

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue

AGENDA
November 9, 2011

- A. CALL TO ORDER:
- B. ROLL CALL: LINDSTROM ____ HARRIS ____ GOSLINE ____
LONG ____ MERCER-TAYLOR ____
MILLER ____
- C. PRESENTATIONS:
 - 1. ISD 623 Superintendent John Thein
- D. APPROVAL OF MINUTES: October 26, 2011
- E. PUBLIC HEARINGS:
- F. CONSENT AGENDA:
 - 1. General Disbursements through 11/3/2011: \$137,601.86
Payroll through 10/31/2011: \$15,962.67
 - 2. City License Renewal
 - 3. Fund Balance and Special Revenue Funds GASB 54
 - 4. Establish 2012 Enterprise and Special Revenue Fund Fees
 - 5. Setting Date for Special Meeting to Canvas Election Results
 - 6. Recognition of 2011 Adopt-a-Crop Participants
 - 7. Approval of Master Subordination Agreement with Falcon Heights Town Square Limited Partnership
 - 8. Statutory Tort Limits Liability Coverage for City in 2012
 - 9. Budget Amendments to the General Capital Improvements Fund (401) and the Capital Equipment 2010A Fund (424)
 - 10. Budget Amendment of Year End Transfer to General Fund from Sanitary Sewer Fund
- G: POLICY ITEMS:
 - 1. Solar Panel Agreements
 - 2. Fire Department Analysis Request for Proposals
- H. INFORMATION/ ANNOUNCEMENTS:
- I. COMMUNITY FORUM:
- J. ADJOURNMENT:

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue

AGENDA
October 26, 2011

- A. CALL TO ORDER:
- B. ROLL CALL: LINDSTROM X HARRIS X GOSLINE X
LONG X MERCER-TAYLOR X
MILLER X
- C. PRESENTATIONS:
1. Matt Bostrom, Ramsey County Sheriff
- D. APPROVAL OF MINUTES: October 12, 2011 Approved
- E. PUBLIC HEARINGS:
- F. CONSENT AGENDA: Keith Gosline Moved Approval 5-0
1. General Disbursements through 10/20/2011: \$79,206.76
Payroll through 10/15/2011: \$14,659.08
2. City License Renewal
3. Resolution Requesting Ramsey County To Change the
Speed Limit On Fairview Avenue
4. Lawful Gambling Permit for Falcon Heights Elementary PTA
5. TIF District Budget Amendments
- G. POLICY ITEMS:
1. City Hall Solar Panel Agreements Tabled
2. Acceptance of University of Minnesota Chuck Long Moved
football tickets for Mayor Lindstrom Approval 4-0 (Peter Lindstrom abstained)
- H. INFORMATION/ ANNOUNCEMENTS:
- I. COMMUNITY FORUM:
- J. ADJOURNMENT: 8:10p.m.
Adjourning to a workshop: City Administrator Search Process



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F1
Attachment	General Disbursements and Payroll
Submitted By	Roland Olson, Finance Director

Item	General Disbursements and Payroll
Description	General Disbursements through 11/3/2011: \$137,601.86 Payroll through 10/31/2011: \$15,962.67
Budget Impact	
Attachment(s)	General Disbursements and Payroll
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

PACKET: 00614 Regular Payables

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUCIÓN
=====						
01-00250	AMERIPRIDE SERVICES					
I-201110263132		AMERIPRIDE SERVICES	39.14			
10/26/2011	APBNK	DUE: 10/26/2011 DISC: 10/26/2011		1099: N		
		LINEN CLEANING		101 4124-82011-000	LINEN CLEANING	39.14
		=== VENDOR TOTALS ===	39.14			
=====						
01-05083	MICHAEL ARCAND					
I-201110263125		MICHAEL ARCAND - SUPPLIES REI	22.57			
10/26/2011	APBNK	DUE: 10/26/2011 DISC: 10/26/2011		1099: N		
		MICHAEL ARCAND - SUPPLIES REIM		101 4124-70100-000	SUPPLIES	22.57
		=== VENDOR TOTALS ===	22.57			
=====						
01-06290	CITY OF ROSEVILLE					
I-215238		CITY OF ROSEVILLE	4,253.00			
10/26/2011	APBNK	DUE: 10/26/2011 DISC: 10/26/2011		1099: N		
		SEAL COATING		419 4419-92060-000	CRACK SEALING	1,969.93
		SS LINING		601 4601-80100-000	ENGINEERING	240.91
		ENG PLAN		419 4419-83010-000	PAVEMENT MANAGEMENT	622.02
		GENERAL ENG		101 4133-80100-000	ENGINEERING SERVICES	1,420.14
		=== VENDOR TOTALS ===	4,253.00			
=====						
01-03300	DISCOUNT STEEL, INC					
I-1720912		STEEL IN PROJECTS	491.98			
10/26/2011	APBNK	DUE: 10/26/2011 DISC: 10/26/2011		1099: N		
		STEEL IN PROJECTS		101 4131-70110-000	SUPPLIES	491.98
		=== VENDOR TOTALS ===	491.98			
=====						
01-05239	INTR NATL ASSOC FIRECHIEF					
I-201110263133		INTR NATL ASSOC FIRECHIEF	204.00			
10/26/2011	APBNK	DUE: 10/26/2011 DISC: 10/26/2011		1099: N		
		MEMBERSHIPS		101 4124-86110-000	MEMBERSHIPS	204.00
		=== VENDOR TOTALS ===	204.00			

PACKET: 00614 Regular Payables
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----		GROSS	P.O. #			
POST DATE	BANK CODE	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION

01-05796 MN DEPT OF LABOR & INDUSTRY

I-201110263134	MN DEPT OF LABOR & INDUSTRY	370.37				
10/26/2011	APBNK		1099: N			
	DUE: 10/26/2011 DISC: 10/26/2011					
	BLDG SURCHARGE		101 20801-000	DUE TO OTHER GOVERNMENTS		370.37
=== VENDOR TOTALS ===		370.37				

01-05843 MN NCPERS LIFE INSURANCE

I-201110263127	MN NCPERS LIFE INSURANCE	32.00				
10/26/2011	APBNK		1099: N			
	DUE: 10/26/2011 DISC: 10/26/2011					
	MN NCPERS LIFE INSURANCE		101 21709-000	OTHER PAYABLE		31.20
	MN NCPERS LIFE INSURANCE		206 21709-000	OTHER PAYABLE		0.80
=== VENDOR TOTALS ===		32.00				

01-06185 RAMSEY COUNTY

I-PRRLG-00950	TIF ADMIN FEES	2,064.21				
10/26/2011	APBNK		1099: N			
	DUE: 10/26/2011 DISC: 10/26/2011					
	TIF ADMIN FEES		413 4413-89000-000	MISC:TIF ADMIN FEES RAMS		308.32
	TIF ADMIN FEES		412 4412-89000-000	MISC: TIF ADMIN FEES RAM		1,295.67
	TIF ADMIN FEES		414 4414-89000-000	MISC:TIF ADMIN FEES RAMS		460.22
=== VENDOR TOTALS ===		2,064.21				

01-07295 RAMSEY COUNTY DEPARTMENT

I-201110263129	RAMSEY COUNTY DEPARTMENT	68.00				
10/26/2011	APBNK		1099: N			
	DUE: 10/26/2011 DISC: 10/26/2011					
	FOOD LICENSE		101 4116-89010-000	SPECIAL EVENTS		68.00
=== VENDOR TOTALS ===		68.00				

01-06999 RAMSEY CTY FIRE CHIEFS ASSOCIA

I-201110263130	RAMSEY CTY FIRE CHIEFS ASSOCI	45.00				
10/26/2011	APBNK		1099: N			
	DUE: 10/26/2011 DISC: 10/26/2011					
	AGILITY TEST		101 4124-86020-000	TRAINING		45.00
=== VENDOR TOTALS ===		45.00				

PACKET: 00614 Regular Payables

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DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----		GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-06441	SCOTT WEMYSS (PARTAGS)					
I-201110263131		SCOTT WEMYSS (PARTAGS)	4.28			
10/26/2011	APBNK	DUE: 10/26/2011 DISC: 10/26/2011		1099: N		
		NAME TAGS		101 4124-70100-000	SUPPLIES	4.28
		=== VENDOR TOTALS ===	4.28			
=====						
01-00935	ST PAUL REGIONAL WATER SERVICE					
I-201110263128		ST PAUL REGIONAL WATER SERVIC	970.41			
10/26/2011	APBNK	DUE: 10/26/2011 DISC: 10/26/2011		1099: N		
		PARKS SEWER		101 4141-85070-000	SEWER	93.24
		PARKS WATER		101 4141-85040-000	WATER	128.87
		CH WATER		101 4131-85040-000	WATER	716.87
		CH SEWER		101 4131-85070-000	SEWER	31.43
		=== VENDOR TOTALS ===	970.41			
		=== PACKET TOTALS ===	8,564.96			

Federal Withholdings	5004.40
State Withholdings	856.59
PERA	2613.51
ICMA	1266.00
Total:	18,305.46

EMP #	NAME	AMOUNT
01-0013	PETER C LINDSTROM	316.68
01-0016	PAMELA M HARRIS	283.05
01-0019	KEITH P GOSLINE	283.05
01-1002	JUSTIN J MILLER	2,581.03
01-1010	MICHELLE C TESSER	1,409.75
01-1012	JESSICA A ANDERSON	450.06
01-1136	ROLAND O OLSON	1,633.84
01-2154	MAUREEN A ANDERSON	155.68
01-1038	DEBORAH K JONES	1,678.69
01-0086	RICHARD H HINRICHS	251.78
01-1030	TIMOTHY J PITTMAN	1,863.18
01-1033	DAVE TRETSVEN	1,470.69
01-1143	COLIN B CALLAHAN	1,062.48

TOTAL PRINTED: 13 13,439.96

10-28-2011 9:38 AM PAYROLL CHECK REGISTER
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 1
 PAYROLL DATE: 10/28/2011

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
0017	MERCER-TAYLOR, ELIZABETH	R	10/28/2011	280.26	078439
0018	LONG, CHARLES E	R	10/28/2011	283.05	078440
1137	DIEGNAU, PAUL	R	10/28/2011	240.55	078441
0034	KURHAJETZ, CLEMENT	R	10/28/2011	362.19	078442
0095	POESCHL, MICHAEL J	R	10/28/2011	99.07	078443
0097	GAFFNEY, PATRICK	R	10/28/2011	99.07	078444
0105	FEHRENBACH, ANTON M	R	10/28/2011	96.38	078445
2172	ARCAND, MICHAEL W	R	10/28/2011	113.22	078446
1032	PITTMAN, JOSHUA D	R	10/28/2011	159.21	078447
2164	MILLER, ALLISON	R	10/28/2011	152.73	078448
2178	JORDAN, JOSHUA L	R	10/28/2011	636.98	078449

10-28-2011 9:38 AM PAYROLL CHECK REGISTER
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 2
 PAYROLL DATE: 10/28/2011

*** REGISTER TOTALS ***

REGULAR CHECKS:	11	2,522.71
DIRECT DEPOSIT REGULAR CHECKS:	13	13,439.96
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	24	15,962.67

*** NO ERRORS FOUND ***

PACKET: 00618 Regular Payables

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-00265		AMERICAN ENVIRONMENTAL LLC				
I-115		SS CLEANING/ST CLEANING	53,094.48			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		SS CLEANING/JETTING		601 4601-87100-000	TELEVISIONING AND JETTING	13,344.48
		STORM DRAIN JETTING/CLEANING		602 4602-87150-000	CATCJ BASIN CLEANING/JET	39,750.00
		=== VENDOR TOTALS ===	53,094.48			

=====						
01-00255		AMERICAN OFFICE PRODUCTS				
I-121560		XEROX PAPER	128.52			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		XEROX PAPER		101 4112-70100-000	SUPPLIES	128.52
		=== VENDOR TOTALS ===	128.52			

=====						
01-05220		ANDERSON, HELGEN, DAVIS&NISSSEN				
I-201111023138		OCT/11 PROSECUTIONS	2,503.52			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		OCT/11 PROSECUTIONS		101 4123-80200-000	LEGAL FEES	2,503.52
		=== VENDOR TOTALS ===	2,503.52			

=====						
01-03089		CASH				
I-201111023140		VEHICLE CLEANING SUPPLIES/FUE	103.56			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		VEHICLE CLEANING SUPPLIES		101 4124-70100-000	SUPPLIES	32.14
		VEHICLE CLEANING SUPPLIES		101 4131-70110-000	SUPPLIES	21.42
		FUEL		101 4124-74000-000	MOTOR FUEL & LUBRICANTS	50.00
		=== VENDOR TOTALS ===	103.56			

=====						
01-03123		CINTAS CORPORATION #470				
I-470728457		SUPPLIES	105.97			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		SUPPLIES		101 4131-70110-000	SUPPLIES	105.97
		=== VENDOR TOTALS ===	105.97			

