual Income is strictly an estimate for future earnings based on past performance. The value is calculated by taking the number of shares owned multiplied by the dividend rate over a rolling 12 month period. Estimated Yield is a value obtained by TD Ameritrade from quotation services or other independent sources. The display of estimated income and yield is for informational purposes only and is displayed at the Advisors request. This statement represents a statement of account assets and account activity of your account only.

Transaction Detail: All account activity is listed in date order, and reflected in the closing cash balance.

Trades Pending Settlement: Executed trades with a settlement date after month end. These transactions will be reflected in the Transaction Detail section next month.

Cash Services: Cash management transactions (including checks, debit card, credit card and ATM activity) that cleared this month are listed in date order.

TD Ameritrade does not provide legal or tax advice. Please consult your legal advisor or tax accountant when necessary. As a standard industry practice, phone conversations may be recorded for quality control and transaction verification purposes.

For TD Ameritrade Institutional clients, your advisor firm is separate from and not affiliated with TD Ameritrade, Inc. or TD Ameritrade Clearing, Inc., and each firm is not responsible for the products and services of the other.

Accuracy of Reports: Please review this statement carefully. If you disagree with any transaction, or if there are any errors or omissions, please notify us at 800-431-3500 within ten (10) days of your receipt of this statement. Any oral statements that you have made to us should be confirmed in writing. The statement will otherwise be considered conclusive.

Account Protection: TD Ameritrade FDIC Insured Deposit Account ("IDA") deposits are held at one or more banks ("Program Banks"). Two of the Program Banks are TD Bank, N.A. and TD Bank USA, N.A., both affiliates of TD Ameritrade. IDA deposits are insured by the FDIC (not covered by SIPC) up to $250,000. Limits are per account ownership per institution. To learn more about FDIC coverage go to www.fdic.gov. Securities, including mutual funds, held in your Brokerage Account are not deposits or obligations of, or guaranteed by, any bank, are not FDIC-insured, and involve investment risks, including possible loss of principal. TD Ameritrade is a member of SIPC, which protects securities customers of its members up to $500,000 (including $250,000 for claims for cash). Explanatory brochure is available on request at www.sipc.org.

Additionally, TD Ameritrade provides each client $149.5 million worth of protection for securities and $2 million of protection for cash through supplemental coverage provided by London insurers. In the event of brokerage insolvency, a client may receive amounts due from the trustee in bankruptcy and then SIPC. Supplemental coverage is paid out after the trustee and SIPC payouts and under such coverage each client is limited to a combined return of $152 million from a trustee, SIPC and London insurers. The TD Ameritrade supplemental coverage has an aggregate limit of $500 million over all customers. This policy provides coverage following brokerage insolvency and does not protect against loss in market value of the securities.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although certain money market funds may seek to preserve their value of your investment at $1 per share, it is possible to lose money by investing in such a fund. Mutual fund purchases may be subject to eligibility and other restrictions, as well as charges and expenses. Certain money market funds may impose liquidity fees and redemption gates in certain circumstances. Dividends are declared daily and paid/reinvested monthly. The prospectus contains this and other important information. Read the prospectus carefully before investing. Non-deposit investments held by your broker-dealer are NOT FDIC INSURED / NOT BANK GUARANTEED / MAY LOSE VALUE.

The balance in your bank deposit account or shares of your money market mutual fund can be liquidated on your order, and the proceeds returned to your securities account or remitted to you.

[1]Due to rounding adjustments, the statement details may not equal the statement totals.

Tax Reporting: The portfolio report is not a tax document. You will receive Form 1099 for annual tax reporting in compliance with IRS requirements (includes taxable interest, dividends, capital gains, taxes withheld, and sales proceeds). Some payments are subject to reclassification which will be reflected on subsequent tax reports.

Cost Basis: Cost-Basis, tax lot and performance reporting and Gainskeeper are offered and conducted by CCH INCORPORATED. TD Ameritrade is not responsible for the reliability or suitability of the information. TD Ameritrade and its information providers do not guarantee the accuracy of the information and data provided. CCH INCORPORATED is a separate company and is not affiliated with TD Ameritrade.

Margin and Options Account Agreements: Promptly advise TD Ameritrade in writing of any change in your investment objectives or financial situation as they pertain to your margin or options account agreements. Commission/Fee represents base commission and any options contract, exercise, and assignment fees.

Current Market Prices: The market values of securities have been obtained, if available, from quotation services and other independent sources. Values are based on the closing price, the mean between the bid and asking prices, or other methods. If no market value is available from a quotation service or other independent source, the security is subject to being reflected as Not Available ("NA"). The valuations on your portfolio report are provided as general information and we do not guarantee the accuracy of any securities prices. Mortgage backed positions are valued using the remaining balance and the current market price. Portfolio report valuations may not represent sales proceeds. The secondary market for Certificates of Deposits ("CDs") is generally illiquid and the actual value may be different from the purchase price. A significant loss of principal may result from the sale of a CD prior to maturity. Bonds and/or Fixed Income Securities trade differently than equity securities and do not trade on a liquid exchange. Rather, they trade in the OTC (over the counter) market and sufficient liquidity may not exist for you to sell your position prior to maturity. The sale of bonds prior to maturity may result in a loss of principal.

Bonds Quantity: The figure on the statement represents the number of bonds. For example, $3,000 of a $1,000 face value bond would display as "3" in the quantity.

