

Falcon Heights City Council Workshop

**City Hall
2077 W Larpenteur Ave.
6:30 p.m.**

AGENDA Wednesday, October 2, 2013

- 1) Presentation/Discussion of the DRAFT 2014 Enterprise and 5 year Capital Budgets**
- 2) Discussion on a Park Improvement Study**
- 3) Discussion Regarding Possible Amendment to the On-Sale Liquor License-Sec 6-24**

If you have a disability and need accommodation in order to attend this meeting, please notify City Hall 48 hours in advance between the hours of 8:00 a.m. and 4:30 p.m. at 651-792-7600. We will be happy to help.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	October 2, 2013
Agenda Item	Workshop 1
Attachment	2014 Draft Enterprise Fund Budgets 2014-18 Draft CIP
Submitted By	Bart Fischer, City Administrator

Item	Discussion on 2014 Draft Enterprise Fund Budgets and 2014-2018 Draft Capital Improvement Plan.
Description	<p>Each year the City looks at and adopts budgets relating to the City's Enterprise Funds. Key points of the 2014 Draft Enterprise Fund Budgets include:</p> <p><u>Sanitary Sewer</u> There is one major area of new expense for the Sanitary Sewer Fund in 2014. The possible sewer lining project in the University Grove Neighborhood.</p> <p>Staff is not proposing a rate increase for this fund in 2014. It is also important to note that there is not a budgeted transfer of money from this account to the general fund in 2014 to balance the general fund.</p> <p><u>Storm Sewer</u> The City continues to see increased state and federal mandates in regards to storm sewer operations. In addition, the City has been looking for a way to rectify the flooding problem at Curtiss Field. The Capitol Region Watershed has indicated a willingness to partner on this project in 2014. The <u>estimated</u> City costs for the Curtiss Field project are \$200,000. In addition, the attached document showing storm water related projects since 2007, shows that on average, the City has paid \$60,712 annually toward projects in the past 8 years. These are expenses above the operational costs of the storm sewer system.</p> <p>In addition to the Enterprise Funds, each year the City of Falcon Heights adopts a five year Capital Improvement Plan (CIP). This plan identifies capital needs throughout the City in regards to public infrastructure, parks facilities, improvements to City buildings, and the City's vehicle fleet. Key points of the draft 2014-18 CIP include:</p> <p><u>General Capital Improvements</u> This account funds improvements to city hall. There is one major purchase proposed in 2014, a portion of the new voting equipment (\$9,000) in conjunction with the contract with Ramsey County to provide voting services.</p>

	<p><u>Public Safety Capital Improvements</u> This account funds improvements dealing mainly with the City’s Fire Department. Besides regular equipment replacement that is annual in nature, the largest estimated expense for next year is \$750,000 for replacement of the ladder truck. The City will look to sell equipment bonds to help fund the purchase of the truck. These bonds were part of the Preliminary Levy adopted by Council on 9/11/13.</p> <p><u>Parks/Recreation/Public Facilities Capital Improvements</u> This account funds improvements to the City’s parks system and other public buildings. It is anticipated that the City will receive a significant Park Dedication Fee from the redevelopment of the Hermes site. As part of this funding, the Park Board will be asking Council to consider a city-wide park needs study/assessment. Proposed park improvements may need to be adjusted once that assessment is complete.</p> <p><u>Infrastructure Capital Improvements</u> This account funds repairs and replacements of infrastructure around the City, focusing mainly on streets and sidewalks. A major street project, such as the one in 2013, is not anticipated in 2014 but may be considered in 2015.</p> <p><u>Capital Equipment</u> This fund accounts for the equipment to be purchased using the 2010 equipment certificates. In 2014, the rest of the equipment certificates are being proposed to fund a portion of the new voting system equipment through the City’s contract with Ramsey County.</p>
Budget Impact	Dependent on eventual adoption by the City Council at the Budget Hearing on December 11, 2013.
Attachment(s)	2014 Draft Enterprise Fund Budgets 2014-18 Draft CIP
Action(s) Requested	No formal action is requested, but staff will incorporate any comments into the final budgets which will be approved at the December 11, 2013, City Council meeting.

SANITARY SEWER (601)