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-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-05189		DUKE'S ROOT CONTROL INC				
I-7817		ROOT CONTROL	3,694.86			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		ROOT CONTROL		601 4601-87300-000	ROOT TREATMENT/CUTTING	3,694.86
		=== VENDOR TOTALS ===	3,694.86			
=====						
01-05375		FERGUSON WATERWORKS				
I-S01337414.001		SEWER LINE INSPECTION SUPPLIE	133.73			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		SEWER LINE INSPECTION SUPPLIES		601 4601-70100-000	SUPPLIES	133.73
		=== VENDOR TOTALS ===	133.73			
=====						
01-05115		GOPHER STATE ONE CALL				
I-20350		LOCATES	163.15			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		LOCATES		601 4601-88030-000	LOCATES	163.15
		=== VENDOR TOTALS ===	163.15			
=====						
01-05153		HOME DEPOT CRC/GEFC				
I-201111023144		HOME DEPOT	380.12			
11/02/2011	APBNK	MANUAL CK# 078450 11/01/2011		1099: N		
		STREET SIGN INSTALL		101 4132-70120-000	SUPPLIES	83.67
		CONCRETE		602 4602-87000-000	REPAIR EQUIP/CATCH BASIN	133.83
		MERRY GO ROUND		101 4141-87120-000	FACILITIES & GROUND MAIN	146.55
		WIRE BRUSH		101 4131-70110-000	SUPPLIES	16.07
		=== VENDOR TOTALS ===	380.12			
=====						
01-05054		DEBORAH JONES				
I-201111023136		MILEAGE	65.66			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		MILEAGE		101 4117-86010-000	MILEAGE	65.66
		=== VENDOR TOTALS ===	65.66			

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POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-05510		LEAGUE OF MN CITIES				
I-155430		REGIONAL MEETING LMC	40.00			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		REGIONAL MEETING LMC		101 4112-86100-000	CONFERENCES/EDUCATION/AS	40.00
		=== VENDOR TOTALS ===	40.00			
=====						
01-01002		JUSTIN MILLER				
I-201111023139		MILEAGE/PARKING/WORKSHOP EXP	95.99			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		MILEAGE/PARKING		101 4112-86010-000	MILEAGE & PARKING	53.73
		BUDGET WORKSHOP FOOD		101 4111-70100-000	SUPPLIES	42.26
		=== VENDOR TOTALS ===	95.99			
=====						
01-07263		NEXTEL COMMUNICATIONS, INC				
I-172868921-080		OCT - CELL PHONE	92.35			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		OCT - CELL PHONE		101 4124-85015-000	CELL PHONE	92.35
		=== VENDOR TOTALS ===	92.35			
=====						
01-06030		OLSON, ROLAND				
I-201111023145		SEPT/OCT MILEAGE	23.98			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		SEPT/OCT MILEAGE		101 4112-86010-000	MILEAGE & PARKING	23.98
		=== VENDOR TOTALS ===	23.98			
=====						
01-06184		RAMSEY COUNTY - 911 DISPATCH				
I-EMCOM-001489		OCT 911-DISPATCH	1,649.07			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		OCT 911-DISPATCH		101 4122-81200-000	911 DISPATCH FEES	1,649.07
I-EMCOM-001504		RADIO/FLEET SUPPORT	80.64			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		RADIO/FLEET SUPPORT		101 4124-86800-000	RADIO MESB/FLEET SUPPORT	80.64
		=== VENDOR TOTALS ===	1,729.71			

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-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-06535	SPEEDWAY SUPERAMERICA					
I-201111023143		FUEL	192.18			
11/02/2011	APBNK	MANUAL CK# 078451 11/01/2011		1099: N		
		FUEL		601 4601-74000-000	MOTOR FUEL & LUBRICANTS	192.18
		=== VENDOR TOTALS ===	192.18			
=====						
01-07228	CITY OF ST ANTHONY					
I-2638		NOV/11 POLICE SVCS	49,180.59			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		NOV/11 POLICE SVCS		101 4122-81000-000	POLICE SERVICES	49,180.59
		=== VENDOR TOTALS ===	49,180.59			
=====						
01-05374	TENNIS SANITATION LLC					
I-624910		OCT RECYCLING	5,769.00			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		OCT RECYCLING		206 4206-82030-000	RECYCLING CONTRACTS	5,769.00
		=== VENDOR TOTALS ===	5,769.00			
=====						
01-05303	MICHELLE TESSER					
I-201111023137		MRPA CONFERENCE	49.00			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		MRPA CONFERENCE		101 4141-86100-000	CONFERENCES/EDUCATION/AS	49.00
		=== VENDOR TOTALS ===	49.00			
=====						
01-07110	W S & D PERMIT SERVICE					
I-201111023142		REFUND WINDOW/DOOR PERMIT	120.12			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		REFUND WINDOW/DOOR PERMIT		101 32214-000	WINDOW/SIDING PERMIT	118.00
		REFUND WINDOW/DOOR PERMIT		101 20801-000	DUE TO OTHER GOVERNMENTS	2.12
		=== VENDOR TOTALS ===	120.12			
=====						
01-05870	XCEL ENERGY					
I-201111023141		ELECT	1,170.35			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	9.95
		ELECT		601 4601-85020-000	ELECTRIC	24.42
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	9.95
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	40.30
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	41.34
		ELECT		101 4141-85020-000	ELECTRIC/GAS	26.49
		ELECT		101 4141-85020-000	ELECTRIC/GAS	29.04

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-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-05870	XCEL ENERGY	(** CONTINUED **)				
		ELECT		101 4121-85020-000	ELECTRIC	7.30
		ELECT		101 4131-85030-000	NATURAL GAS	125.75
		ELECT		101 4141-85020-000	ELECTRIC/GAS	243.88
		ELECT		101 4131-85020-000	ELECTRIC	611.93
		=== VENDOR TOTALS ===		1,170.35		

01-07205 ZEP SALES & SERVICE

I-57431416		CLEANING SUPPLIES	459.56			
11/02/2011	APBNK	DUE: 11/02/2011 DISC: 11/02/2011		1099: N		
		CLEANING SUPPLIES		101 4141-70100-000	SUPPLIES	459.56
		=== VENDOR TOTALS ===	459.56			
		=== PACKET TOTALS ===	119,296.40			



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	October 26, 2011
Agenda Item	Consent F2
Attachment	
Submitted By	Michelle Tesser, Assistant to the City Administrator

Item	City License Applications
Description	<p>The following individuals have applied for a <u>Municipal License</u> for 2011. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Webster Dental Lab 2. Excel Dental Studios <p>The following individuals have applied for a <u>Mechanical License</u> for 2011. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 3. Affordable Comfort Mechanical 4. Ideal Plumbing and Rooting, LLC 5. Terry Nelson Plumbing, Inc. <p>The following individuals have applied for a <u>Christmas Tree License</u> for 2011. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 6. Glen Tower Pines (Hermes Floral)
Budget Impact	
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the 2011 City License Applications



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F3
Attachment	Resolutions 11-16 and 11-17
Submitted By	Roland Olson, Finance Director

Item	Fund Balance and Special Revenue Funds GASB 54
Description	<p>The Governmental Accounting Standards Board's Statement Number 54 (GASB 54) requires establishment of a fund balance policy to define appropriate fund balance levels for each fund that is primarily funded by property tax revenues. GASB 54 also requires that special revenue funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes. Resolutions are required.</p> <p>As discussed during the October 5, 2011 council workshop funds have been designated as being Non spendable, Restricted, Committed, Assigned, and Unassigned. The Fund Balance Policy as discussed at the workshop is amended to reflect the minimum fund balance as being "unassigned" instead of "assigned". In addition, the special revenue fund balances as originally designated as "assigned" are now further restricted and designated as "committed". Our auditors have requested these changes to comply with the provisions of GASB statement 54.</p>
Budget Impact	Establish a fund balance policy and special revenue funds in accordance with GASB statement 54.
Attachment(s)	Resolutions 11-16 and 11-17
Action(s) Requested	Staff recommends adopting the attached resolutions on fund balance policy and special revenue funds in accordance with GASB statement 54. These resolutions will supersede existing reserve policies established by prior city council actions.

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

November 9, 2011

No. 11-16

FUND BALANCE POLICY

The purpose of the fund balance policy is to establish appropriate fund balance levels for each fund that is primarily funded by property tax revenues. Currently, only the General Fund is primarily funded by property tax revenues. This policy will ensure that adequate resources are available to meet cash flow needs for carrying out the regular operations of the City and future needs.

General Fund:

The General Fund is established to account for all revenues and expenditures which are not required to be accounted for in other funds. Revenue sources include property taxes, license and permit fees, fines and forfeits, service charges, intergovernmental revenues, investment interest earnings, miscellaneous revenues, and transfers. The General Fund's resources finance a wide range of functions including the operations of the general government, public safety, and public works.

The City will strive to maintain a minimum unassigned fund balance in the General Fund in the range of 45% of the subsequent year's budgeted expenditures. Since a significant source of revenue comes from property taxes, maintaining a fund balance that is equal to at least five months of operating expenditures ensures that sufficient resources are available to fund basic City functions between property tax settlements. If the fund balance falls below the minimum desired level, then additional future revenue sources will be pursued and expenditures will be examined in relation to various service levels.

Governmental Fund Balance classifications are defined as follows:

Non Spendable: Resources that are "permanently precluded from conversion to cash." Such items include prepaid items; inventory; land held for resale; and long-term receivables that are not otherwise restricted, committed, assigned, or offset by deferred revenues.

Restricted: Resources that are constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions. Examples include fund balance related to unspent bond proceeds, tax increments, debt service fund balances, and park dedication fees.

Committed: Resources that are constrained by City Council resolutions for a specific purpose. Fund balance commitment resolutions must be completed before December 31st to be effective for that fiscal year and remain in effect until the commitment is changed or eliminated by Council resolution.

Assigned: Resources that are intended for a specific purpose by management if delegated authority by Council. This would include any remaining positive fund balance in another fund other than the general fund.

Unassigned: Remaining resources that are available for any purpose. Unassigned fund balance will occur only in the General Fund or in other funds where there is a negative fund balance that can not be eliminated by reducing restricted, committed, or assigned fund balance.

The City Council authorizes the City Administrator to administer “Assigned Fund Balance” that reflects the City’s intended uses of the funds. When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, and then use unrestricted resources. When unrestricted resources are available for use, it is the City’s policy to use resources in the following order: 1) committed 2) assigned 3) unassigned. These fund balance classifications apply only to Governmental Funds, not Enterprise Funds.

Moved by:

LINDSTROM ___ In Favor
GOSLINE
HARRIS ___ Against
LONG
MERCER-TAYLOR

Approved by: _____

Peter Lindstrom, Mayor
November 9, 2011

Attested by: _____

Justin Miller, Administrator
November 9, 2011

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

November 9, 2011

No. 11-17

**RESOLUTION COMMITTING SPECIFIC REVENUE SOURCES IN SPECIAL
REVENUE FUNDS**

WHEREAS, the Governmental Accounting Standards Board’s Statement Number 54 states that special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects; and,

WHEREAS, the term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund and comprise a substantial portion of the fund’s revenues; and,

WHEREAS, council action is required to formalize the commitment of the specific revenue sources to specified purposes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota that the specific revenue source of each special revenue fund and the specific purposes for which they are restricted or committed are as follows:

Fund	Specific Revenue Source	Committed For	Restricted For
Park Program	Recreation Fees Transfer from General Fund	Recreation Costs	
Community Garden	Garden Plot Fees	Garden Costs	
Water	Water Surcharge Fees	Hydrant Costs Fire Truck Costs	
Recycling	Recycling Grant Recycling Fees	Recycling and Environmental Activities	
CERT	Community Emergency Grant		Grant Programs
Community Economic Development	Lease of City Easement Fees	Activities Promoting Economic Development	
Street Lighting	Lighting Fees	Lighting Costs	

Emerald Ash Borer	Tree Grant Programs		Grant Program Costs
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BE IT FURTHER RESOLVED, the foundational revenue source and commitment and restriction of those sources is stated above and it is known there will be other residual revenue streams, and it is the intention that these funds be committed or restricted for the same purpose specified for that fund.