Alternative Investments ("AI"), also called Non Standard Assets ("NSA"), are typically investments in direct participation program securities (partnerships, limited liability companies, or real estate investment trusts), commodity pools, private equity, private debt or hedge funds. AI are typically illiquid investments and do not trade on a national securities exchange. The values shown for these investments are estimated values derived from various methods, including, but not limited to, unconfirmed management estimates, independent appraisals, the program's net assets, and/or third party tender offers that have been provided by the management, administrator, and/or sponsor of each program, or by a third-party vendor without independent verification by TD Ameritrade. Values may not reflect the original purchase price, actual market value or be realized upon liquidation. If an estimated value cannot be established through these methods, the valuation may be reflected as Not Available ("NA"). For additional detail regarding valuation for Alternative Investments, please contact Client Services. These investments are not covered under the SIPC. AI transaction fees are applicable to purchases, capital call processing, and redemptions.

Δ Distributions on Direct Participation Programs and/or REITs are reported and a net investment per share estimated value is also reported. Pricing and distribution information has been provided by the sponsor, issuer or other external party responsible for reporting of the DPP or REIT and the classification of distributions as income or return of capital, in whole or in part, is subject to final accounting by such party(ies) and will be reported to you on a Form 1099 or K-1, as applicable.

Auction Rate Securities ("ARS") Pricing: The market values for ARS securities have been obtained, if available, from quotation services or other independent sources. The accuracy of the pricing is not guaranteed. If a market value is not available, TD Ameritrade will price the ARS position, taking into consideration both the liquidity and underlying credit quality. The ARS may lack liquidity and, as a result, there can be no assurance that such securities can be sold under current market conditions.

REGULATORY DISCLOSURES

All transactions are subject to (i) the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, on which such transactions are executed; (ii) federal laws and state laws, and the rules and regulations promulgated thereunder; and the rules and regulations of FINRA and the Federal Reserve System.

For an investor brochure that includes information describing FINRA's Public Disclosure Program, please contact FINRA at 800-289-9999 or www.finra.org.

The interest rate shown for TD Ameritrade Cash is taken from the applicable interest rate tier for the Market Value balance in the TD Ameritrade Cash, as of the statement closing date. Simple interest is accrued daily based on the interest rate tier applicable to each day's balance.

MSRB RULE G-10: TD Ameritrade, Inc. is registered with the Municipal Securities Rulemaking Board and the U.S. Securities and Exchange Commission. The website address for the Municipal Securities Rulemaking Board is http://www.msrb.org. An investor brochure is available on the website of the Municipal Securities Rulemaking Board which describes the protections that may be provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with an appropriate regulatory authority.

Financial Statement Notification: The statement of financial condition for TD Ameritrade Clearing, Inc. is available twice a year and may be obtained at no cost, via the internet at http://www.tdameritrade.com/financialstatement.html.

Option Assignment: All short equity option positions and some index option positions are available for assignment. Exercise assignment notices for equity or index options are randomly allocated among all clients' short positions.

Free Credit Balances (Rule 15c3-2 & 3): Under the client protection rules, we may use free credit balances in your account in the ordinary course of our business which are payable to you on demand.

Margin Accounts (Regulation T): If you have a margin account, this report is a combination of your margin account and a special memorandum account. Trading on margin poses additional risks and is not suitable for all investors. A complete list of the risks associated with margin trading is available in the margin risk disclosure document. You may obtain a copy of this document by contacting us at the number listed on page one of your statement.

Payment for Order Flow Disclosure (Rules 606 and 607): The firm receives compensation for directing listed and OTC securities, and options order flow to selected market centers (e.g., broker-dealers, exchanges and alternative trading systems (including electronic communications networks)) for execution. Compensation generally is in the form of a per share or per contract cash payment. TD Ameritrade also may receive compensation related to the foreign currency exchange component of transactions in foreign securities from market centers executing such trades. TD Ameritrade posts SEC Rule 606 quarterly reports that include order routing disclosures at www.tdameritrade.com. A written copy is available upon request. In addition, on request, TD Ameritrade will provide the identity of the venue to which your orders were routed for execution in the six months prior to the request, whether the orders were directed orders or non-directed orders, and the time of the transactions, if any, that resulted from such orders.

TD Ameritrade regularly assesses the execution quality provided by the market centers to which we route order flow in seeking best execution for our clients. For non-directed client orders, it is our policy to route orders to market centers based on a number of factors that are more fully discussed in the Supplemental Materials of FINRA Rule 5310, including where applicable, but not necessarily limited to, speed of execution, price improvement opportunities, differences in price disimprovement, likelihood of executions, the marketability of the order, size guarantees, service levels and support, the reliability of order handling systems, customer needs and expectations, transaction costs and whether the firm will receive remuneration for routing order flow to such market centers. Price improvement is available under certain market conditions and for certain order types and we regularly monitor executions to test for such improvement if available.

Trade Confirmations (Rule 10b-10): All confirmations are transmitted on the transaction date. If you participate in the Dividend Reinvestment Plan (DRIP) details regarding the reinvestment of dividends will be included on your monthly statements. TD Ameritrade will act as agent in having your DRIP purchases executed.

Taxes: Transactions in foreign securities (including foreign company ADRs that trade in the U.S.) may include taxes and fees charged by the foreign markets or governments, which may be reflected in the price of the security or charged as an independent line item.

Privacy Policy Notification: A copy of the TD Ameritrade privacy policy is available at www.tdameritrade.com

Callable Securities: The allocation of partial redemptions or calls is done using a pro-rata lottery system. A description of the procedures for callable securities is available on the website or hard copies are available upon request.

In case of errors or questions about your Electronic Fund Transfers, please contact us at 1-800-669-3900, or in writing to P.O. Box 2209, Omaha, NE 68103, or by email at clientservices@tdameritrade.com. The information contained in your account statement shall be binding upon you if you do not object within sixty (60) days for any transfer of funds subject to Regulation E, such as ATM and point-of-sale transfers, debit transactions, direct deposits, and withdrawals. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

(1) Tell us your name and account number.
(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.