BUDGET TO BUDGET BUDGET TO ESTIMATE

ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL	ACTUAL	BUDGET	ESTIMATED	BUDGET		
		2011	2012	2013	2013	2014		
REVENUES:								
CHARGES FOR SERVICES								
34180	SANITARY SEWER CHARGES	786,712	786,549	786,400	770,000	770,000	-2%	0%
34181	SANITARY SEWER PENALTIES	0	0	0	0	0		
34183	OTHER CHARGES	0	0	0	0	0		
34192	SAC CHARGES	2,230	0	14,610	0	15,000	3%	
36100	SPECIAL ASSESSMENTS	0	0	0	0	0		
	TOTAL CHARGES FOR SERVICES	790,972	786,549	803,010	770,000	785,000	-2%	2%
MISCELLANEOUS								
36211	INTEREST ON INVESTMENTS	18,014	11,868	17,000	18,000	18,000	6%	0%
36213	LOAN INTEREST	0	0	0	0	0		
36214	CHANGE IN FAIR VALUE OF I	(1,988)	7,214	0	0	0		0
36400	MISCELLANEOUS	0	0	0	0	0		
36600	GAIN ON SALE OF CAPITAL ASSETS	11,270	0	0	0	0		
	TOTAL MISCELLANEOUS	23,396	19,082	17,000	18,000	18,000	6%	0%
601	TOTAL REVENUES	786,367	807,632	820,010	788,000	803,000	-2%	2%
OTHER FINANCING SOURCES								
25315	CONTRIBUTED CAPITAL	0	0	0	0	0		
59200	TRANSFERS	0	0	0	0	0		
	TOTAL OTHER FINANCING SOURCES	0	0	0	0	0		
	TOTAL REVENUES & OTHER FINANCING SOURCES	786,367	807,632	820,010	788,000	803,000	-2%	2%
EXPENSES:								
COMPENSATION								
60100	REGULAR SALARIES	71,786	75,039	75,750	75,690	77,600	2%	3%
60520	PART-TIME EMPLOYEES	1,775	215	2,950	2,950	2,950	0%	0%
64011	PERA CONTRIBUTIONS	5,188	5,846	5,500	5,490	5,650	3%	3%
64012	PICA CONTRIBUTIONS	5,027	5,148	6,020	5,150	6,200	3%	20%
64031	HOSPITALIZATION	15,951	17,285	20,000	18,750	20,850	4%	11%
64032	DENTAL	989	1,022	1,125	1,025	1,085	4%	6%
64033	LONG-TERM DISABILITY	81	96	88	120	100	14%	-17%
64034	LIFE INSURANCE	136	129	160	160	160	0%	0%
	TOTAL COMPENSATION	100,952	105,319	111,993	109,335	114,995	3%	5%
MATERIALS & SUPPLIES								
70100	SANITARY SEWER SUPPLIES	283	0	600	80	1,000	67%	1150%
70120	TOOLS	515	86	600	400	600	0%	50%
74000	MOTOR FUEL & LUBRICANTS	517	638	900	600	900	0%	50%
	TOTAL MATERIALS & SUPPLIES	1,345	724	2,100	1,080	2,500	19%	131%
OTHER SERVICES & CHARGES								
80100	ENGINEERING	1,529	904	2,000	1,000	2,000	0%	100%
80310	AUDIT	1,080	1,229	650	3,755	1,920	195%	-49%
85011	TELEPHONE - LANDLINE	703	591	750	710	750	0%	6%
85015	CELL PHONE	823	521	800	283	283	-65%	0%
85020	ELECTRIC	340	287	350	350	350	0%	0%
85040	METRO SEWER CHARGES	470,886	390,225	496,538	496,538	439,681	-11%	-11%
85070	SAC CHARGES	2,230	0	14,610	0	15,000	3%	0%
85080	PORTABLE TOILET - PARKS	1,460	1,290	1,800	1,900	1,800	0%	-5%
86030	CONFERENCES & SCHOOLS	23	330	500	400	500	0%	25%
86100	TRAINING	844	690	1,000	2,000	1,800	80%	-10%
87000	MILIFACE	0	0	500	25	50	0%	60%
87090	REPAIR EQUIPMENT	2,798	3,186	3,000	2,500	4,000	-20%	0%
87099	REPAIR EQUIP - STUB	0	0	0	0	0		
87100	MANHOLE COVER REPAIRS	0	0	800	200	600	-25%	200%
87200	TELEVISION & COMMERCIAL JETTING	13,738	11,388	50,000	30,000	13,000	-70%	-70%
87250	SEWER LINE REPAIRS	2,395	18,233	6,000	1,000	3,000	-59%	200%
87300	DAMAGE CLAIMS	0	0	0	0	0		
87300	ROOT TREATMENT	3,695	0	4,000	2,000	4,000	0%	100%
87900	DEPRECIATION	9,896	7,619	8,000	7,619	8,000	0%	5%

88000	INSURANCE & BONDS	4,113	3,340	5,100	5,938	10,000	100%		
88010	ONE CALL CONCEPTS-LOCATES	1,687	1,491	1,480	1,000	1,200	-33%		68%
88320	BILLING FEE-UTILITIES	151,049	16,291	18,000	18,000	18,000	0%		20%
89000	MISCELLANEOUS	123	0	400	300	400	0%		0%
	TOTAL OTHER SERVICES & CHARGES	533,334	459,065	618,068	595,438	528,334	-15%		100%
	CAPITAL OUTLAY								
91000	MACHINERY & EQUIPMENT	0	0	0	0	0		#DIV/0!	
92000	SANITARY INFRASTRUCTURE	0	0	0	0	0		#DIV/0!	
92400	GROVE RELINING SANITARY SEWER PROJECT	0	0	0	0	300,000		#DIV/0!	
	TOTAL CAPITAL OUTLAY	0	0	0	0	300,000		#DIV/0!	
-401	TOTAL EXPENDITURES:	635,880	565,108	711,761	705,853	945,429	29%		34%
	OTHER FINANCING USES								
97000	TRANSFERS	23,000	56,075	80,000	80,000	0	-100%		-100%
	TOTAL OTHER FINANCING USES	23,000	56,075	80,000	80,000	0	-100%		-100%
	TOTAL EXPENDITURES & OTHER FINANCING USES	658,880	621,183	811,761	785,853	945,429	16%		20%
	NET ASSETS - JANUARY 1	2,025,831	2,153,368	2,339,817	2,339,817	2,341,964	0%		0%
	NET INCOME (LOSS)	127,537	186,449	8,249	2,147	(142,259)	-1827%		-6734%
	NET ASSETS - DECEMBER 31	2,153,368	2,339,817	2,348,066	2,341,964	2,199,705	-6%		-6%

ESTIMATED

STATEMENT OF CASH FLOWS SANITARY SEWER FUND For Year Ending December 31

	Actual Year Ending 31-Dec 2008	Actual Year Ending 31-Dec 2009	Actual Year Ending 31-Dec 2010	Actual Year Ending 31-Dec 2011	Actual Year Ending 31-Dec 2012	Estimated Year Ending 31-Dec 2013	Estimated Year Ending 31-Dec 2014	Increase of 0.50/mo 1.00/mo 1.50/qr	Estimated Year Ending 31-Dec 2014	Increase of 10.4% 3.00/qr
CASH FLOWS - OPERATING ACTIVITIES:										
Receipts from Customers and Users	648,535	747,091	727,406	753,390	794,849	770,000	770,000	810,040	850,080	
Receipts from SACS charged to users							15,000	15,000	15,000	
Payment to Suppliers	(495,323)	(534,976)	(606,954)	(518,259)	(429,235)	(596,518)	(530,834)	(530,834)	(530,834)	
Payments to Employees	(66,667)	(78,043)	(86,285)	(100,601)	(104,120)	(109,335)	(114,595)	(114,595)	(114,595)	
Miscellaneous Revenue			6,900	11,270	-					
Net Cash Flows - Operating Activities	84,845	134,072	41,067	145,800	261,494	64,147	139,571	179,611	219,651	
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:										
Capital Purchases	0	-16,249	(16,436)				(300,000)	(300,000)	(300,000)	
Sewer Relining Project							0	0	0	
Transfer to Storm Drain for 2008 Drainage Project	(65,000)	(16,249)	(77,400)	(23,000)	(56,075)	(80,000)	(300,000)	(300,000)	(300,000)	
Transfer to General Fund	(63,000)		(93,836)	(23,000)	(56,075)	(80,000)				
CASH FLOWS - INVESTING ACTIVITIES:										
Investment Income	60,014	67,356	29,035	14,194	20,052	18,000	18,000	18,000	18,000	
Net Increase (decrease) in Cash and Cash Equivalents	79,559	165,179	(23,734)	136,994	225,471	2,147	(142,429)	(102,389)	(62,349)	
Cash and Cash Equivalents - January 1	1,579,389	1,658,948	1,844,127	1,820,393	1,957,387	2,182,858	2,185,005	2,185,005	2,185,005	
Cash and Cash Equivalents - December 31	1,658,948	1,844,127	1,820,393	1,957,387	2,182,858	2,185,005	2,042,576	2,082,616	2,122,656	
Single Family Homes	1182									
Townhouse Units	54									
Apartment units:	608									
Cottman	92									
Commwealth Terrace:	326									
units	2282									
Variable rate:	2011	2012	2013	2014	cuft	cuft	cuft	cuft	cuft	cuft
	0.0163735	0.0173559	0.0188312							