Moved by:

Approved by: _____

Peter Lindstrom, Mayor
November 9, 2011

LINDSTROM _____ In Favor
GOSLINE
HARRIS _____ Against
LONG
MERCER-TAYLOR

Attested by: _____

Justin Miller, Administrator
November 9, 2011



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F4
Attachment	
Submitted By	Justin Miller, City Administrator

Item	Establish 2012 Enterprise and Special Revenue Fund Fees
Description	<p>Each year the City of Falcon Heights sets fees for various services that the city provides. Some of these are billed through water bills through St. Paul Regional Water Services, and their first 2012 billing cycle actually runs from November 2011 through January 2012. In order to have the 2012 rates on the first quarter billing, the city council being asked to set the 2012 rates at this time.</p> <p><u>Sanitary Sewer</u> Staff is recommending that the 2012 rates include a \$26.50/quarter base fee plus a variable rate of \$.0173559 per cubic foot.</p> <p><u>Storm Sewer</u> Staff is recommending that the 2012 rate be \$19.75/quarter for residential properties and \$184.33/acre for all other properties.</p> <p><u>Recycling</u> Staff is recommending that the 2012 rate be \$3.00/month.</p> <p><u>Water</u> Staff is recommending that the 2012 rate for this fund remain at 6% of the water bill.</p> <p><u>Street Lighting</u> Staff is recommending that the 2012 rate for this fund remain at \$2/month for residential properties and \$.02 per foot frontage for all other properties.</p> <p>All of these recommendations are in line with discussions held during budget workshops held in the past few months.</p>
Budget Impact	These rates will preserve the city's financial positions in their respective accounts.
Attachment(s)	

Action(s) Requested	Staff recommends that the Falcon Heights City Council adopt the 2012 rates as outlined above.
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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F5
Attachment	
Submitted By	Justin Miller, City Administrator

Item	Setting Date of Special Meeting to Canvas Election Results
Description	<p>According to state law, the city council must meet between the dates of November 14th and November 18th to canvas the results of the city council election held on November 8, 2011.</p> <p>After consulting various calendars, staff is recommending that a special meeting be called for 5:30 pm on November 16th.</p>
Budget Impact	N/A
Attachment(s)	
Action(s) Requested	Staff recommends that the Falcon Heights City Council set a special meeting for November 16th at 5:30 pm for the purpose of canvassing the votes of the city council election held November 8, 2011.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F6
Attachment	N/A
Submitted By	Justin Miller, City Administrator

Item	Recognition of 2011 Adopt-a-Crop Participants																																				
Description	<p>Last year the city council and environment commission initiated an “Adopt-a-Crop” program. This idea was brought forth by local resident Joni Fletty who started a similar program at her place of business. Residents were encouraged to bring their excess fruits and vegetables to city hall where staff would weigh the donations and then deliver them to a local food shelf. In 2010 1714 pounds of produce was donated.</p> <p>The results for this year were again impressive. The amount donated by individuals this year include:</p> <table border="1"> <tr><td>Tom and Kathy Staffa</td><td>568.7 lbs</td></tr> <tr><td>Ivan Marier</td><td>407 lbs</td></tr> <tr><td>Rich Olson</td><td>42 lbs</td></tr> <tr><td>Julie Heyd</td><td>29 lbs</td></tr> <tr><td>Justin and Dianne Miller</td><td>20 lbs</td></tr> <tr><td>James Darabi</td><td>18.5 lbs</td></tr> <tr><td>Kris Olsen</td><td>18.5 lbs</td></tr> <tr><td>Scott Durand</td><td>16 lbs</td></tr> <tr><td>Chris Wolkerstoffer</td><td>15.5 lbs</td></tr> <tr><td>Barbara McCoy</td><td>13.5 lbs</td></tr> <tr><td>Anonymous</td><td>11 lbs</td></tr> <tr><td>Melissa Weber-Sanders</td><td>10.5 lbs</td></tr> <tr><td>Anne Holzman</td><td>7 lbs</td></tr> <tr><td>Lois Braun</td><td>5 lbs</td></tr> <tr><td>Lisa Wolf</td><td>4 lbs</td></tr> <tr><td>Marilyn Korbach</td><td>3 lbs</td></tr> <tr><td></td><td></td></tr> <tr><td>TOTAL</td><td>1189.2 lbs</td></tr> </table> <p>Types of produce donated included corn, squash, tomatoes, zucchini, carrots, peppers, and many others. All of the food was taken to Keystone Community Food shelves in Roseville and St. Paul.</p>	Tom and Kathy Staffa	568.7 lbs	Ivan Marier	407 lbs	Rich Olson	42 lbs	Julie Heyd	29 lbs	Justin and Dianne Miller	20 lbs	James Darabi	18.5 lbs	Kris Olsen	18.5 lbs	Scott Durand	16 lbs	Chris Wolkerstoffer	15.5 lbs	Barbara McCoy	13.5 lbs	Anonymous	11 lbs	Melissa Weber-Sanders	10.5 lbs	Anne Holzman	7 lbs	Lois Braun	5 lbs	Lisa Wolf	4 lbs	Marilyn Korbach	3 lbs			TOTAL	1189.2 lbs
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Lois Braun	5 lbs																																				
Lisa Wolf	4 lbs																																				
Marilyn Korbach	3 lbs																																				
TOTAL	1189.2 lbs																																				

Budget Impact	N/A
Attachment(s)	None
Action(s) Requested	No action is required. This is being provided simply as an update to the council and to provide recognition of the people who generously donated to this cause.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F7
Attachment	Master Subordination Agreement
Submitted By	Justin Miller, City Administrator

Item	Approval of Master Subordination Agreement with Falcon Heights Town Square Limited Partnership
Description	<p>In 2003, as part of the Falcon Heights Town Square development, the City of Falcon Heights entered into several agreements with Sherman and Associates to facilitate the redevelopment project. Sherman and Associates are looking to capitalize on the current low interest rate environment by refinancing some of their outstanding loans, but in order to complete the refinancing, they need approval from all parties associated with the agreements. Due to the tax increment financing that was provided to the project, the City of Falcon Heights is being requested to approve the attached master subordination agreement.</p> <p>The city's bond counsel has reviewed the documents and approves of the requested agreement.</p>
Budget Impact	This agreement does not alter any financial agreements between the City of Falcon Heights and the developer.
Attachment(s)	Master Subordination Agreement
Action(s) Requested	Staff recommends that the Falcon Heights City Council adopt the attached master subordination agreement in substantially the form provided to the city subject to any modifications approved by the city's bond counsel.

**FALCON HEIGHTS TOWN SQUARE APARTMENTS
MASTER SUBORDINATION AGREEMENT
AND ESTOPPEL CERTIFICATE**

THIS MASTER SUBORDINATION AGREEMENT made and entered into as of the 1st day of _____, 2011, by and between **FALCON HEIGHTS TOWN SQUARE LIMITED PARTNERSHIP**, a Minnesota limited partnership, with offices located at 233 Park Avenue South, Suite 201, Minneapolis, Minnesota 55415 (“Borrower”), **OAK GROVE COMMERCIAL MORTGAGE, LLC**, a Delaware limited liability company, with its offices located at 2177 Youngman Avenue, St. Paul, Minnesota 55116 (“Oak Grove”), the **MINNESOTA HOUSING FINANCE AGENCY**, a Minnesota public body corporate and politic, with its offices located at 400 Sibley Street, Suite 300, St. Paul, Minnesota 55101 (“MHFA”), **RAMSEY COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**, a Minnesota political subdivision, with its offices located at 250 Courthouse, 15 West Kellogg Boulevard, St. Paul, Minnesota 55102 (“Ramsey County”), the **FAMILY HOUSING FUND**, a Minnesota non-profit corporation, with its offices located at 801 Nicollet Mall, Suite 1650, Minneapolis, Minnesota 55402 (“FHF”) and **CITY OF FALCON HEIGHTS, MINNESOTA**, a Minnesota municipal corporation, with its offices located at 2077 West Larpenteur Avenue, Falcon Heights, Minnesota 55113 (“City”). (Oak Grove, MHFA, Ramsey County, FHF and the City are sometimes collectively referred to herein as “Lenders”).

RECITALS:

WHEREAS, Borrower has obtained a mortgage loan from Oak Grove in the original principal amount of _____ and No/100ths Dollars (\$_____) (“Oak Grove Loan”) for a one hundred nineteen (119) unit multifamily apartment facility in Falcon Heights, Minnesota (the “Project”) on the real property described in Exhibit A attached hereto (“Premises), which Loan is being insured by the Federal Housing Administration (the “FHA”) of the United States Department of Housing and Urban Development (“HUD”) under Section _____ of the National Housing Act of 1934, as amended (the “Act”) pursuant to the FHA’s Commitment dated _____, 2011 (FHA Project No. _____), as amended (the “FHA Commitment”); and

WHEREAS, Borrower has obtained a loan of Minnesota Families Affordable Rental Investment Fund Program funds from the MHFA in the original principal amount of Three Million Two Hundred Fifty Thousand and No/100ths Dollars (\$3,250,000.00) (the “MARIF Loan”), none of which has been disbursed, which will be used for the construction of the Project; and

WHEREAS, Borrower has obtained a loan of Ramsey County Housing Endowment Funds from Ramsey County in the original principal amount of Five Hundred Thousand and No/100ths Dollars (\$500,000.00) (the “Ramsey County Loan”), which has been disbursed to Borrower for payment of acquisition and construction related costs for the Project; and

WHEREAS, Borrower has obtained a loan from the FHF in the original principal amount of Two Hundred Thousand and No/100ths Dollars (\$200,000.00) (the “FHF Loan”), none of which has been disbursed, which will be used for the construction of the Project; and

WHEREAS, the City has established the Tax Increment Financing District No. 1-3 of which the Premises is a part and the City has agreed to provide certain tax increment financing to Borrower in the form of reimbursements to Borrower out of tax increments pursuant to Minnesota laws (the “Tax Increment Financing”) which will be used for certain development costs in connection with the Project; and

WHEREAS, in conjunction with the Oak Grove Loan, Borrower and Oak Grove have entered into and executed those certain documents and agreements identified in Exhibit B attached hereto and incorporated herein by reference (the “Oak Grove Loan Documents”); and

WHEREAS, in conjunction with the MARIF Loan, Borrower and the MHFA have entered into and executed those certain documents and agreements identified in Exhibit C attached hereto and incorporated herein by reference (the “MARIF Loan Documents”); and

WHEREAS, in conjunction with the Ramsey County Loan, Borrower and Ramsey County have entered into and executed those certain documents and agreements identified in Exhibit D attached hereto and incorporated herein by reference (the “Ramsey County Loan Documents”); and

WHEREAS, in conjunction with the FHF Loan, Borrower and the FHF have entered into and executed those certain documents and agreements identified in Exhibit E attached hereto and incorporated herein by reference (the “FHF Loan Documents”); and

WHEREAS, in conjunction with the Tax Increment Financing, Borrower and the City have entered into and executed those certain documents and agreements identified in Exhibit F attached hereto and incorporated herein by reference (the “TIF Documents”); and

WHEREAS, it is intended that the loans and corresponding loan documents referred to herein shall have the following order of priority:

- 1) The Oak Grove Loan and the Oak Grove Loan Documents shall have a first and senior priority;
- 2) The MARIF Loan and the MARIF Loan Documents shall have second priority behind the Oak Grove Loan and Oak Grove Loan Documents;
- 3) The Ramsey County Loan and the Ramsey County Loan Documents shall have third priority behind the Oak Grove Loan and Oak Grove Loan Documents and the MARIF Loan and the MARIF Loan Documents; and

- 4) The FHF Loan and the FHF Loan Documents shall have fourth priority behind the Oak Grove Loan and Oak Grove Loan Documents, the MARIF Loan and the MARIF Loan Documents and Ramsey County Loan and the Ramsey County Loan Documents.

WHEREAS, it is further intended that the parties wish to specify how the terms and conditions contained in the loan documents referred to herein shall be interpreted in the event of a conflict or inconsistency therein.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration, and in further consideration of the parties hereto making and entering into the loans referred to herein, the parties do hereby agree as follows:

1. Consent to Loans. By executing this Master Subordination Agreement:
 - A. Oak Grove agrees that all of the liens, encumbrances, and restrictive covenants, if any, created by the MARIF Loan Documents, the Ramsey County Loan Documents, the FHF Loan Documents and the TIF Documents shall be deemed to be "Permitted Encumbrances" under the Oak Grove Loan Documents but subordinate to all liens, rights, and remedies created by the Oak Grove Loan Documents.
 - B. The MHFA agrees that all of the liens, encumbrances, and restrictive covenants, if any, created by the Oak Grove Loan Documents, the Ramsey County Loan Documents, the FHF Loan Documents and the TIF Documents shall be deemed to be "Permitted Encumbrances" under the MARIF Loan Documents.
 - C. Ramsey County agrees that all of the liens, encumbrances, and restrictive covenants, if any, created by the Oak Grove Loan Documents, the MARIF Loan Documents, the FHF Loan Documents and the TIF Documents shall be deemed to be "Permitted Encumbrances" under the Ramsey County Loan Documents.
 - D. The FHF agrees that all of the liens, encumbrances, and restrictive covenants, if any, created by the Oak Grove Loan Documents, the MARIF Loan Documents, the Ramsey County Loan Documents and the TIF Documents shall be deemed to be "Permitted Encumbrances" under the FHF Loan Documents.
 - E. The City agrees that all of the liens, encumbrances, and restrictive covenants, if any, created by the Oak Grove Loan Documents, the MARIF Loan Documents, Ramsey County Loan Documents and the FHF Loan Documents shall be deemed to be "Permitted Encumbrances" under the TIF Documents.
2. Use of Documents. With respect to the loan documents referred to and described herein, the parties do hereby covenant, warrant, consent, and agree as follows:
 - A. The MHFA covenants and warrants that (i) the MARIF Loan Documents are all of the documents it has entered into regarding the MARIF Loan, (ii) there are no other documents relating to the MARIF Loan, (iii) it will not enter into any other

