

City of Chatfield, Minnesota

Continuing Disclosure Report

Year Ending December 31, 2012



Minneapolis Office:
5029 Upton Avenue South
Minneapolis, MN 55410
Phone 612-920-3320 | Fax 612-605-2375
www.daviddrown.com

CITY OF CHATFIELD, MINNESOTA

City of Chatfield City Council

<u>Name</u>	<u>Position</u>
Russ Smith	Mayor
Dave Frank	Council Member
Ken Jacobson	Council Member
Paul Novotny	Council Member
Robert Pederson	Council Member
Mike Urban	Council Member

Administration

Joel Young	City Clerk-Treasurer
Kay Coe	Finance Officer

VALUATIONS *

2012/13 Market Value and Tax Capacity

	<u>Market Value Information</u>	<u>Net Tax Capacity</u>
Real Estate – Taxable	\$ 143,331,374	\$ 1,569,548
Personal Property	<u>2,045,100</u>	<u>40,902</u>
TOTAL Taxable Market Value	\$ 145,376,474	\$ 1,610,450
Less Captured Tax Capacity		<u>(126,100)</u>
Adjusted Net Tax Capacity		\$ 1,484,350
Estimated Market Value	\$ 165,594,100	
Economic Market Value	\$ 170,298,591	

The 2012/13 Economic Market Value is calculated using the following formula: (Estimated Market Value of Real Estate / Sales Assessment Ratio) + Estimated Market Value of Personal Property). The values are provided by the MN Dept. of Revenue.

2012/13 Tax Capacity by Classification

	<u>Net Tax Capacity</u>	<u>Percent</u>
Residential	\$ 1,025,998	63.71%
Commercial Industrial	299,283	18.58%
Non-Homestead Residential	219,026	13.60%
Agriculture & Other	<u>66,143</u>	<u>4.11%</u>
TOTAL	\$ 1,610,450	100.00%

Trends in Valuations

<u>Year</u>	<u>Estimated Market Value</u>	<u>Taxable Market Value</u>	<u>Adjusted Net Tax Capacity</u>
2012/13	\$ 165,594,100	\$ 145,376,474	\$ 1,484,350
2011/12	171,011,200	150,926,600	1,538,597
2010/11	172,612,600	171,134,500	1,734,904
2009/10	172,205,700	171,079,000	1,736,449
2008/09	172,607,800	170,123,200	1,728,226
2007/08	168,140,500	163,997,800	1,677,665

* The City of Chatfield is situated in both Fillmore and Olmsted Counties in Minnesota. Unless otherwise indicated, all valuations and calculations are based on combined totals.

TAX RATES, LEVIES & COLLECTIONS

Tax Capacity Rates – Fillmore County Portion of the City

	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
City of Chatfield	59.149%	61.804%	66.333%	78.194%	82.569%
Fillmore County	36.100%	33.268%	33.471%	34.620%	31.946%
ISD # 227 *	<u>36.900%</u>	<u>33.682%</u>	<u>27.826%</u>	<u>31.117%</u>	<u>29.935%</u>
TOTAL	132.149%	128.754%	127.630%	143.931%	144.450%

Tax Capacity Rates – Olmsted County Portion of the City

	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
City of Chatfield	59.149%	61.804%	66.333%	78.194%	82.569%
Olmsted County	55.430%	55.625%	56.610%	60.072%	61.414%
ISD # 227 *	<u>36.922%</u>	<u>33.704%</u>	<u>27.848%</u>	<u>31.141%</u>	<u>29.960%</u>
TOTAL	92.352%	89.329%	84.458%	91.213%	91.374%

Tax Levies and Collections

Year	Net	Collected During		Collected	
<u>Levy/Collect</u>	<u>Levy</u>	<u>Collection Year</u>		<u>as of 11/20/2013</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2012/13	\$ 1,225,252	<i>(in process of collection)</i>			
2011/12	1,203,318	\$ 1,178,087	97.90%	\$ 1,195,078	99.32%
2010/11	1,062,082	1,031,959	97.16%	1,052,339	99.08%
2009/10	990,571	966,028	97.52%	989,055	99.85%
2008/09	942,083	914,859	97.11%	941,354	99.92%

INDEBTEDNESS

(as of 12/1/2013)

Legal Debt Limit and Margin

Legal Debt Limit (3% of Estimated Market Value)	\$ 4,967,823
Less: Outstanding Debt Subject to Limit	<u>1,185,000</u>
Legal Debt Margin as of 6/1/2013	\$ 3,782,823