STORM DRAINAGE (602)

ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL					BUDGET					#DIV/01	#DIV/01	
		2011	2012	2013	2013	2014	2011	2012	2013	2013	2014			
INTERGOVERNMENTAL REVENUE														
3410	OTHER GRANTS	0	0	100,000	0	0	0	0	0	0	0	0	0	0
3430	STATE AID	0	0	100,000	0	0	0	0	0	0	0	0	0	0
	TOTAL INTERGOVERNMENTAL	0	0	100,000	0	0	0	0	0	0	0	0	0	0
CHARGES FOR SERVICES														
3480	STORM SEWER CHARGES	125,339	141,630	156,764	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000
3481	STORM SEWER PENALTIES	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL CHARGES FOR SERVICES	125,339	141,630	156,764	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000
MISCELLANEOUS														
3621	INTEREST ON INVESTMENTS	2,611	2,291	1,500	1,250	1,250	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
3623	CHANGE IN FAIR VALUE OF I	(437)	0	0	0	0	0	0	0	0	0	0	0	0
3640	MISCELLANEOUS	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL MISCELLANEOUS	2,221	2,291	1,500	1,250	1,250	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
602	TOTAL REVENUES	127,559	144,221	258,264	157,250	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000
OTHER FINANCING SOURCES														
3920	TRANSFERS	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL REVENUES & OTHER FINANCING SOURCES	127,559	144,221	258,264	157,250	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000
EXPENDITURES														
COMPENSATION														
6010	REGULAR SALARIES	43,701	45,015	45,450	45,450	46,550	46,550	46,550	46,550	46,550	46,550	46,550	46,550	46,550
6020	PART-TIME/SEASONAL EMPLOYEES	506	4,288	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
6011	PERA CONTRIBUTIONS	3,112	3,485	3,300	3,295	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
6012	FICA CONTRIBUTIONS	3,062	3,415	3,710	3,710	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
6401	HOSPITALIZATION	9,569	10,750	12,025	11,330	12,605	12,605	12,605	12,605	12,605	12,605	12,605	12,605	12,605
6402	DENTAL	990	614	650	620	655	655	655	655	655	655	655	655	655
6403	LONG-TERM DISABILITY	43	45	60	60	60	60	60	60	60	60	60	60	60
6404	LIFE INSURANCE	67	86	85	85	85	85	85	85	85	85	85	85	85
	TOTAL COMPENSATION	64,670	67,689	68,220	66,890	70,105	70,105	70,105	70,105	70,105	70,105	70,105	70,105	70,105
MATERIALS & SUPPLIES														
7020	STORM SUPPLIES	175	41	300	300	300	300	300	300	300	300	300	300	300
7400	MOTOR FUEL & LUBRICANTS	1,572	2,234	3,000	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	TOTAL MATERIALS & SUPPLIES	1,747	2,245	3,300	1,500	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
OTHER SERVICES & CHARGES														
8010	ENGINEERING SERVICES	0	816	1,000	1,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
8010	AUDIT	535	1,229	650	626	640	640	640	640	640	640	640	640	640
8100	OTHER PROFESSIONAL SERVICES	0	0	0	0	0	0	0	0	0	0	0	0	0
8190	RAIN BARREL WORKSHOP	1,200	0	0	0	0	0	0	0	0	0	0	0	0
8305	SWEEPER PARTS/SUPPLIES	1,282	515	3,000	2,400	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
8300	SWEEPER EXPS SHARED WITH LITTLE CANADA	0	1,340	5,000	1,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
8400	STREET SWEEPINGS	2,225	1,325	3,500	300	138	138	138	138	138	138	138	138	138
85015	CELL PHONE	231	15	300	300	300	300	300	300	300	300	300	300	300
86010	MILEAGE	0	0	40	10	40	40	40	40	40	40	40	40	40
86010	MEMBERSHIPS	470	0	500	0	500	0	500	0	500	0	500	0	500
87000	REPAIR EQUIPMENT/CATCH BASIN	1,659	1,700	5,000	1,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
87150	CATCH BASIN CLEANING/JETTING OF SYSTEM	39,750	10,080	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
87600	DEPRECIATION	38,206	38,206	40,000	18,206	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
88000	INSURANCE & BONDS	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
88500	BILLING FEES	733	805	800	450	600	600	600	600	600	600	600	600	600
88600	MISCELLANEOUS FEES	0	543	300	0	300	300	300	300	300	300	300	300	300
88700	LIFT STATION REPAIR	0	2,867	300	0	300	300	300	300	300	300	300	300	300
	TOTAL OTHER SERVICES & CHARGES	88,610	66,431	72,590	57,890	75,718	75,718	75,718	75,718	75,718	75,718	75,718	75,718	75,718
CAPITAL OUTLAY														
92000	CURTIS POND DRAINAGE PROJECT	0	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000
92000	CAPITAL EQUIPMENT	0	3,400	0	0	0	0	0	0	0	0	0	0	0
92000	OTHER IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0

Account	Description	Balance	Debit	Credit	Balance	Debit	Credit	Debit %	Credit %
19100	COMO DRAINAGE POND	0	0	0	0	0	0		
92000	NE NORTHGATE DRAINAGE PROJECT	0	0	0	0	0	0		
92200	WATERSHED 2010 PROJECT	58,957	0	0	0	0	0		
92000	NW QUADRANT IMPROVEMENTS	0	0	0	0	0	0		
92100	MAPLE GROVE POND IMPROVEMENT	0	0	0	0	0	0		
92100	GROVE RELINING SS PROJECT	0	0	0	0	0	0		
92800	CATCH BASIN AND CURB	0	0	0	0	0	0		
	TOTAL CAPITAL OUTLAY	58,957	3,400	200,000	0	0	200,000	0%	
-402	TOTAL EXPENDITURES	210,184	139,765	344,120	126,720	348,323		1%	175%
97000	OTHER FINANCING USES	0	0	0	0	0	0		
	TRANSFERS	0	0	0	0	0	0		
	TOTAL OTHER FINANCING USES	0	0	0	0	0	0		
	TOTAL EXPENDITURES & OTHER FINANCING USES	210,184	139,765	344,120	126,720	348,323		1%	175%
	NET ASSETS - JANUARY 1	1,192,929	1,110,305	1,114,761	1,114,761	1,145,291		3%	3%
	NET INCOME (LOSS)	(62,624)	4,456	(65,568)	40,530	(121,272)		123%	-727%
	NET ASSETS - DEC 31	1,110,305	1,114,761	1,028,905	1,145,291	923,968		-7%	-17%