- B. Ramsey County covenants and warrants that (i) the Ramsey County Loan Documents are all of the documents it has entered into regarding the Ramsey County Loan, (ii) there are no other documents relating to the Ramsey County Loan, (iii) it will not enter into any other documents relating to the Ramsey County Loan which would have an adverse impact upon any other party to this Master Subordination Agreement without the prior written consent of such party or parties, and (iv) any document relating to the Ramsey County Loan which may exist and is not listed in the Ramsey County Loan Documents, or may come into existence in the future, shall not have any force or effect until approved and consented to in writing by all of the parties to this Master Subordination Agreement, and upon such written approval such document shall be automatically considered to be included in the Ramsey County Loan Documents, and Ramsey County will execute any and all documents necessary to include such document in the Ramsey County Loan Documents.
- C. The FHF covenants and warrants (i) the FHF Loan Documents are all of the documents it has entered into regarding the FHF Loan, (ii) there are no other documents relating to the FHF Loan, (iii) it will not enter into any other documents relating to the FHF Loan which would have an adverse impact upon any other party to this Master Subordination Agreement without the prior written consent of such party or parties, and (iv) any document relating to the FHF Loan which may exist and is not listed in the FHF Loan Documents, or may come into existence in the future, shall not have any force or effect until approved and consented to in writing by all of the parties to this Master Subordination Agreement, and upon such written approval such document shall be automatically considered to be included in the FHF Loan Documents, and the FHF will execute any and all documents necessary to include such document in the FHF Loan Documents.
- D. The City covenants and warrants that (i) the TIF Documents are all of the documents it has entered into regarding the Tax Increment Financing for the Project, (ii) there are no other documents relating to the Tax Increment Financing for the Project, (iii) it will not enter into any other documents relating to the Tax Increment Financing for the Project which would have an adverse impact upon any other party to this Master Subordination Agreement without the prior written consent of such party or parties, and (iv) any document relating to the Tax

- E. Oak Grove agrees and consents to the use of the MARIF Loan Documents, the Ramsey County Loan Documents, the FHF Loan Documents and the TIF Documents.
 - F. The MHFA agrees and consents to the use of the Oak Grove Loan Documents, the Ramsey County Loan Documents, the FHF Loan Documents and the TIF Documents.
 - G. Ramsey County agrees and consents to the use of the Oak Grove Loan Documents, MARIF Loan Documents, the FHF Loan Documents and the TIF Documents.
 - H. The FHF agrees and consents to the use of the Oak Grove Loan Documents, the MARIF Loan Documents, the Ramsey County Loan Documents and the TIF Documents.
 - I. The City agrees and consents to the use of the Oak Grove Loan Documents, MARIF Loan Documents, the Ramsey County Loan Documents and the FHF Loan Documents.
3. Subordination of Loans and Documents. The parties agree to the following priority and subordination of the loans and documents referred to and described herein:
- A. The MHFA agrees and acknowledges that the Oak Grove Loan and the Oak Grove Loan Documents and all advances made thereunder and accrued interest thereon are senior and prior to the MARIF Loan and the MARIF Loan Documents. Therefore, the MHFA agrees to, and does hereby (i) subordinate any and all liens, security interests and restrictive covenants, if any, included in the MARIF Loan and the MARIF Loan Documents to any and all liens, security interests and restrictive covenants, if any, securing repayment of the Oak Grove Loan or created by the Oak Grove Loan Documents, and (ii) subordinates the MARIF Loan and the MARIF Loan Documents to the Oak Grove Loan and the Oak Grove Loan Documents.
 - B. Ramsey County agrees and acknowledges that the Oak Grove Loan and the Oak Grove Loan Documents and the MARIF Loan and the MARIF Loan Documents, and all advances made thereunder and accrued interest thereon are senior and prior to the Ramsey County Loan and the Ramsey County Loan Documents. Therefore, Ramsey County agrees to, and does hereby (i) subordinate any and all liens, security interests and restrictive covenants, if any, included in the Ramsey

- C. The FHF agrees and acknowledges that the Oak Grove Loan and the Oak Grove Loan Documents, the MARIF Loan and the MARIF Loan Documents and the Ramsey County Loan and the Ramsey County Loan Documents, and all advances made thereunder and accrued interest thereon are senior and prior to the FHF Loan and the FHF Loan Documents. Therefore, the FHF agrees to, and does hereby (i) subordinate any and all liens, security interests and restrictive covenants, if any, included in the FHF Loan and the FHF Loan Documents to any and all liens, security interests and restrictive covenants, if any, securing repayment of the Oak Grove Loan or created by the Oak Grove Loan Documents, the MARIF Loan and the MARIF Loan Documents, and/or the Ramsey County Loan and the Ramsey County Loan Documents, and (ii) subordinates the FHF Loan and the FHF Loan Documents to the Oak Grove Loan and Oak Grove Loan Documents, the MARIF Loan and the MARIF Loan Documents and the Ramsey County Loan and the Ramsey County Loan Documents.
- D. The City agrees and acknowledges that the Oak Grove Loan and the Oak Grove Loan Documents and all advances made thereunder and accrued interest thereon are senior and prior to the TIF Documents. Therefore, the City agrees to, and does hereby (i) subordinate any and all liens, security interests and restrictive covenants, if any, included in the TIF Documents to any and all liens, security interests and restrictive covenants, if any, securing repayment of the Oak Grove Loan and the Oak Grove Loan Documents, and (ii) subordinates the TIF Documents to the Oak Grove Loan and the Oak Grove Loan Documents.
- E. The parties acknowledge that the Premises is intended to receive the benefits of Low Income Housing Tax Credits (the "Credits") pursuant to Section 42 of the Internal Revenue Code ("Section 42") and that it is a condition of the receipt of the Credits that Borrower file and record the Declaration of Land Use Restrictive Covenants for Housing Tax Credits identified on Exhibit G attached hereto and incorporated herein by reference (the "Declaration"). Oak Grove, the MHFA, Ramsey County, the FHF and the City hereby consent to the terms of the Declaration, as required by Section 2(c) of the Declaration, and further agree that, upon filing and recording, the Declaration will be subordinate to the Oak Grove Loan and the Oak Grove Loan Documents, the MARIF Loan and MARIF Loan Documents, the Ramsey County Loan and the Ramsey County Loan Documents, the FHF Loan and the FHF Loan Documents, and the TIF Documents except to the extent required by Section 9(d) of the Declaration (relating to the three (3) year vacancy control during the extended use period).

4. Provisions in Documents. Notwithstanding the subordination and order of priority set forth and agreed to in Section 3 hereinabove, and notwithstanding any contrary provision contained in any of the documents referred to herein, the parties hereby agree that, if there are any inconsistencies or conflicts with respect to the provisions contained in any of the documents referred to herein, then the provisions contained in the Oak Grove Loan Documents shall control over any such inconsistent or conflicting provision in any other document.
5. Interpretation. The parties are entering into and executing this Master Subordination Agreement to establish the subordination and priority of the loans and the documents referred to herein and to resolve any inconsistencies or conflicts in such documents, and accordingly, the parties hereby agree, understand, and acknowledge that the enforceability of this Master Subordination Agreement is not, and shall not, be restricted, limited, or impaired by the fact that not all of the parties are signatories to each or any of the documents referred to and incorporated by reference herein
6. Compliance with Closing Requirements and Absence of Events of Default. The parties state, represent, and warrant as follows:
 - A. Oak Grove states, represents and warrants that, to the best of its knowledge, there are no Events of Default, or events which with the passage of time could constitute an Event of Default, currently existing under the Oak Grove Loan Documents and that, to the best of its knowledge, Oak Grove and Borrower both have complied with all of the requirements imposed under such documents for the closing of the Oak Grove Loan.
 - B. The MHFA states, represents, and warrants that, to the best of its knowledge, there are no Events of Default, or events which with the passage of time could constitute an Event of Default, currently existing under the MARIF Loan Documents and that, to the best of its knowledge, the MHFA and Borrower both have complied with all of the requirements imposed under such documents for the closing of the MARIF Loan.
 - C. Ramsey County states, represents, and warrants that, to the best of its knowledge, there are no Events of Default, or events which with the passage of time could constitute an Event of Default, currently existing under the Ramsey County Loan Documents and that, to the best of its knowledge, Ramsey County and Borrower both have complied with all of the requirements imposed under such documents for the closing of the Ramsey County Loan.
 - D. The FHF states, represents, and warrants that, to the best of its knowledge, there are no Events of Default, or events which with the passage of time could constitute an Event of Default, currently existing under the FHF Loan Documents and that, to the best of its knowledge, the FHF and Borrower both have complied with all of the requirements imposed under such documents for the closing of the FHF Loan.

- E. The City states, represents, and warrants that, to the best of its knowledge, there are no Events of Default, or events which with the passage of time could constitute an Event of Default, currently existing under the TIF Documents and that, to the best of its knowledge, the City and Borrower both have complied with all of the requirements imposed under the TIF Documents.
7. Excess Insurance or Condemnation Proceeds. Notwithstanding any provisions contained in any of the loan documents described herein (including the Oak Grove Loan Documents), upon the occurrence of a casualty or condemnation, the Borrower shall be required to restore the Project to the extent feasible (i.e. sufficient proceeds and other funds to permit restoration are available to the Borrower). If restoration is not feasible (as determined by the Borrower and the holder of the Oak Grove Loan), then the proceeds of such casualty funds or condemnation award shall be distributed in accordance with the priority in Section 3 hereof.
8. Additional Provisions.
- A. No renewal, modification, increase, or extension of time of payment of any indebtedness referred to herein, no releases or surrender of any security therefor, nor any delay or omission in exercising any right or remedy contained therein shall, in any event, impair or affect the subordination of loan documentation and/or rights and obligations of the parties hereunder. Any party hereto, in its sole discretion, may waive or release any right or option under the loan documentation held by it and may exercise or refrain from exercising any right thereunder without the consent of any other party hereto. The parties agree that any party hereto at any time or from time to time may enter into such agreement or agreements with Borrower as it deems appropriate, extending the time of payment of or modifying, increasing, extending, renewing, or otherwise altering the terms of any or all of the obligations, or may exchange, sell, surrender, or otherwise deal with any such security, without notice, to the other parties hereto and without in any way impairing or affecting this Master Subordination Agreement. The parties waive notice of creation, existence, renewal, modification, or extension of time and payment of the loan documentation referred to herein and the indebtedness evidenced thereby, the disbursement of any sums thereunder, and any modifications or amendments to the loan documentation referred to herein.
- B. None of the parties hereto have any obligation under this Master Subordination Agreement to the other parties hereto to advance any funds to Borrower or to insure that any funds so advanced are used for any specific purpose. Any application or use of funds advanced should not impair the subordination provided herein.
- C. Each of the parties hereto waives any right to require marshaling of assets or to require any other party hereto to proceed against or exhaust any specific security for the indebtedness held by it and any defense arising out of the loss or of impairment of any right of subrogation through the lien of any loan documentation.

- D. Each agreement, and each and every covenant, agreement, and other provisions hereof shall be binding upon each of the parties hereto and their successors and assigns and shall inure to the benefit of each of the parties hereto and their successors and assigns and, in particular, to any subsequent holder of the loan documentation referred to herein, including, in particular, any person or entity advancing any funds under the respective loan documents.
- E. This Master Subordination Agreement may be changed only by an instrument in writing executed by the parties hereto. No waiver, amendment, or modification by custom, usage, or by implication shall be effective unless in writing signed by the parties. This Master Subordination Agreement shall not be construed as altering, amending, or modifying any of the terms and conditions of the loan documentation referred to herein other than for the subordination of priorities expressed herein.
9. Notices. All notices to be given by any party to the other under this Master Subordination Agreement shall be in writing and shall be deemed to have been given when delivered personally, or when deposited in the United States Mail, registered or certified postage prepaid, addressed to the party's address listed below or addressed to any such party at such other address as such party shall furnish subsequently by notice to the other parties. Any notice delivered personally to Borrower shall be delivered to a general partner of Borrower, and any notice delivered personally to any of the other parties to this Master Subordination Agreement shall be delivered to an officer of such party.

To Borrower: Falcon Heights Town Square Limited Partnership
233 Park Avenue South, Suite 201
Minneapolis, Minnesota 55415

To Oak Grove: Oak Grove Financial Group, Inc.
2177 Youngman Avenue
St. Paul, Minnesota 55116

To the MHFA: Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101
ATTN: Assistant Commissioner, Multifamily

To the FHF: Family Housing Fund
801 Nicollet Mall, Suite 1650
Minneapolis, Minnesota 55402

To Ramsey County: Ramsey County Housing and Redevelopment Authority
250 Courthouse
15 West Kellogg Boulevard
St. Paul, Minnesota 55102
ATTN: Judy Karon

To the City: City of Falcon Heights, Minnesota
 2077 West Larpenteur Avenue
 Falcon Heights, Minnesota 55113
 ATTN: City Administrator

10. Execution in Counterparts. This Master Subordination Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Master Subordination Agreement and Estoppel Certificate as of the date and year first above written.