General Obligation Debt Supported by Tax Levies

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
5/1/2010	\$ 1,455,000	CIP Refunding	12/1/2026	\$ <u>1,185,000</u>
Total				\$ 1,185,000

General Obligation Debt Supported by Special Assessments

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
5/1/2012	\$ 1,235,000	Improvement Crossover Refunding - 12A	2/1/2029	\$ 1,235,000
11/1/2004	260,000	Improvements Refunding	2/1/2015	60,000
3/1/2002	490,000	Improvements Refunding	2/1/2017	<u>130,000</u>
Total				\$ 1,425,000

General Obligation Debt Supported by Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
5/1/2012	\$ 755,000	Utility Crossover Refunding - 12A	2/1/2029	\$ 755,000
1/1/2011	7,005,000	Disposal System Refunding	2/1/2028	6,310,000
11/1/2004	525,000	Revenue & Revenue Refunding	2/1/2015	<u>95,000</u>
Total				\$ 7,160,000

Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
7/22/1999	\$ 525,000	Tax Increment Revenue Note	2/1/2019	\$ <u>304,646</u>
Total				\$ 304,626

Summary of Gross Debt

	<u>Gross Debt</u>
GO Debt Supported by Tax Levies	\$ 1,185,000
GO Debt Supported by Assessments	1,425,000
GO Debt Supported by Revenues	7,160,000
Revenue Debt	<u>304,646</u>
Total	\$ 10,074,646

Overlapping Debt

<u>Taxing Unit</u>	2012/13 <u>Tax Capacity</u>	% in <u>City</u>	Total <u>G.O. Debt</u>	City <u>Share</u>
Fillmore County	\$ 25,779,593	3.42%	\$ 3,250,000	\$ 111,166
Olmsted County	139,641,437	0.43%	226,395,000	976,911
ISD # 227	2,428,297	61.13%	20,885,000	<u>12,766,416</u>
Total				\$ 13,854,493

Debt Ratios

	Net <u>G.O. Debt</u>	Debt/Economic Market Value	Debt per Capita
	<u>170,298,591</u>		<u>2,779</u>
Net Direct G.O. Debt*	\$ 2,249,247	1.32%	\$ 809
Net Direct and Overlapping GO Debt	16,103,740	9.46%	5,795

* Excludes general obligations debt supported by revenues and non general obligation debt

GENERAL INFORMATION

The City of Chatfield is located in Fillmore and Olmsted Counties approximately 100 miles southeast of the City of Minneapolis and 20 miles south of the City of Rochester. Interstate 90 runs with nine (9) miles of the City. U.S. Highway 14 runs within 13 miles of the City and MN Highway 74 runs with five (5) miles of the City. Minnesota Highway 30 runs through the City. The City's 1990 U.S. Census population count was 2,226, the 2000 US Census population was 2,394 and the 2010 US Census population is 2,779.

Organization

The City was organized in 1857 as a Home Rule Charter City and currently operates under the Mayor-Council form of government. The City Council is composed of a mayor and five (5) Council members. The Mayor is elected at large and serves a two-year term. Five (5) Council members are elected to serve overlapping four-year terms. The present Council is comprised of the following members:

<u>Name</u>	<u>Position</u>
Russ Smith	Mayor
Dave Frank	Council Member
Ken Jacobson	Council Member
Paul Novotny	Council Member
Robert Pederson	Council Member
Mike Urban	Council Member

The City Clerk, Joel Young, is appointed by the City Council. Mr. Young is responsible for administering the various City departments, implementing Council policies and coordinating the preparation of the annual City budget.

The City currently employs 15 full-time and eight (8) part-time persons in the following departments: administration, public works, library, police and ambulance services and community television. The City's police department includes five (5) full-time and three (3) part-time officers. The volunteer fire department has 24 firefighters. The City has an Insurance Class Rating of 6.

The City has several parks with a total of 89 acres as well as a municipal swimming pool. 12.5-percent (208 acres) of the total land use of the City is designated recreation open space. Mill Creek runs for 2.1 miles within the City as does one-half mile of the Root River corridor. The City also operates a summer recreation program.

City Services

The City operates a municipal water and sewer utility. The water utility is supplied from two (2) City wells with an average demand of 193,000 gallons per day and a peak demand 377,000,000 gallons per day. The City maintains a 1,000,000 gallon elevated storage facility. There are 1,064 connections to the municipal water system.