ESTIMATED

STATEMENT OF CASH FLOWS STORM DRAINAGE FUND For Year Ending December 31

	Actual Year Ending 31-Dec 2008	Actual Year Ending 31-Dec 2009	Actual Year Ending 31-Dec 2010	Actual Year Ending 31-Dec 2011	Actual Year Ending 31-Dec 2012	Estimated Year Ending 31-Dec 2013	Estimated Year Ending 31-Dec 2014	Estimated Year Ending 31-Dec 2014	Estimated Year Ending 31-Dec 2014
CASH FLOWS - OPERATING ACTIVITIES:									
Receipts from Customers and Users	9,750/qr	15,750/qr	16,750/qr	16,750/qr	17,500/qr	220/qr	220/qr	22,750/qr	23,500/qr
Payments to Suppliers	(29,009)	(7,547)	(30,453)	(113,909)	(24,508)	(66,850)	(70,105)	(78,218)	(78,218)
Payments to Employees	(56,196)	(57,424)	(59,069)	(60,608)	(66,933)	(66,890)	(70,105)	(70,105)	(70,105)
Net Cash Flows - Operating Activities	25,755	55,448	31,049	(49,819)	48,188	29,280	7,677	12,981	18,285
CASH FLOWS - INTERGOVERNMENTAL REVENUE:									
Grants									
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES:									
Transfer to Other Funds	0	0	0	0	0	0	0	0	0
Transfer from Other Funds			18,898	-	0	0	0	0	0
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:									
Capital Purchases	0	(60,469)	(19,366)	0	0	0	0	0	0
Curtis Pond Drainage Project									
Waterford District Downstream project:									
Catch Basin Repairs									
Transfer to Infrastructure									
Transfer to Parking Lot/Rain Garden									
Transfer from Sanitary Sewer Fund		(142,000)	(19,366)	0	0	0	(200,000)	(200,000)	(200,000)
CASH FLOWS - INVESTING ACTIVITIES:									
Investment Income	12,354	12,570	3,468	2,367	2,611	1,250	1,000	1,000	1,000
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:									
Net Increase (decrease) in Cash and Cash Equivalents	38,109	(134,451)	34,049	(47,452)	50,779	30,530	(191,329)	(186,019)	(180,715)
Cash and Cash Equivalents - January 1	321,102	359,211	224,760	258,809	211,357	262,136	292,666	292,666	292,666
Cash and Cash Equivalents - December 31	359,211	224,760	258,809	211,357	262,136	292,666	101,343	106,647	111,951

Increase of 0.25/mo

Increase of 0.50/mo

Increase of 1.50/qr

Increase of 3.40%

Increase of 6.80%

Increase of 12.98%

Increase of 18.28%

Increase of 23.50/qr

Increase of 29.28%

Increase of 7.68%

Increase of 10.00%

Increase of 10.00%

Increase of 10.00%

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STORM - CAPITAL AND RELATED FINANCING ACTIVITIES:

2007	(141,830)	Downstream Lake Como storm water project, city's share of Capital Region Watershed's project
2008	-	No projects
2009	(60,469) (142,000)	Sweeper, city's share of joint sweeper with Little Canada Transfer out of storm water to special fund set up to do pervious payment parking lot/rain garden
2010	18,898 (19,366)	Transfer back of unused funds for pervious pavement parking lot/rain garden Capital items of Catch basin improvements
2011	(58,957)	Gottfried's Pit downstream storm water project, city's share
2012	(3,400)	Catch basin construction
2013	0	Storm improvements were paid through TIF and Infrastructure for 2013 (\$284,512)
2014	(200,000)	Curtis Field pond improvements cost share with Watershed District
<hr/>		
AVG =	(60,712)	\$ 60,712 IS THE AVERAGE AMOUNT OF REVENUE NEEDED IN THE FUTURE ABOVE THE OPERATIONAL COSTS TO BE ABLE TO FUND FUTURE IMPROVEMENTS WITHOUT BANKRUPTING THIS FUND

IF THE STORMWATER FUND PAID FOR THE 2013 STREET STORMWATER IMPROVEMENTS OF \$284,512 THEN:

AVG =	89,164	\$ 89,164 IS THE AVERAGE AMOUNT OF REVENUE NEEDED IN THE FUTURE ABOVE THE OPERATIONAL COSTS TO BE ABLE TO FUND FUTURE IMPROVEMENTS WITHOUT BANKRUPTING THIS FUND
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GENERAL CAPITAL IMPROVEMENTS
5 YEAR CAPITAL IMPROVEMENT PLAN

	2014	2015	2016	2017	2018	2013
CAPITAL USES						
OFFICE EQUIPMENT:						
TELEPHONE SYSTEM	500	500	500	500	500	500
VOTING EQUIPMENT	9,000	0	0	0	0	0
GIS(GEOGRAPHIC INFORMATION SYS)	1,000	1,000	1,000	1,000	1,000	1,000
CABLE/ELECTRONIC EQUIPMENT	2,000	1,000	1,000	1,000	1,000	2,000
ONLINE INITIATIVES	0	0	0	0	0	0
TOTAL OFFICE EQUIPMENT	12,500	2,500	2,500	2,500	2,500	3,500
TOTAL GENERAL CAPITAL	12,500	2,500	2,500	2,500	2,500	3,500
CAPITAL SOURCES						
FUND BALANCE BGN	20,838	7,788	4,657	1,507	(1,693)	
INTEREST	100	19	0	0	0	
OTHER FUNDS						
TOTAL SOURCES	20,938	7,807	4,657	1,507	(1,693)	
TOTAL USES	12,500	2,500	2,500	2,500	2,500	
AUDIT FEE	650	650	650	700	700	
FUND BALANCE YEAR-END	7,788	4,657	1,507	(1,693)	(4,899)	