(Signature Pages to Follow)

Signature Page to Master Subordination Agreement

FALCON HEIGHTS TOWN SQUARE LIMITED
PARTNERSHIP,
a Minnesota limited partnership

By: SHERMAN ASSOCIATES, INC.,
a Minnesota corporation
Its: General Partner

By: _____
George E. Sherman
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2011, by George E. Sherman, the President of SHERMAN ASSOCIATES, INC., a Minnesota corporation, the sole general partner of FALCON HEIGHTS TOWN SQUARE LIMITED PARTNERSHIP, a Minnesota limited partnership, on behalf of the limited partnership.

Notary Public

Signature Page to Master Subordination Agreement

OAK GROVE COMMERCIAL MORTGAGE, LLC,
a Delaware limited liability company

By: _____

Its:

STATE OF MINNESOTA)
)ss
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of December, 2011,
by_____, the _____ of OAK GROVE COMMERCIAL
MORTGAGE, LLC, a Delaware limited liability company, on behalf of said company.

Notary Public

Signature Page to Master Subordination Agreement

MINNESOTA HOUSING FINANCE AGENCY, a
Minnesota public body corporate and politic

By: _____
Name: _____
Its: _____

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of December, 2011, by _____, the _____ of MINNESOTA HOUSING FINANCE AGENCY, a Minnesota public body corporate and politic, on behalf of such public body.

Notary Public

Signature Page to Master Subordination Agreement

FAMILY HOUSING FUND,
a Minnesota non-profit corporation

By: _____

Its: _____

STATE OF MINNESOTA)
)ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2011, by _____, the _____ of FAMILY HOUSING FUND, a Minnesota non-profit corporation, on behalf of said non-profit corporation.

Notary Public

Signature Page to Master Subordination Agreement

RAMSEY COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY, a Minnesota
political subdivision

By: _____
Name: _____
Its: _____

Approved as to Form:

Assistant Ramsey County Attorney
Ramsey County Attorney's Office

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of December, 2011, by
_____, the Ramsey County Manager of RAMSEY COUNTY HOUSING
AND REDEVELOPMENT AUTHORITY, a Minnesota political subdivision, on behalf of the
political subdivision.

Notary Public

Signature Page to Master Subordination Agreement

CITY OF FALCON HEIGHTS, MINNESOTA, a
Minnesota municipal corporation

By: _____
Name: _____
Its: Mayor

By: _____
Name: _____
Its: City Administrator/Clerk

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of December, 2011, by _____, the Mayor, and _____, the City Administrator/Clerk, of the CITY OF FALCON HEIGHTS, MINNESOTA, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

This instrument was drafted by:

Oppenheimer Wolff & Donnelly LLP
45 South Seventh Street, Suite 3300
Minneapolis, MN 55402-1609

**EXHIBIT A
TO MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE**

Legal Description

The real property located in Ramsey County, Minnesota, and legally described as:

EXHIBIT B
TO MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

Oak Grove Loan Documents

1. Mortgage Note dated as of December 1, 2011, executed and delivered by Falcon Heights Town Square Limited Partnership to Oak Grove Commercial Mortgage, LLC, in the original principal amount of \$_____.
2. Mortgage dated as of December 1, 2011, executed and delivered by Falcon Heights Town Square Limited Partnership to Oak Grove Commercial Mortgage, LLC encumbering the Premises.
3. Regulatory Agreement for Multifamily Housing Project dated as of December 1, 2011, entered into by and between Falcon Heights Town Square Limited Partnership and the Secretary of Housing and Urban Development.
4. Security Agreement dated as of December 1, 2011, executed and delivered by Falcon Heights Town Square Limited Partnership to Oak Grove Commercial Mortgage, LLC.
5. UCC Financing Statement executed and delivered by Falcon Heights Town Square Limited Partnership, as Debtor, in favor of Oak Grove Commercial Mortgage, LLC and United States Department of Housing and Urban Development, as Secured Parties.
6. UCC Financing Statement (Fixture Filing) executed and delivered by Falcon Heights Town Square Limited Partnership, as Debtor, to Oak Grove Commercial Mortgage, LLC and United States Department of Housing and Urban Development, as Secured Parties, encumbering the Premises.
7. Assignment of Tax Increment Financing dated as of December 1, 2011 executed and delivered by Falcon Heights Town Square Limited Partnership to Oak Grove Commercial Mortgage, LLC.
8. Consent of City of Falcon Heights, Minnesota, to the Assignment of Tax Increment Financing dated as of December 27, 2011 executed and delivered by the City of Falcon Heights, Minnesota, to Oak Grove Commercial Mortgage, LLC.
9. Assignment of Development Agreement dated as of December 1, 2011 executed and delivered by Falcon Heights Town Square Limited Partnership to Oak Grove Commercial Mortgage, LLC.

EXHIBIT C
TO MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

MARIF Loan Documents

1. Minnesota Housing Finance Agency Minnesota Families Affordable Rental Investment Fund Program Mortgage Loan Commitment dated April 28, 2004, executed by Falcon Heights Town Square Limited Partnership, a Minnesota limited partnership, as Borrower, in favor of Minnesota Housing Finance Agency, as Lender.
2. Minnesota Housing Finance Agency Minnesota Families Affordable Rental Investment Fund Program Mortgage Note dated April 28, 2004 executed by Falcon Heights Town Square Limited Partnership, a Minnesota limited partnership, in favor of Minnesota Housing Finance Agency in the original amount of \$3,250,000.00.
3. Minnesota Housing Finance Agency Minnesota Families Affordable Rental Investment Fund Program Combination Mortgage, Security Agreement and Fixture Financing Statement dated April 28, 2004 between Falcon Heights Town Square Limited Partnership, a Minnesota limited partnership, as Mortgagor, and Minnesota Housing Finance Agency, as Mortgagee, securing the principal amount of \$3,250,000.00.
4. Minnesota Housing Finance Agency Minnesota Families Affordable Rental Investment Fund Program Assignment of Rents and Leases dated April 28, 2004, between Falcon Heights Town Square Limited Partnership, as Assignor, and Minnesota Housing Finance Agency, as Assignee.
5. Minnesota Housing Finance Agency Minnesota Families Affordable Rental Investment Fund Program Regulatory Agreement dated April 28, 2004, between Falcon Heights Town Square Limited Partnership and Minnesota Housing Finance Agency.
6. Minnesota Housing Finance Agency Minnesota Families Affordable Rental Investment Fund Program Declaration of Covenants, Conditions and Restrictions dated April 28, 2004, executed by Falcon Heights Town Square Limited Partnership.
7. Minnesota Housing Finance Agency Loan Agreement dated April 28, 2004, between Falcon Heights Town Square Limited Partnership, as Borrower, and Minnesota Housing Finance Agency, as Lender.
8. UCC Financing Statement naming Falcon Heights Town Square Limited Partnership, debtor, and Minnesota Housing Finance Agency, secured party.
9. Request for Notice of Foreclosure dated April 28, 2004, executed by Minnesota Housing Finance Agency.
10. Escrow and Disbursement Agreement between Falcon Heights Town Square Limited Partnership, Minnesota Housing Finance Agency, and Commercial Partners Title, LLC, as authorized agent of Chicago Title Insurance Company dated as of April 28, 2004.

EXHIBIT D
TO MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

Ramsey County Loan Documents

1. Ramsey County Housing Endowment Fund Loan Agreement dated July 1, 2003 by and between Ramsey County Housing and Redevelopment Authority and Falcon Heights Town Square Limited Partnership.
2. Promissory Note dated July 1, 2003 executed and delivered by Falcon Heights Town Square Limited Partnership to the Ramsey County Housing and Redevelopment Authority in the original principal amount of \$500,000.00.
3. Statutory Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to Ramsey County Housing and Redevelopment Authority securing the principal amount of \$500,000.00.
4. Declaration of Covenants and Restrictions dated April 28, 2004 executed and delivered by Falcon Heights Town Square Limited Partnership.

EXHIBIT E
TO MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

FHF Loan Documents

1. Construction Loan Agreement dated April 28, 2004, entered into by and between Falcon Heights Town Square Limited Partnership and the Family Housing Fund.
2. Promissory Note dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to Family Housing Fund, in the original principal amount of \$200,000.00.
3. Combination Mortgage, Security Agreement and Fixture Financing Statement dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to the Family Housing Fund, securing a principal amount of \$200,000.00.
4. Assignment of Rents and Leases dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to the Family Housing Fund.
5. UCC Financing Statement executed and delivered by Falcon Heights Town Square Limited Partnership as Debtor, to the Family Housing Fund, as Secured Party.
6. Funding Agreement dated April 28, 2004, by and between Falcon Heights Town Square Limited Partnership and the Family Housing Fund.
7. Certificate of Total Project Cost dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to the Family Housing Fund.
8. Certificate of Total Funding Sources dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to the Family Housing Fund.
9. Title Insurance Certificate dated April 28, 2004, executed and delivered by Commercial Partners Title, LLC to Family Housing Fund.
10. Assignment of Architect's Contract dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to the Family Housing Fund.
11. Assignment of Construction Contract dated April 28, 2004, executed and delivered by Falcon Heights Town Square Limited Partnership to the Family Housing Fund.
12. Request for Notice of Foreclosure dated April 28, 2004, executed and delivered by Family Housing Fund.

EXHIBIT F
TO MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

1. Development Agreement dated July 18, 2003, by and between the City of Falcon Heights, Minnesota, and Falcon Heights Town Square Limited Partnership, as amended by the First Amendment to Development Agreement dated July 18, 2203, by and between the City of Falcon Heights, Minnesota, and Falcon Heights Town Square Limited Partnership, as further amended by the Amended and Restated Development Agreement dated April 28, 2004, by and between the City of Falcon Heights, Minnesota, and Falcon Heights Town Square Limited Partnership, as evidenced by the Memorandum of Development Agreement dated April 28, 2004, by and between the City of Falcon Heights, Minnesota, and Falcon Heights Town Square Limited Partnership.

2. The United States of America, State of Minnesota, County of Ramsey, City of Falcon Heights, Minnesota, Taxable Tax Increment Revenue Note (Falcon Heights Town Square Project - Multifamily TIF Note), dated as of April 28, 2004, in the original principal amount of One Million Five Hundred Eighty-Six Thousand One Hundred Twenty-Six and No/100ths Dollars (\$1,586,126.00) executed and delivered by the City of Falcon Heights, Minnesota, to Falcon Heights Town Square Limited Partnership.

EXHIBIT G
TO MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

Declaration of Land Use Restrictive Covenants for Housing Tax Credits

1. Declaration of Land Use Restrictive Covenants (Low-Income Housing Tax Credits), to be executed by Falcon Heights Town Square Limited Partnership, a Minnesota limited partnership, in favor of the Minnesota Housing Finance Agency, recorded in the Office of the Registrar of Titles, Ramsey County, Minnesota.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F8
Attachment	
Submitted By	Roland Olson, Finance Director

Item	Statutory Tort Limits Liability Coverage for City in 2012
Description	<p>Effective January 1, 2012, the statutory tort limits for the City of Falcon Heights under our insurance policy with the League of Minnesota Cities Insurance Trust will be \$1,500,000. An individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which statutory tort limits apply would be limited to \$1,500,000.</p> <p>The League of Minnesota Cities Insurance Trust is requesting that cities determine if they wish to waive the statutory tort limits for 2012. Under certain circumstances the LMCIT, which represents the city in these claims, may negotiate above the legal liability limit if necessary because some claims like employment are exempt from the cap. The general council from the LMCIT states that cities make different choices depending upon their circumstances. However, they perceived that maintaining the limit was prudent in many cases. The city has had no claims for settlements for several years. Since 2000, the city council has voted <u>not to waive</u> the statutory tort limits.</p>
Budget Impact	N/A
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the city council approve a motion <u>not to waive</u> the city's statutory tort limits for 2012.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Consent F9
Attachment	
Submitted By	Roland Olson, Finance Director

Item	Budget amendments to the General Capital Improvements Fund (401) and the Capital Equipment 2010A Fund (424)
Description	<p>The city received a grant from Ramsey County to improve our Emergency Operations Center. This grant was received after the original budget for the General Capital Improvements Fund had been approved. The city purchased a Smartboard for its EOC. Staff recommends that a budget amendment for both the increased revenue and the increased expenditure to the fund be approved.</p> <p>General Capital Improvements Fund (401): Revenue: 401-000-33410 \$8,607 increase Expense: 401-4401-91500 \$8,607 increase</p> <p>The Capital Equipment 2010A Fund (424) accounts for the equipment expenditures out of the bond proceeds from the capital equipment bond previously obtained. Equipment attachments for the Bobcat, John Deere Mower, and F-250 Ford truck were purchased resulting in the need for a budget amendment. Staff recommends increasing the equipment budget line item by \$15,000. These expenditures are included within the original projections for this fund.</p> <p>Capital Equipment 2010A Fund (424) Expense: 424-4424-91000 \$15,000 increase</p>
Budget Impact	Establish budget line item amounts as listed above.
Attachment(s)	N/A
Action(s) Requested	<p>Staff recommends amending the following budget line items: General Capital Improvements Fund (401). Revenue: 401-000-33410 \$8,607 increase Expense: 401-4401-91500 \$8,607 increase</p> <p>Capital Equipment 2010A Fund (424) Expense: 424-4424-91000 \$15,000 increase</p>