The sewer utility features a mechanical treatment plant treating an average of 263,000 gallons per day. The utility is designed to treat an average of 487,000 gallons per day (wet weather design flow) and an average of 357,000 gallons per day (dry weather design flow), a peak demand of 1,036,000 gallons per day (the peak handled by the plant on 8/19/2007). In 2005 the City completed a major upgrade to the wastewater treatment facility within the City. There are 1,076 connections to the sewer utility.

The City has a 2.25-acre industrial park that is served by both municipal water and sewer. Approximately 33-percent of the industrial park is already developed.

Source: MN Department of Employment and Economic Development & City Records

Employee Pensions

The full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA.) PERA administers the Public Employers Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic Members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers that qualify for membership by statute are covered by the PEPFF. The City contribution to PERA for the year ended December 31, 2012 was \$77,448.

Census Data

Population Trends

	<u>Population</u>
1990 US Census	2,226
2000 US Census	2,394
2010 US Census	2,779

Source: U.S. Census Bureau and MN State Demographer

Income and Housing Statistics

	<u>City of Chatfield</u>	<u>Fillmore County</u>	<u>Olmsted County</u>	<u>State of Minnesota</u>
2009 per Capita Income	\$ 24,379	\$ 23,758	\$ 32,704	\$ 29,592
2009 Median Household Income	56,036	43,267	64,096	55,616
Median Value of Owner Occupied Housing	136,988	128,469	176,200	200,400
Median Gross Rent	611	381	681	683

Source: www.city-data.com

Financial Services

The Root River State Bank in Chatfield reported total deposits of \$60,270 as of June 30, 2013. The F & M Community Bank, National Association (a branch of Preston) reported deposits of \$21,806,000 as of June 30, 2013.

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u># of Employees</u>
Strongwell Corp.	Fiberglass Poltrusion & Precast Polymer	200
Chosen Valley Care Center	Skilled Nursing Care Facility	150
Tuohy Furniture Corp.	Wood Office Furniture	150
Chosen Valley Public Schools	Public Education	120
Sunshine Foods	Grocery Store	65
Bernard Busing	Transportation	50
Ta Cades Sports Bar	Food Service/recreation	30
Dairy Queen	Food service (spring/summer)	25
City of Chatfield	City Government	23
Root River State Bank	Banking	20

Healthcare

There is one medical clinic and one 86-bed nursing home located within the City of Chatfield. Hospital services are available at the Mayo Medical Center located in Rochester, 20 miles north of the City.

Transportation

The City of Chatfield is located in Fillmore and Olmstead Counties approximately 100 miles southeast of the City of Minneapolis and 20 miles south of the City of Rochester. Interstate 90 runs with nine (9) miles of the City. U.S. Highway 14 runs within 13 miles of the City and MN Highway 74 runs with five (5) miles of the City. Minnesota Highway 30 runs through the City.

The Rochester Express provides inter-city bus services to the City and Care Van provides transportation for the disabled.

The Fillmore County Airport, located in Preston, Minnesota 15 miles to the south, provides air transportation with a 4,000 paved runway. 20 miles to the north is the Rochester International Airport, providing charter and commercial flights.

Education

There is one elementary school with an enrollment of 460 and a pupil/teacher ratio of 22:1 and one senior high with an enrollment of 446 and a pupil/teacher ratio of 24:1 located within the city. Telecommunications use is available at all grade levels. 75 percent of the high-school graduates attend post-secondary education facilities compared with a statewide average of 65 percent.

The Rochester Technical College and Rochester Community College provide technical and specialty post-secondary education and are located within 20 miles of the City. The nearest public university is the University of Minnesota ~ Rochester campus and the nearest private college is St. Mary's University located in Winona.

Utilities

The City of Chatfield is supplied natural gas by People's Natural Gas and electrical service by Alliant Energy.

Communications

The City of Chatfield is provided local telephone service by Centurytel. The City also has cable television and local internet access available. The Chatfield News and the Fillmore County Journal provide weekly newspaper coverage and the Rochester Post Bulletin provides daily service. The Chatfield News serves as the City's official newspaper and is published each Monday.

The City has an on-line presence at www.ci.chatfield.mn.us The City of Chatfield has been an active user of their website to keep in touch with their citizens. This includes the use of streaming video to air and archive live footage of City Council meetings and other City/School events throughout the City.