PUBLIC SAFETY CAPITAL IMPROVEMENTS
5 YEAR CAPITAL IMPROVEMENT PLAN

	2014	2015	2016	2017	2018	2013
CAPITAL USERS						
FIRE:						
FIRE TRUCK	770,000					
COMMAND VEHICLE		45,000				
EQUIPMENT	6,500	7,500	7,500	7,500	7,500	5,000
HOSES/ADAPTERS	3,300	3,500	3,500	3,500	3,500	3,500
SCBA	2,500	2,500	2,500	2,500	2,500	2,500
FIRE CLOTHING	5,000	6,000	5,000	5,000	5,000	5,000
COMMUNICATION	8,000	4,000	4,000	4,000	4,000	5,000
RESCUE EQUIPMENT		0	0	0	0	5,000
TOTAL FIRE	795,300	68,500	22,500	22,500	22,500	26,500
OTHER:						
UPGRADES FOR FIRE BLDG SIDE						
HAMLIN SCHOOL CROSSINGS						
EMERGENCY WARNING SIREN						
TOTAL OTHER	0	0	0	0	0	
TOTAL FIRE AND OTHER:	795,300	68,500	22,500	22,500	22,500	26,500
CAPITAL SOURCES						
FUND BALANCE BGN	121,530	161,580	92,930	70,155	47,255	
INTEREST	1,000	500	400	300	200	
BOND REVENUE	740,000					
OTHER FUNDS	70,000					
DONATIONS						
SALE OF OLD FIRE TRUCK	25,000					
TOTAL SOURCES	957,530	162,080	93,330	70,455	47,455	
TOTAL USES	795,300	68,500	22,500	22,500	22,500	
AUDIT FEE	650	650	675	700	700	
	795,950	69,150	23,175	23,200	23,200	
FUND BALANCE YEAR-END *	161,580	92,930	70,155	47,255	24,255	

5 plan Year Capital

2014 Ladder Truck \$770,000.

Equipment \$6,500. Axes ,hand tools.

Hoses/Adapters \$3,300. Replace old hose

SCBA \$2,500 Replace Face Masks

Fire Gear \$5,000 Replacement and new Bunker Gear for new Members

Communications \$5,000 for Pagers and Radios

Rescue Equipment \$8,000 Highway Support System

2015 Command Vehicle \$45,000

Equipment \$7,500. Computer for Command Vehicle and Par Board

Communications \$6,000. Radio for Vehicle.

2015, 2016, 2017.

Equipment \$7,500. For replacement

Hoses/Adapters\$3,500 for replacement

SCBA \$2,500 for replacement

Fire Clothing \$5,000 for replacement of bunker gear and cloves and helmets.

Communications \$4,000 for replacement of pagers and radios.

PARKS/RECREATION/PUBLIC FACILITIES CAPITAL IMPROVEMENTS
5 YEAR CAPITAL IMPROVEMENT PLAN

	2014	2015	2016	2017	2018	2013
CAPITAL USES						
COMMUNITY PARK:						
PAINTING						
COMMUNITY GARDENS		2,000				
BASKETBALL COURT RESURFACE & NEW HOOPS	35,000					
PLAYING FIELDS & BACKSTOP						
ICE RINK BOARDS						
ICE RINK LIGHTS						
SHELTER - PAVILION	20,000					
SIGNS						
PARK ENTRANCE IMPROVEMENT						
SIDEWALK REPLACEMENT						
BASKETBALL COURT RECONSTRUCTION						
TENNIS COURT RECONSTRUCTION	2,000					
SITE FURNISHINGS - BENCHES, ETC.	57,000					
TOTAL COMMUNITY PARK	2,000	2,000	0	0	0	0
CURTISS FIELD PARK:						
BASKETBALL COURT RESURFACE						
BALLFIELD BACKSTOP						
EQUIPMENT - GRILL			2,500			
BALLFIELD BACKSTOP						
REGRAIDING OF HOCKEY AREA		15,000				
ICE RINK BOARDS	40,000					
BENCHES						
PLAYGROUND EQUIPMENT		50,000				
SIGNS	1,000					
TOTAL CURTISS FIELD PARK	41,000	65,000	2,500	0	0	0
GROVE PARK:						
PATH & RUBBER SURFACING ADA COMPL						
PLAY AREA BASKETBALL & COURT RESURFACE		20,000				
BALLFIELD BACKSTOP & BALLFIELD	2,000	5,000				
SIGNS						
SIDEWALK (FINISH LOOP)						
ICE RINK BOARDS	5,000					
SWINGS/ET/ TIRE SWING			15,000			
TOTAL GROVE PARK	7,000	0	0	0	0	
CITY HALL:						
BUILDING REPAIRS						
SERVICE ENTRANCE DOORS	1,000	1,000	1,000	1,000	1,000	1,000
KITCHEN APPLIANCE REPLACEMENT						
HOT WATER HEATER						
TOOLS						
SIGNS	1,000					

LIGHTING										
TOTAL CITY HALL		2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
CITY WIDE:										
LANDSCAPING										
SIGNS		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
MISCELLANEOUS		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
FLAGS/HANGING BASKETS		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
L'ARENTEUR MEDIAN / LANDSCAPE STUDY										
RINK LIGHTS (ELEMENTARY SCHOOL)										
STATE FAIR PARKING SIGNS										
TOTAL CITY WIDE		4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
PARK/PUBLIC WORKS EQUIPMENT:										
1 TON TRUCK										
BOBCAT S-160										
RIDING MOWERS JD 1445										
DUMP TRUCK			30,000							
WEED WHIPS										
ASPHALT TAMPER										
TRACTOR (JD 4310)										
TORO 3280D										
TRACTOR MOWER JD 725										
BACKPAC BLOWER										
CHAINSAW			500							
21" PUSH MOWER										
UTILITY CART/DRAG (CUSHMAN TYPE)										
TOTAL PARK/PUBLIC WORKS		0	30,500	0	0	0	0	0	0	0
TOTAL PARK, REC AND PUBLIC WORKS		111,500	103,000	8,000	5,500	5,500	5,500	5,500	5,500	5,500
CAPITAL SOURCES										
FUND BALANCE BGN										
INTEREST		48,054	76,154	69,804	63,954	58,054				
TENNIS ASSOCIATION GRANT		250	300	300	300	300				
PARK DEDICATION FEE		140,000								
TRANSFER FROM INFRASTRUCTURE										
TOTAL SOURCES		188,304	76,454	70,104	64,254	58,354				
OPERATING TRANSFER OUT										
TOTAL USES		111,500	6,000	5,500	5,500	5,500	5,500	5,500	5,500	5,500
AUDIT FEE		690	650	650	700	700				
FUND BALANCE YEAR-END		112,150	6,650	6,150	6,200	6,200	6,200	6,200	6,200	6,200
		76,154	69,804	63,954	58,054	52,154				