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9 , 2011
Agenda Item	Consent F10
Attachment	
Submitted By	Roland Olson, Finance Director

Item	Budget Amendment of Year End Transfer to General Fund from Sanitary Sewer Fund
Description	In prior years, the transfer from the sanitary sewer fund to the general fund in support of the general operating budget was completed at the end of the year. In 2011 this transfer was made at the beginning of the year to increase the investment income allocated to the general fund through out the year. It is too early to determine if there will be any unused portion of the original transfer, but if there is, staff requests the authority to transfer any excess back to the sanitary sewer fund to keep the fund balance of the general fund approximately the same as the ending fund balance of December 31, 2010.
Budget Impact	Transfer back any unused portion of the original budgeted transfer from sanitary sewer to the general fund for 2011.
Attachment(s)	NA
Action(s) Requested	Staff recommends that a transfer of any unused funds of the original budgeted transfer of sanitary sewer funds to the general fund be transferred back at the end of the year to maintain the ending fund balance of the general fund to be approximately the same as the ending fund balance of December 31, 2010.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Policy G1
Attachment	Solar Panel Agreements
Submitted By	Justin Miller, City Administrator

Item	City Hall Solar Panel Agreements										
Description	<p>Over the past year the City of Falcon Heights has been evaluating different proposals for placing solar panels on the roof at city hall. Due to changing requirements and funding decisions made by the state legislature and the Public Utilities Commission, the original company interested in this project backed out. A new company, Energy Alternatives, has stepped in and earlier this year the city approved a letter of intent to work with them and further develop their proposal.</p> <p>Energy Alternatives' proposal includes:</p> <table> <tr> <td>Total Project Cost:</td> <td>\$321,600.00</td> </tr> <tr> <td>Monthly Lease Payment (City pays to Energy Alternatives):</td> <td>\$530.00</td> </tr> <tr> <td>Total Lease payments by city over 72 month period:</td> <td>\$38,160.00</td> </tr> <tr> <td>Proposed city buyout after year six:</td> <td><u>\$12,720.00</u></td> </tr> <tr> <td>Total out-of-pocket cost to city:</td> <td>\$50,880.00</td> </tr> </table> <p>The city would see a reduction in our electric bill due to the solar panel energy generation, but at this time staff is still awaiting word from Xcel Energy about how that credit would be structured. However, Energy Alternatives has produced an Energy Performance Guarantee which states that a minimum of \$4,114 worth of electricity will be produced by the panels. If the panels produce less than this amount, Energy Alternatives will pay the difference. With this in mind, it is anticipated that payback on the city's investment will be, using the most conservative estimates, in the twelve year range.</p> <p>Due to complications that recently arose with the timing of a city hall roof replacement, the installation of the panels is still being determined. Staff hopes to have more details at the city council meeting.</p>	Total Project Cost:	\$321,600.00	Monthly Lease Payment (City pays to Energy Alternatives):	\$530.00	Total Lease payments by city over 72 month period:	\$38,160.00	Proposed city buyout after year six:	<u>\$12,720.00</u>	Total out-of-pocket cost to city:	\$50,880.00
Total Project Cost:	\$321,600.00										
Monthly Lease Payment (City pays to Energy Alternatives):	\$530.00										
Total Lease payments by city over 72 month period:	\$38,160.00										
Proposed city buyout after year six:	<u>\$12,720.00</u>										
Total out-of-pocket cost to city:	\$50,880.00										
Budget Impact	Over a seven year period the out of pocket costs to the city will total \$50,880. The lease payments would be taken out of the operating budget, while the system purchase payment in year seven will be a capital expense.										

Attachment(s)	Solar Panel Agreements
Action(s) Requested	Staff and the city attorney have reviewed the attached agreements and find that they are acceptable if the council desires to approve them.

Energy Alternatives Solar, LLC

Sales Agreement

City of Falcon Heights

THE PARTIES named below have executed this Agreement effective November 1, 2011 and hereby agree to the terms contained below and in any attachments made a part of this Agreement.

BUYER:

SELLER:

City of Falcon Heights
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Energy Alternatives Solar, LLC
17685 Juniper Path, Suite 301
Lakeville, MN 55044

Service Address (equipment location): 2077 W. Larpenteur Ave., Falcon Heights, MN

By:

By:

Printed Name:

Printed Name:

Title: _____

Title: _____

Equipment Sales Price: (sales tax exempt in Minnesota) \$321,600.

Equipment Generator: tenKsolar
Model Number: RAIS 130
kw rating: 5.0 kw (8)

Reflector Panel Rating: 60 watts

Output: 48 volts DC

Number of Panels: 222

Number of Reflectors: 222

Total DC output: 39.96 kw

Manufacturer's Warranty: 25 years

Equipment Switchgear:

Manufacturer: Sunergy ELV208

Panel Rating: 130 watts

Voltage Input: 48 volts DC

Voltage Output: 208 volts AC

Manufacturer's Warranty: 10 years

Equipment Enclosure:

Manufacturer: tenKsolar

Material: Aluminum

Ballasting: Concrete block/cable

Wind Rating: 90 mph

Tilt Angle: 45 degrees

Sales Terms. This Sales Agreement for the equipment listed herein is executed concurrently with a Leaseback Agreement, a Power Plus Agreement, Severance Agreement and Put and Call Agreement between the Parties.

The Equipment Sales Price is to be paid by Buyer to Seller upon the execution of this Agreement and the Lease Agreement.

1. Representations. The Parties acknowledge that:

- a. Seller warrants that all Equipment installed by Seller is of good quality and services performed by Seller in the construction and installation of the Equipment

- are of good workmanship, consistent with generally accepted industry standards;
and
- b. This Agreement and all schedules and attachments shall have been duly entered into, delivered and the Parties intend that these shall constitute legal, valid, and binding obligations of Buyer and Seller, enforceable in accordance with their terms when executed by Buyer and Seller; and
 - c. No director, officer or employee of Buyer or Seller shall be liable for the obligations of Buyer or Seller hereunder except for acts which constitute fraud or willful misconduct of such director, officer or employee; and
 - d. Seller represents that all Xcel Energy rebates contemplated by this Agreement and the Power Plus Agreement are valid upon performance of these Agreements by the Parties, and providing the Buyer is not in default, that Buyer will be held harmless by Seller and Buyer shall incur no additional cost under these Agreements if the Xcel Energy rebates are not obtained in the amounts contemplated; and
 - e. Pursuant to Minnesota Statutes Sec.574.26, subd. 2, Seller shall provide performance and payment bonds for the work performed at each of the project sites set forth in this Agreement and such bonds shall be from a surety and on such terms as are acceptable to Buyer.

Energy Alternatives Solar, LLC

Leaseback Agreement

City of Falcon Heights

Lessor and Lessee have executed this Agreement effective November 1, 2011 and hereby agree to the terms contained below and in any attachments made a part of this Agreement.

This Lease and the attachments hereto constitute the entire Agreement of the Parties with respect to the leasing of the Equipment and the other subject matter of this Lease. This Lease supersedes all prior written and/or oral understandings or agreements with respect to the subject matter hereof, and no change, modification, addition or termination of this Lease shall be enforceable unless in writing and signed by Lessor and Lessee.

Lessor:

City of Falcon Heights
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Lessee:

Energy Alternatives Solar, LLC
17685 Juniper Path, Suite 301
Lakeville, MN 55044

In consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. **LEASE OF EQUIPMENT.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor subject to the terms of this Agreement (“Lease” or “Lease Agreement”), the Equipment (“Equipment”) described in Schedule A (“Schedule A”) executed by Lessor and Lessee and made a part hereof. Each such Schedule A when executed by the Parties shall be deemed to be a part of this Lease. All schedules, addenda or other attachments to this Lease executed by Lessor and Lessee are hereby incorporated herein and made a part hereof.
2. **PROPERTY STATUS.** The Equipment is, and shall at all times remain, personal property, notwithstanding that the Equipment or any part thereof shall now be or hereafter become in any manner affixed or attached to real property or any improvements thereof.
3. **OWNERSHIP.** While Lessor shall have legal title to the Equipment, the Equipment shall be and remain a capital asset of Lessee at all times. Lessee shall be exclusively entitled to all federal and state investment tax credits and accelerated income tax depreciation application to the Equipment. Subject to an event of default by Lessee, Lessor agrees to assign all state and utility rebates to Lessee, or to immediately pay such rebates to Lessee should the rebates be received by Lessor.
4. **LEASE TERMS AND DEFINITIONS.** Lessee agrees to pay Lessor rentals for the Equipment leased under this Lease as set forth in Schedule A. All rentals shall be payable as described to Lessee at Lessor’s mailing address set forth in such Schedule A, or to such person and such other place as Lessor may from time to time designate in writing. The “Scheduled Lease Term” and “Scheduled Lease Commencement Date” shall be as set forth in Schedule A. The Scheduled Lease Term as set forth in Schedule A shall constitute the Lease Term (“Lease Term”) for the Equipment. This lease cannot be canceled or terminated except as expressly provided herein.
5. **MAINTENANCE AND OPERATION.** Lessee, at its expense, shall keep the Equipment in good repair, condition and working order, in compliance with normal and prudent industry practices. Lessee shall pay the costs related to Equipment repairs and replacements.
6. **INSURANCE.** Liability Insurance-Lessee shall at its own expense acquire and maintain, during the term hereof, comprehensive public liability insurance including coverage for any bodily injury, death or property damage which may be caused by or related to the Equipment or its operation, in an amount not less than One Million Dollars (\$1,000,000.00) or in such amount as the Lessor may reasonably require during the Lease Term. Property Insurance-Lessee, at its expense, shall acquire and maintain, during the term hereof, all risk property insurance, in amounts and under coverages to provide for rebuilding, repairing or replacing the Equipment in the event of any damage, destruction, loss or theft of the Equipment and shall provide Lessor with a certificate of insurance evidencing coverages in amounts approved by the Lessor.
7. **REPRESENTATIONS OF LESSOR.** Lessor acknowledges that:

- a. Lessee, its agents and assigns, shall upon 24 hours notice to Lessor, unless an emergency exists requiring immediate access to the Equipment, and have full access upon the real property where the Equipment is located (“Property”) to inspect, repair, rebuild, disassemble, or remove the Equipment without further notice, or further permission, charge for, or obligation to any person or entity referred to in the attached Severance Agreement (“Severance”) and in the event of default and failure to cure within a reasonable time by Lessor in the performance of any of Lessor’s obligations and liabilities to Lessee. Lessee or its agents or assigns may remove the Equipment or any part thereof from the Property without objection, delay, hindrance or interference by Lessor, and in such case, Lessor will no claim or demand whatsoever against the Equipment.
8. REPRESENTATIONS OF LESSEE. Lessee acknowledges that:
This lease and all schedules and attachments shall have been duly entered into, delivered and shall constitute legal, valid and binding obligations of Lessee, enforceable in accordance with their terms when executed by Lessor and Lessee.
9. NOTICES. All notices or communications under this Lease shall be in writing, shall be delivered by Federal Express or equivalent commercial courier or mailed to the Parties at the addresses set out for them in this Lease, and any notice so addressed and mailed by registered mail or hand delivered and left with a responsible person shall be deemed to have been given when so mailed or delivered.
10. EVENTS OF DEFAULT. The following shall constitute events of default:
 - a. Lessor substantially ceases or suspends its business at the Service Address specified in Schedule A, admits in writing its inability to pay its debts as they mature; or bankruptcy, reorganization or other proceedings for the relief of debtors or benefit of creditors shall be instituted by or against Lessor; or
 - b. Lessor fails to perform or materially breaches any of the covenants herein and shall continue to fail to observe or perform the same for a period of ten (10) days after written notice thereof by Lessee; or
 - c. Lessor creates, incurs or suffers to exist any mortgage, lien or other encumbrance or attachment of any kind whatsoever upon or affecting the Equipment or this lease or any of Lessee’s interests thereunder and fails to remove such lien or encumbrance within a reasonable time after notice; or
 - d. Any representation or warranty made by Lessor herein or in any document or certificate furnished to Lessee proves to be incorrect in any material respect when made; or
 - e. The dissolution of Lessor as a governmental entity; or
 - f. Lessee fails to perform any material obligation set forth in this Lease Agreement or related scheduled and attachments forming the totality of this transaction and fails to cure such default within a reasonable time after written notice of default from Lessor. Provision of the direct current

electrical output set forth in the Agreement due to defective Equipment or negligent operation is a material obligation.

11. REMEDIES UPON DEFAULT. Upon the occurrence of any event of default that is not cured within the specified and reasonable time after notice, and at any time thereafter, the non-defaulting Party may do any one or more of the following with or without terminating this Lease and without limitation on other remedies that may be available to the non-defaulting Party:

- a. Take immediate possession of any and all Equipment with notice;
- b. Sell or lease the Equipment or otherwise dispose, hold or use such Equipment at the non-defaulting Party's sole discretion;
- c. Upon notice to the defaulting Party, terminate this Lease.

12. ENFORCEABILITY/CAPTIONS. If any part, term or provision of this Lease is held by any court to be unenforceable or prohibited by law, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Lease did not contain that particular part, term or provision. The headings in this Lease have been included for ease of reference only and shall not be considered in the construction and interpretation of this Lease. This Lease shall in all respects be governed by and construed in accordance with the laws of the State of Minnesota.

13. CHANGE OF PROPERTY OWNERSHIP

- a. This Lease shall inure to the benefit of Lessee, its successors and assigns, and all obligations of Lessor shall bind its permitted successors and assigns. Except pursuant to rights set forth in paragraph 11 above, Lessor may not sell, assign or otherwise transfer all or any part of Lessor's interest in the real property located at the Service Address specified in Schedule A prior to the expiration of the Scheduled Lease Term, or earlier termination of this Lease, without the written prior consent of Lessee, which consent shall be granted provided that Lessor arranges for the assignment and assumption of the Lessor's obligations under this Lease by an assignee acceptable to Lessee in its sole discretion.
- b. If Lessor sells, assigns or otherwise transfers its interest in the real property located at the Service Address without Lessee's prior written consent, any purported conveyance of the Equipment by Lessor to a third party shall be void and of no force or effect, and Lessee may exercise its remedies under paragraph 11 of this Agreement.
- c. No director, officer or employee of Lessor or Lessee shall be liable for the obligations of Lessor or Lessee hereunder except for acts which constitute fraud or willful misconduct of such director, officer or employee.
- d. Notwithstanding anything apparently contrary in this Agreement, Lessor's Energy Performance Guarantee to Lessee as set forth in the Power Plus

Agreement, Schedule A, shall remain in full force and effect following execution of the Put and Call Agreement incorporated herein.

Lessor and Lessee have executed this Lease Agreement effective November 1, 2011, and hereby agree to the terms herein and in any attachments hereby incorporated as a part of this Agreement. This Lease Agreement is hereby made a part of that Sales Agreement between the Parties and executed concomitantly with this Agreement for the Equipment as described herein.

Lessor:
City of Falcon Heights
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Lessee:
Energy Alternatives Solar, LLC
17685 Juniper Path, Suite 301
Lakeville, MN 55044

By:

Print Name:

Print Title:

Date:

Lease Terms

Scheduled Lease Term	240 months
Lease Payment	\$1,340.00 per month
Total Lease Payments	\$321,600.00

Lessee will pay all lease payments to Lessor in advance on the execution date of this Lease Agreement. Lessee will record this Equipment as a Capital Asset and will be exclusively entitled to any and all federal and state investment tax credits and accelerated income tax basis depreciation application to the Equipment. Subject to default remedies under paragraph 11, Lessor agrees to assign all state and utility rebates to Lessee, or to immediately pay such rebates to Lessee should the rebates be received directly by Lessor.

Energy Alternatives Solar, LLC

Severance Agreement

WHEREAS the undersigned hold certain interests in the below-described real property (“Property”) and the Lessor has entered into that certain Lease Agreement dated November 1, 2011 (“Lease” or “Lease Agreement”) with Energy Alternatives Solar, LLC (“Lessee”) for the lease of certain structures and/or Equipment located on the Property described below.

NOW, THEREFORE in consideration of the mutual benefits to be derived by the Parties hereto from the making of such Lease, the undersigned Parties hereby agree to the terms contained herein.

Lessor:

City of Falcon Heights
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Service Address:

Falcon Heights City Hall
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Equipment Description: Roof-mounted solar photovoltaic system

AGREEMENT

1. The Equipment shall remain severed from the Property even if attached to the Property. The Equipment shall retain its personal character, shall be removable from the Property, shall be treated as personal property with respect to the rights of the Parties, and shall not become a fixture or part of the Property.
2. The Equipment shall not be subject to the lien of any secured transaction or instrument heretofore or hereafter arising against the Property or any other structure on which it is placed.
3. This Agreement may be recorded in the applicable recording office of the County in which the Property is located.

Owner of Real Estate (Print Name): _____

Signature: _____

Title: _____ **Date:** _____

Name

Corporate Notary

State of _____ County of _____. On this _____ day of _____ before me, a Notary Public within and for _____ County, personally appeared _____ to me personally known to and to me personally known to be an officer, to wit, _____, an officer of _____, a corporation, and to me personally known to be the person who executed this instrument on behalf of said corporation as such officer, who being duly sworn, did say that he/she is such officer of said corporation described in and which executed this instrument.

Personal Notary

State of _____ County of _____. On this _____ day of _____ before me, a Notary Public within and for _____ County, personally appeared _____ to me known to be the person described in and who executed this instrument, and acknowledged to me that he/she executed the same as his/her free act and deed.

Notary Public

Energy Alternatives Solar, LLC

**POWER PLUS
Documents**

City of Falcon Heights

Contents

Power Plus Agreement
Schedule A

Customer/Lessee:

City of Falcon Heights
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Service Address:

Falcon Heights City Hall
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Lessor:

Energy Alternatives Solar, LLC
17685 Juniper Path, Suite 301
Lakeville, MN 55044

Primary Sales and Program Contacts:

Skip Christiansen
651-357-5843
sc@energyalternatives.com

Chris Dorival
612-816-5414
cd@energyalternatives.com

Primary Lease Document Contact:

Dale Gundberg
651-341-2241
FAX: 651-460-6717
dg@energyalternatives.com

Secondary Sales, Program or Lease Document Contact:

Phil Kairis
651-341-2244
pk@energyalternatives.com

EA Solar and Customer have executed this Agreement effective November 1, 2011, and hereby agree to the terms herein below and any attachments made a part of this Agreement. This Agreement and the attachments hereto constitute the entire Agreement of the Parties with respect to the use of the Equipment and other subject matter of this Agreement. This Agreement supersedes all prior written and/or oral understandings or agreements with respect to the subject matter hereof, and no change, modification, addition or termination of this Agreement shall be enforceable unless in writing and signed by the Parties.

Customer:
City of Falcon Heights
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

EA Solar:
Energy Alternatives Solar, LLC
17685 Juniper Path, Suite 301
Lakeville, MN 55044

By:

Signature

Print Name

Title

Date

In consideration of the mutual covenants hereinafter contained, the Parties hereby agree as follows:

1. **USE OF EQUIPMENT.** Subject to the terms of this Agreement, Customer may use the equipment ("Equipment") described in Schedule A ("Schedule A") executed by EA Solar and Customer and made a part hereof. Each such Schedule A when executed by the parties shall be deemed to be a part of this Agreement. All Schedules, addenda or other attachments to this Agreement executed by EA Solar and Customer are hereby incorporated herein and made a part hereof.
2. **PROPERTY STATUS.** The Equipment is, and shall at all times be and remain, personal property, notwithstanding that the Equipment or any part thereof shall now be or hereafter become in any manner affixed or attached to real property or any improvements thereof.
3. **OWNERSHIP.** The Equipment shall remain a capital asset of EA Solar at all times, and EA Solar will be exclusively entitled to all federal and state investment tax credits

and accelerated income tax depreciation applicable to the Equipment. Subject to default remedies of paragraph 11 of the Leaseback Agreement, Customer agrees to assign all state and utility rebates to EA Solar, or to immediately pay such rebates to EA Solar should the rebates be received directly by Customer.

4. **TERMS AND DEFINITIONS.** Customer agrees to pay EA Solar charges for the Equipment used under this Agreement as set forth in Schedule A. All charges shall be payable at EA Solar's mailing address set forth in such Schedule A, or to such other person or at such other place as EA Solar may from time to time designate in writing. The "Scheduled Term" and "Scheduled Commencement Date" shall be set forth in Schedule A. The Scheduled Term as set forth in Schedule A, shall constitute the Term ("Term") for the Equipment. This Agreement cannot be canceled or terminated except as expressly provided herein. At the conclusion of the Scheduled Term, Customer is deemed to have continued the Agreement on a year-to-year basis, unless Customer notifies EA Solar in writing 90 days prior to the end of the Scheduled Term that it desires to terminate the Agreement.

Upon termination of the Agreement prior to the end of the Scheduled Term, for any reason other than a Customer initiated Buyout Option in accordance with Schedule A, Table 1, or exercise of the Put and Call Agreement incorporated herein, EA Solar shall bill to Customer and Customer shall pay to EA Solar, the amount of unrecoverable site installation costs as specified in Schedule A, Table 2.

5. **MAINTENANCE AND OPERATION.** EA Solar, at its expense, shall keep the Equipment in good repair, condition and working order, in compliance with normal and prudent industry practices. EA Solar shall pay the costs related to the Equipment repairs and replacements.
6. **INSURANCE.** Liability Insurance - EA Solar shall at its own expense acquire and maintain, during the term hereof, comprehensive public liability insurance including coverage for any bodily injury, death, or property damage which may be caused by or related to the Equipment or its operation, in an amount not less than One Million Dollars (\$1,000,000.00). Property Insurance - EA Solar shall at its own expense acquire and maintain, during the term hereof, all risk property insurance, in amounts and under coverages to provide for rebuilding, repairing or replacing the Equipment in the event of any damage, destruction, loss or theft of the Equipment, and provide a certificate of insurance to Customer evidencing coverages satisfactory to Customer.
7. **REPRESENTATION OF EA SOLAR.** EA Solar acknowledges that:
 - a. The Equipment is of a size, design, capacity, description and manufacture selected by EA Solar;
 - b. EA Solar warrants that all services performed by EA Solar hereunder will be of good workmanship, consistent with general industry standards; and
 - c. EA Solar will make a good faith effort to repair the Equipment in a timely manner, should it become inoperable.

8. REPRESENTATIONS OF CUSTOMER. Customer acknowledges that:
- a. This Agreement is executed by a person with authority to enter into contracts on behalf of Customer after approval by Customer's city council;
 - b. The Customer intends that this Agreement and all schedules and attachments shall have been duly entered into, delivered and shall constitute legal, valid and binding obligations of Customer, enforceable in accordance with their terms when executed by EA Solar and Customer; and
 - c. EA Solar, and its agents and assigns, upon 24 hours notice unless an emergency exists, shall have full access upon the real property where the Equipment is located ("Property") to inspect, repair, rebuild, disassemble, or remove the Equipment without further notice, to or further permission of, charge for, or obligation to, any person or entity referred to in the attached Severance Agreement ("Parties"), and in the event of default by Customer in the payment or performance of any of Customer's obligations and liabilities to EA Solar, EA Solar or its agents or assigns may remove the Equipment or any part thereof from the Property without objection, delay, hindrance or interference by the Parties, and in such case, the Parties will make no claim or demand whatsoever against the Equipment.
9. NOTICES. All notices or communications under this Agreement shall be in writing, shall be delivered by Federal Express or equivalent commercial courier or mailed to the parties at the addresses set out for them in this Agreement, and any notice so addressed and mailed by registered mail or hand delivered and left with a responsible person shall be deemed to have been given when so mailed or delivered.
10. EVENTS OF DEFAULT. The following shall constitute Events of Default:
- a. The defaulting party substantially ceases or suspends its business or operation of solar systems at the Service Address specified in Schedule A, admits in writing its inability to pay its debts as they mature; or bankruptcy, reorganization or other proceedings for the relief of debtors or benefit of creditors shall be instituted by or against the defaulting party; or
 - b. The defaulting party shall fail to pay all or any part of the charges or any other payment when due and payable; or
 - c. Customer shall fail to perform or shall materially breach any of the covenants herein and shall continue to fail to observe or perform the same for a period of ten (10) days after written notice thereof by the non-defaulting party; or
 - d. Without EA Solar's consent, Customer sublets any Equipment and EA Solar is not in default; or
 - e. Customer creates, incurs or suffers to exist any mortgage, lien or other encumbrance or attachment of any kind whatsoever upon or affecting the Equipment or this Agreement or any of EA Solar's interests thereunder and fails to remove such lien or encumbrance within a reasonable time after notice; or
 - f. Any representation or warranty made by either Party herein or in any

document of certificate furnished to the other Party proves to be incorrect in any material respect when made; or

g. The dissolution of EA Solar as a business entity.

11. REMEDIES FOR DEFAULT. Upon occurrence of any Event of Default and at any time thereafter, the non-defaulting Party may do any one or more of the following with or without terminating this Agreement and without limitation on other remedies that may be available to the non-defaulting Party:

- a. Take possession of any and all Equipment with notice;
- b. Sell or lease the Equipment or otherwise dispose, hold or use such Equipment at the non-defaulting Party's sole discretion;
- c. Demand payment of all additional costs incurred by the non-defaulting Party in the course of correcting any material default.

12. ENFORCEABILITY/CAPTIONS. If any part, term, or provision of this Agreement is held by any court to be unenforceable or prohibited by law, the rights and obligations of the parties shall be construed and enforced with that part, term, or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Agreement did not contain that particular part, term, or provision.