INFRASTRUCTURE CAPITAL IMPROVEMENTS
5 YEAR CAPITAL IMPROVEMENT PLAN

	2014	2015	2016	2017	2018	2013
CAPITAL USES						
SIDEWALKS	3,000	3,000	3,000	3,000	3,000	3,000
HOYT/SWELLING 1/2 BLOCK SIDEWALK	0	0	0	0	0	0
CORNER MARKERS/STREET SIGNS	0	0	0	0	0	0
CURBS	1,000	1,000	1,000	1,000	1,000	1,000
CRACK SEALING	0	25,000	25,000	0	0	0
SEAL COATING	0	0	150,000	150,000	0	0
MILL AND OVERLAY	0	1,458,553	0	1,163,580	0	107,640
PRIOR AVENUE MILL AND OVERLAY						
CITY HALL PARKING LOT						
ROSELAWN AVE STREET IMPROVEMENTS						
HAMLINE AVE STREET IMPROVEMENTS						
MAPLE KNOLL - RECONDITION MILL/OVERLAY						
PAVEMENT MGMT PLAN ANALYSIS (EVERY 3 YRS)						
LANDSCAPE:	0	0	7,000	0	0	7,000
TREE TRIMMING	17,500	17,500	17,500	17,500	17,500	17,000
TREE REMOVAL	5,000	25,000	25,000	25,000	20,000	5,000
TREE PLANTING	5,000	18,500	18,500	18,500	18,000	5,000
STORM DAMAGE REPAIRS	5,000	5,000	5,000	5,000	5,000	5,000
TOTALS:	36,500	1,553,553	252,000	1,383,580	64,500	1,119,640
CAPITAL SOURCES						
FUND BALANCE BGN	631,824	646,674	752,121	550,121	557,541	557,541
INTEREST	4,000	5,000	5,000	5,000	5,000	5,000
SPECIAL ASSESSMENTS	0	365,000	0	291,000	-	-
MSA STREET MAINTENANCE FUNDS	50,000	50,000	50,000	50,000	50,000	50,000
MSA STREET AID	0	150,000	0	150,000	150,000	150,000
STREET BOND	0	1,093,000	0	900,000	-	-
TOTAL SOURCES:	685,824	2,309,674	807,121	1,946,121	762,541	762,541
TRANSFER OUT (PARKS/PUBLIC WORKS CAPITAL)						
TIF BOND OBLIGATION	0	0	0	0	0	0
TOTAL USES	36,500	1,553,553	252,000	1,383,580	64,500	64,500
AUDIT & BOND FEE	2,650	4,000	5,000	5,000	5,000	5,000
FUND BALANCE YEAR-END	646,674	752,121	550,121	557,541	693,041	693,041

CAPITAL EQUIPMENT
5 YEAR CAPITAL PLAN

	2014	2015	2016	2017	2018	2013
CAPITAL USES						
CITY HALL:						
COMPUTER						
VOTING MACHINES	6,000					
PARK/PUBLIC WORKS EQUIPMENT:						
DUMP TRUCK						3000
1 TON TRUCK						
4X4 TRUCK						
BOBCAT S-650						35000
BOBCAT S-160						
RIDING MOWERS JD 1545						
TRACTOR UTILITY VEHICLE						
TRAILER						
WEED WHIPS						
ASPHALT ROLLER						9000
TRACTOR (JD 4310)						
WALK BEHIND SNOW BLOWER						25000
TORO 3280D						
BACKPAC BLOWER						
CHAINSAW						
21" PUSH MOWER						
TOTAL	6,000	0	0	0	0	72,000
CAPITAL SOURCES						
FUND BALANCE BGN	8,015					
INTEREST	200					
TENNIS ASSOCIATION GRANT						
PARK DEDICATION FEE						
TOTAL SOURCES	8,215	0	0	0	0	
OPERATING TRANSFER OUT						
TOTAL USES	6,000	0	0	0		
AUDIT FEE & ARBITRAGE CALCULATION	2,215					
FUND BALANCE YEAR-END	8,215	0	0	0	0	0
	0	0	0	0	0	0



The City That Soars!

Council Workshop Staff Report

Meeting Date	October 2, 2013
Agenda Item	Workshop 2
Attachment	Draft Parks Improvement Study RFP
Submitted By	Michelle Tesser, Assistant to the City Administrator

Item	Discussion on Parks Improvement Study RFP
Description	After receiving resident feedback at public park forums, city staff would like to look into a parks improvement study to find out how our parks can better meet the needs of the community and to have an identity for each park. The study would reflect current and future needs of the community including park facilities, park amenities, playgrounds, landscape architecture and a wide range of recreation program needs including senior citizen trends, adult exercise classes, youth activities and recreational sports.
Budget Impact	The amount of the study would be paid for from a portion of the Park Dedication fee received from the redevelopment of the Hermes site.
Attachment(s)	Draft of Parks Improvement Study RFP
Action(s) Requested	Discussion



Parks Improvement Study

Request for Proposal

1. Background Information

The City of Falcon Heights is a community of 5,321 people. The City is a first-ring suburb in the Twin Cities metropolitan area. Neighboring cities include St. Paul to the east and south, Roseville to the north and Lauderdale to the west. The City is home to the University of Minnesota, St. Paul campus and the Minnesota State Fair.

Falcon Heights enjoys a diverse housing stock including several apartments, senior living facilities and single-family homes. Major roadways in the city include Snelling Ave, a state highway as well as Larpenteur Avenue, a county roadway. The University of Minnesota owns the agricultural fields north of the University including the field located on the north side of Larpenteur Ave.

Falcon Heights has four developed parks totaling 24.65 acres. Of the 24.65 acres, the City owns less than 2.0 acres of park property. The City leases 16.5 acres of land for park use from the University of Minnesota. Falcon Heights Elementary School provides an additional 6.25 acres of park land. Of the four existing parks, one is classified as a Community Park, two as neighborhood parks and one as a mini-neighborhood park Curtiss Field, which serves one of the largest neighborhoods.

2. Project Description

The City of Falcon Heights recently received a park dedication amount from the redevelopment of a business site. After receiving resident feedback at public park forums, the city has decided a park improvement study is required to find out if the parks are meeting the needs of the community. The study must accurately reflect current and future needs of the community including park facilities, park amenities, playgrounds, landscape architecture and a wide range of recreation program needs including senior citizen trends, adult exercise classes, youth activities and recreational sports.

3. Project Objectives

The objectives of the study are as follows:

1. To provide assistance to the City in evaluating the current and future needs of park facilities including pavilions and park buildings.

2. To provide guidance and information to the City related to current trends and recommend proper elements and amenities of desired park spaces.
3. To provide a list of stakeholder's input of park space and amenity needs.
4. To provide recommendation to the City on updating park playground equipment including an analysis of the ADA standards for accessible design.
5. To provide recommendations to the City regarding potential revenue generating opportunities.
6. To provide the City compiled census information and future projections of the market area including neighboring cities.
7. To provide the City with projected future land use designated by the University of MN.
8. To provide the City with a statistically valid survey to determine an assessment of needs by the community and surrounding neighboring cities.
9. To provide the City with landscaping architecture to help buffer neighbors from park noise and disturbances.
10. To provide solutions to the City to accommodate the needs of a large neighborhood with occupying a small neighborhood park.

4. Project Timelines

Distribute RFP	Tuesday, October 15, 2013
Proposal Submission Deadline	Thursday, October 31, 2013
Consultant Selection	Wednesday, November 6, 2013
Present Draft Report	Wednesday, January 8, 2013
Present Final Report	Wednesday, March 26, 2013

5. Selection Process

The City will take into account such matters it considers appropriate in selecting the successful consultant. Evaluation criteria will include:

- a. The consultant's understanding of the assignment
- b. The proposed methodology
- c. The experience and qualifications of the consultants
- d. Project cost
- e. References (provide a minimum of three references)

6. Proposal

- a. Clearly outline the methodology and approach to the work
- b. Include a schedule of fees and hourly rates of staff
- c. Specify a timetable for completion of the study

- d. Specify the principals and staff to be involved in the study, along with their general qualifications, and a summary of their experience
- e. Submit 5 bound copies of the statement of qualifications - Faxed or emailed statements will not be accepted.

7. Project Budget

The total budget for the study is not to exceed \$15,000 including all reproduction costs.

8. Project Deliverables

The consultant will prepare and submit:

- Six bound copies of the draft and final reports along with an unbound original
- An electronic copy of the final report in Microsoft Word format
- As built architectural drawings must be in an AutoCad compatible format
- The final report will outline the methodology and findings, as well as detailed results of the inventory and recommendations
- All products from the conclusion of the study will become the property of the City of Falcon Heights.

GENERAL

The consultant should be aware of the following:

- The proposal should confirm that neither the consultant nor any member of the consulting team would be in a conflict of interest with respect to the project if the consultant were selected to perform the services required.
- All proposals will become the property of the City of Falcon Heights.
- The lowest proposal will not necessarily be accepted. The City reserves the right to award the contract, negotiate the specific terms of the contract, and make other adjustments as required in consultation with the successful bidder.
- Sealed envelopes marked "Request for Proposals, Parks Improvement Study", with the proponent's name and address shown on the upper left hand corner of the envelope will be received by **Falcon Heights City Hall, 2077 W. Larpenteur Ave. W. on Thursday, October 31, 2013.** Faxed or emailed proposals will not be accepted.

ADDITIONAL INFORMATION

If you have any questions regarding this RFP, please contact Michelle Tesser, Assistant to the City Administrator, at 651-792-7617 or via email at michelle.tesser@falconheights.org



The City That Soars!

Council Workshop Staff Report

Meeting Date	October 2 2013
Agenda Item	Workshop 3
Attachment	City Code Sec. 6-24 on sale license MN Statute on-sale license Letter from Tim Cheesebrow
Submitted By	Michelle Tesser, Assistant to the City Administrator

Item	Discussion on Amending City Code Sec. 6-24
Description	<p>Staff was contacted by the potential owner of Coffee Grounds to ask that the council review the on-sale liquor license ordinance and ask to amend the language to allow wine and beer be served at the location for their acoustic live music shows.</p> <p>Our city code for on-sale license shall be granted only to restaurants and establishment where meals are regularly served at tables to the general public ...where the sale of beverages is incidental to the principal business that is the sale of food. Therefore, the city does not have to issue a liquor license to this business.</p> <p>The potential liquor license applicant will not be serving enough food to meet the 55% of food sales requirement so the applicant is unable to apply for the wine and malt liquor license. Applicant would have to apply for the full liquor license through the city similar to Stout's Pub.</p> <p>Applicant has enclosed a letter to the Council with the reasons why he is requesting this amendment.</p>
Budget Impact	Increase of approximately \$4,300 in liquor license fee
Attachment(s)	City Code Sec. 6-24 on sale license MN Statute on-sale license Letter from Tim Cheesebrow
Action(s) Requested	Discussion

Sec. 6-24. - On-sale licenses.

(a)

Intoxicating liquor. On-sale licenses shall be granted only to restaurants and establishments where meals are regularly served at tables to the general public, and have a seating capacity for not less than 30 guests at one time; and where the sale of beverages is incidental to the principal business that is the sale of food. For restaurants, the term "incidental sale of alcoholic beverages" means that the sale of intoxicating liquor and 3.2 percent malt liquor during any given three-month period shall not account for more than 45 percent of the gross receipts and that the sale of food during any given three-month period shall account for at least 55 percent of the gross receipts. In the event a restaurant includes a bar or lounge or some similar area in which the principal activity is the sale and consumption of alcoholic beverages, such bar or lounge area shall not contain more than 30 percent of the total seating capacity of the restaurant. The number of on-sale licenses shall be limited to two.

(b)

Sunday. Sunday "on-sale" licenses shall be issued pursuant to Minn. Stats. § 340A.504, subd. 3.

(c)

Wine. On-sale wine licenses shall be issued for consumption of wine on the premises. The number of wine licenses shall be limited to three.

(d)

Sale of 3.2 percent malt liquor to certain establishments. Licenses shall be granted only to clubs, restaurants and establishments used exclusively for the sale of 3.2 percent malt liquor for consumption on the premises. The number of 3.2 percent malt liquor licenses shall be limited to four.