The headings in this Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

The Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Minnesota

Energy Alternatives Solar, LLC

Power Plus Agreement

Schedule A

This Schedule A and its Addendum(s) , when executed by both the Customer and EA Solar shall be made a part of the Power Plus Agreement dated November 1, 2011 (“Agreement”) between EA Solar and Customer.

Customer and Billing Address:

City of Falcon Heights
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Service Address (Equipment Location): EA Solar Customer Number: _____

Falcon Heights City Hall
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

BY:

Signature

Printed Name

Title

Date

Equipment Sales Price: (sales tax exempt in Minnesota)

\$321,600.

Equipment Generator: tenKsolar

Model Number: RAIS 130

kw rating: 5.0 kw (8)

Reflector Panel Rating: 60 watts

Output: 48 volts DC

Number of Panels: 222

Number of Reflectors: 222

Total DC output: 39.96 kw

Manufacturer's Warranty: 25 years

Equipment Switchgear:

Manufacturer: Sunergy ELV208

Panel Rating: 130 watts

Voltage Input: 48 volts DC

Voltage Output: 208 volts AC

Manufacturer's Warranty: 10 years

Equipment Enclosure:

Manufacturer: tenKsolar

Material: Aluminum

Ballasting: Concrete block/cable

Wind Rating: 90 mph

Tilt Angle: 45 degrees

Terms:

Scheduled Commencement Date: January 1, 2012

Monthly lease payment: \$530.00

State rebates are assigned directly to EA Solar immediately upon receipt by Customer

Utility rebates are assigned directly to EA Solar immediately upon receipt by Customer

Energy Performance Guaranty

EA Solar guarantees that the Equipment shall provide a minimum average annual value of \$4,114.00 in annual utility savings to Customer for the term of the Power Plus Agreement beginning with the final completion of the Equipment and on a year-to-year basis thereafter, until such time as Customer's total payments for the cost of the Equipment of \$50,880 is paid for by the utility produced by the energy system in any event not to exceed twenty (20) years from the start date of the operation of the system as required by Minnesota Statutes Section 471.345 subd. 13. Annual utility savings shall be calculated as the metered kilowatt-hour output times the aggregate of all charges on Customer's utility statement based upon a kilowatt-hour rate plus the Equipment's DC Output times a factor of 25% times the aggregate of all monthly charges on Customer's utility bill based upon a kilowatt rate. To further comply with Section 471.345 subd. 13, EA Solar agrees to pay Customer the difference between the cost of the Equipment and the actual cumulative savings if, after 20 years, the savings at least fail to equal the above cost of the Equipment.

PUT AND CALL AGREEMENT

THIS PUT AND CALL AGREEMENT (this “*Agreement*”), is made as of November 1, 2011, by and among the City of Falcon Heights (the “*City*”) and Energy Alternatives Solar, a Minnesota limited liability company (“*Owner*”).

WHEREAS, Owner is the lessee of certain Property upon which will be installed an Energy System and associated rights under that certain Facility Lease Agreement of even date herewith (collectively the “*Interest*”); and

WHEREAS, the parties hereto now desire to enter into this Put and Call Agreement to set forth the terms and conditions upon which Owner has an option to put the Interest to the City and upon which the City has an option to call the Interest from Owner.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

Section 1. Put of Interest. Following the sixth anniversary of the Commencement Date as defined in the Lease and for a period of six months thereafter, (the “*Put Period*”), Owner shall have the right and option to require the City to purchase all (but not less than all) of its Interest (the “*Put*”), by delivering written notice thereof to the City. Owner may exercise the Put by delivering notice of such exercise in writing to the City during the Put Period. If exercised, Owner shall be obligated to sell, and the City shall be obligated to purchase, all of the Interest then owned by Owner. The purchase price for the Interest shall be an amount equal to two years worth of lease payments for the PV system as determined by the Facility Lease Agreement as well as any taxes. (the “*Put Price*”). The Put Price shall be paid by the City to Owner in cash on the Put Closing Date. The date of the Put closing (the “*Put Closing Date*”) will be thirty (30) calendar days following the notice of exercise of the Put, or such earlier date as the City and Owner shall agree in writing.

Section 2. Call of Owner’ Interest. The City shall have the right and option (“*Call*”) to purchase all, but not less than all of the Interest for one (1) year following the last day of the Put Period. If exercised, Owner shall be obligated to sell, and the City shall be obligated to purchase, all of the Interest. The date of the Call closing shall be thirty (30) calendar days following delivery of the notice of exercise of the Call, or such other date as the City and Owner may agree upon in writing. The purchase price for the Interest pursuant to this Section 2 shall be an amount equal to the fair market value (the “*Fair Market Value Price*”) of such Interest (as determined by the parties and if no agreement is reached then by an appraisal of an independent qualified appraiser, selected by the City). All costs relating to an appraisal shall be born by Owner. The purchase price pursuant to this Section 2 shall be payable by the City to Owner in cash on the Call closing date. The Fair Market Value Price shall be determined by valuing the estimated cash flow and capital proceeds to be received during the remaining term of the Interest, using actual income and expenses for the prior calendar year, as updated through the month prior to the month of closing.

Title to the Interest shall not vest in the City until payment in full of the applicable purchase price.

Section 4. Representations and Warranties of Owner. Owner represents and warrant to the City as follows:

(a) Owner has authority to enter into this Agreement and carry out the transaction contemplated hereunder.

(b) The execution, delivery, and performance by Owner of this Agreement have been duly authorized by all necessary corporate action of Owner.

(c) Owner has, and will have at the time of any assignment to the City hereunder, and will convey to the City, good title to the Interest free of any encumbrances, liens or interests whatever, and will indemnify the City for any such interests.

Section 5. Notice. All notices and other communication permitted or required hereunder shall be in writing and shall be delivered as provided in the Lease.

Section 6. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed, interpreted and enforced in all respects in accordance with the laws of the State of Minnesota.

Section 7. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and any representation, inducement, promise or agreement between the parties with respect to the subject matter of this Agreement that is not embodied herein shall be null and void and of no further force or effect.

Section 8. Amendment. This Agreement may not be modified, amended or otherwise altered except by written agreement executed by Owner and the City.

Section 9. Counterparts. This Agreement and any amendments hereof may be executed in counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

Section 10. Time is of the Essence. Time is of the essence with respect to all of the terms of this Agreement.

Section 11. Fees. Except as otherwise set forth herein, each party shall pay its own fees and expenses in connection with the exercise of the Put or the Call, as applicable.

Section 12. General. This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

[The remainder of this page is intentionally blank, signature page to follow.]

**SIGNATURE PAGE
PUT AND CALL AGREEMENT**

IN WITNESS WHEREFORE, the undersigned have executed this Put and Call Agreement as of the day and year first above written.

CITY:

OWNER:

6366351v1



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 9, 2011
Agenda Item	Policy G2
Attachment	Draft RFP
Submitted By	Justin Miller, City Administrator

Item	Fire Department Analysis Request for Proposals
Description	<p>One of the city council's goals for 2011-12 is to conduct an independent operational analysis of the city's fire department. Attached to this report is a draft request for proposals (RFP) that staff has been working on for the past several months. It incorporates what staff believes are the questions that need to be answered and has been reviewed by outside resources to ensure that it is something that potential consultants would be able to complete.</p> <p>This item was discussed at the November 2nd city council workshop and the attached draft attempts to incorporate the changes directed by the city council. The issue of project timing still needs to be discussed by the city council.</p>
Budget Impact	Included in the preliminary 2012 budget is \$10,000 for this study.
Attachment(s)	Draft RFP
Action(s) Requested	Staff recommends that the city council approve the attached Fire Department Analysis Request for Proposals and discuss when the RFP should be released.

Request for Proposals
Consultation Services

Operational Analysis of Fire Service
City of Falcon Heights

PURPOSE

The City of Falcon Heights is seeking proposals for professional services to conduct a review of its present fire service delivery system and make recommendations for improvements in efficiency and effectiveness of the department. The Falcon Heights Fire Department provides fire services to properties within the City of Falcon Heights, which according to the 2010 census has a population of 5,321 and a size of 2.2 square miles. The City of Lauderdale, with a population of 2,379 and a size of .4 square miles, contracts for fire protection from the City of Falcon Heights. On average, the department responds to 95 fire calls per year between both cities. These calls are fire or vehicle accident related, ambulance and EMT service is provided by the City of St. Paul.

BACKGROUND

The City of Falcon Heights is a first-ring suburb in the Twin Cities metropolitan area. Originally incorporated as a village in 1949, it was designated a city in 1974. Neighboring cities include St. Paul to the east and south, Roseville to the north, and Lauderdale to the west. The Minnesota State Fairgrounds, home to the Minnesota State Fair, and the University of Minnesota St. Paul Campus are within the city's borders. Emergency services to these institutions are provided by their own police departments and the St. Paul Fire Department. Other major employers in Falcon Heights include Technology Information and Education Services (TIES), a provider of training services to school districts, and Spire Federal Credit Union. Roughly 66% of the city's tax base is held by tax-exempt entities.

Falcon Heights enjoys a diverse housing stock, including several apartment structures, senior living facilities, and single-family homes. Most of the housing stock was built in the post-war period, although significant redevelopment has occurred within the past ten years, and plans call for more redevelopment in the coming years.

Major roadways in the city include Snelling Avenue, a state highway, as well as Larpenteur Avenue, a county roadway. The controlled intersection of these two roadways is one of the busiest intersections in the metropolitan area. State Highway 280 runs through Lauderdale, which is also in the coverage area for the fire department.

Police services to both Falcon Heights and Lauderdale are provided by the City of St. Anthony Village. Ambulance service to both cities is provided by the City of St. Paul.

STAFFING AND APPARATUS

The Falcon Heights Fire Department is a volunteer, or paid-on-call, department with an average of twenty firefighters on staff at any one time. The department is led by a chief, who is elected to three-year terms by the membership. Department leadership also includes an assistant chief and three captains.

All firefighters are required to have completed certified firefighter courses one and two, haz-mat operations, and EMT or first responder courses. In addition, firefighters must attend at least 33 drills a year, which includes SCBA training at least four times a year. Drills are led by trained department personnel as well as instructors from Hennepin Technical College. Hazardous material training is provided by the North Suburban Haz-Mat Team.

The department currently has four apparatus:

- 1998 Chevrolet four door, ¾ ton pick-up
- 1991 International General 65' Telesquirt (1500 gallon per minute)
- 2001 Custom Rescue Pumper (1250 gpm and Hurst extrication equipment)
- 2005 Custom Full Response Cab 1500 gpm

The department is housed in a single station co-located in the Falcon Heights City Hall building. The station includes garage bays for all apparatus, a training room, chief's office, lounge and kitchen.

GENERAL SCOPE OF SERVICES

1. Review response times from 2008-2010 and benchmark against state and national standards for volunteer/paid-on-call departments including NFPA #1720, ISO and CAFI standards.
2. Review department organizational structure and workplace culture and make recommendations on potential improvements.
3. Gather input from stakeholders, including members of the fire department, city council, city administration, City of Lauderdale representatives, and neighboring fire departments with which Falcon Heights has aid agreements.
4. Provide a review of current compensation structure as compared to similar cities/departments in Minnesota. The City will work with the successful consultant to identify the cities/departments to compare with within the scope of services.

5. Analysis of current staffing levels and recommendation of appropriate levels to ensure effective response times; compare staffing levels to similar metropolitan departments. Assess ability to recruit and retain paid on-call personnel.
6. Review of training procedures and record keeping and provide recommendations on the improvement thereof.
7. Analysis of current equipment status and future needs including a proposed timeframe for replacement or upgrade.
8. Comparison of current departmental budget as compared to similar metropolitan departments including personnel costs, vehicle maintenance and training budgets.
9. Review the existing Standard Operating Procedures (SOP's) and make recommendations for improvements or enhancements.
10. Provide estimate of costs associated with receiving comparable services from an outside agency/fire department.

SUBMISSION REQUIREMENTS

Interested parties shall submit seven copies of their proposal to:

City of Falcon Heights
Attn: City Administrator Justin Miller
2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

Submissions shall include:

- Background, experience, and reference list of similar studies
- Proposed methods and approaches in conducting this study
- Detailed cost breakdown, including a "not to exceed" estimate (identify if cost is fee based or hourly charges)
- Projected timeline

The City of Falcon Heights will assist in providing any and all data necessary to conduct this study. Such information may include city maps, GIS data, demographic data, apparatus lists, land use data, response time data from 911 dispatch CAD system, and access to stakeholder contact information.

SELECTION PROCESS

1. Written proposals are due by 4:30 pm, December 2, 2011.
2. The City Administrator and Fire Chief will review proposals before submitting a report to the City Council for selection of preferred consultant.

3. The City may, if further information is needed, request proposers to submit answers to written questions or be available for interviews.
4. Upon consultant selection, a formal contract will be formally approved between the consultant and the city council.

Questions regarding this proposal shall be directed to City Administrator Justin Miller at (651) 792-7611 or justin.miller@falconheights.org.

DRAFT