(e)

Wine and 3.2 percent malt liquor. Persons who hold both an on-sale wine license and an on-sale 3.2 percent malt liquor license and whose gross receipts are at least 60 percent attributable to the sale of food, are authorized to sell intoxicating malt liquor at on-sale without an additional license.

discretion of the Board of Regents to choose the manner in which to carry out these conditions consistent with the requirements of paragraph (b); and

(4) to the Duluth Entertainment and Convention Center Authority for beverage sales on the premises of the Duluth Entertainment and Convention Center Arena during intercollegiate hockey games.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

(b) No alcoholic beverage may be sold or served at TCF Bank Stadium unless the Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided in paragraph (a), clause (3), that provides for the sale of intoxicating liquor at a location in the stadium that is convenient to the general public attending an intercollegiate football game at the stadium. On-sale liquor sales to the general public must be available at that location through half-time of an intercollegiate football game at TCF Bank Stadium, and sales at the stadium must comply with section [340A.909](#).

[See Note.]

Subd. 5. Wine licenses. (a) A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food. A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.

(b) The governing body of a municipality may by ordinance authorize a holder of an on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant to section [340A.411](#), and whose gross receipts are at least 60 percent attributable to the sale of food, to sell intoxicating malt liquors at on-sale without an additional license.

(c) A municipality may issue an on-sale wine license with the approval of the commissioner to a licensed bed and breakfast facility. A license under this paragraph authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility and, if the facility contains a licensed commercial kitchen, also to guests attending private events at the facility.

(d) The State Agricultural Society may issue an on-sale wine license to the holder of a state fair concession contract pursuant to section [37.21, subdivision 2](#).

Subd. 5a.MS 2012 [Renumbered 340A.4175]

Subd. 6. Counties. (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, or hotel with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section [340A.412, subdivision 8](#), a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

Subd. 6a.[Repealed, [1991 c 249 s 33](#)]

Subd. 7. Airports commission. On-sale licenses may be issued by the Metropolitan Airports Commission for the sale of intoxicating liquor in major airports owned by the Metropolitan Airports Commission and used as terminals for regularly scheduled air passenger service. Notwithstanding any other law, the license authorized by this subdivision may be issued for space that is not compact and contiguous.

Subd. 8. Lake Superior, St. Croix River, and Mississippi River tour boats. (a) The commissioner may issue an on-sale intoxicating liquor license to a person regularly engaged, on an annual or seasonal basis, in the business of offering tours by boat on Lake Superior and adjacent bays, the St. Croix River, and the Mississippi River. The license shall authorize the sale of intoxicating liquor between May 1 and November 1 for consumption on the boat while underway or attached to a dock or other mooring. No license may be issued unless each boat used in the tour business

Dear Ladies and Gentlemen of the Falcon Heights City Council,

My name is Tim Cheesebrow. I am the Executive Director for a local music education non-profit, MusicWorks Minnesota (MWM). I am writing to you today in the hopes that you will consider our application for an on-sale liquor license and work with us to find a way, by either exemption, provision, or another solution not yet devised, to suspend the requirement for food sales. There are special circumstances that prompt this request, and I hope that you will see the added value and positive community impact of our business plan is worth making the exception.

MWM is a 501c3 non-profit that works with learning and emerging artists in Minnesota to create new, original music, providing a positive influence in their lives and communities. We work with young composers and singer/songwriters in middle and high schools to teach them the art of music writing and connect them to working professionals that will both educate and inspire them. For emerging adult professional composers and singer/songwriters we offer a host of professional services and performance opportunities. The learning part of our work is accomplished through partnerships with twin cities area school districts, and outreach programs deliver the content at middle schools and high schools. To accomplish the work with emerging artists in a meaningful way, MWM has been seeking a venue to host performances, workshops, and a community environment. We believe we have found an ideal location in Falcon Heights, and have formed Chateau Fromage, LLC to manage the business and gift the space and resources to MWM to make the mission and programming possible.

Our intention will be to continue offering the coffee and food service currently available at the location, and to expand the offerings to include local wines and local craft beers. We intend to use the space to host live acoustic music up to 4 nights per week on the currently active stage. Our research indicates that those attending these music events would prefer to have the option of ordering wine and beer and that the sale thereof would increase the overall attendance at the events. There several challenges to meeting the requirements of a liquor license as it currently stands, and several critical points I would ask that you consider when deliberating our request.

1. Diminished Capacity to Meet the Requirement.

The location we are interested in operating does not have the capacity to meet the requirement that over 60% of sales come from food. The kitchen area is very small, and is already outfitted with commercial preparation areas, sink, dish sanitizer, cooler, refrigerator and freezer. There is no range, oven, or grill. There is no space to add a range, oven or grill, and even if there were space to add them the ventilation system is insufficient and there is no gas line to fuel them. This means that we can only offer a very limited menu; soup, cold sandwiches, ice cream, salad, cold appetizers, and resale pastries. This limitation severely curtails our ability to meet the current requirement that over 60% of gross sales come from food. However, the space does support the addition of wine and beer sales, as they could utilize much of the existing equipment.

2. Unique Business Model with Community Benefits

With the LLC operating the food and beverage business, and the 501c3 providing programming for entertainment and educational outreach, we have some distinguishing benefits to the community and some unique challenges. We plan on increasing the community outreach efforts of the current business to include more public events. We plan to host publicly accessible music-related workshops and classes in songwriting, music business, instrument repair, and music theory. Some of these classes may be incorporated as an after-school program, or on weekend mornings; times when alcohol is not served. We plan to host community music jams. We plan to host a morning childrens sing-along and storytime program. Mostly we plan on increasing the amount of quality acoustic music brought to the neighborhood. We want to be a musical resource and asset of the community. The challenge is that the LLC must make enough profit so it can fund MWM's operations through charitable gifts. In order to achieve this level of profitability our projections and research indicate that we must sell wine and beer in addition to coffee and appetizers/sandwiches.

3. Market Trends, Vision

The Minnesota Statute to require on-sale liquor licensees to produce gross receipts for food in excess of 60% of sales was introduced in 1985. The statute was to protect communities from the negative influence of traditional bars; late night commotion, disorderly conduct, loud noise, etc. I understand and sympathize with the spirit of the law, but the letter of the law today does not reflect the current market trends or attitudes towards intoxicating liquors. In 1985 there were few local Minnesota wineries, and microbrewing was almost unheard of. Today craft microbrewed beer and locally produced wine is a growing movement with over 50 wineries and 50 breweries statewide. Brewing and fermenting have become popular hobbies, with homebrewing associations, magazines and public brewing facilities. People who drink local beer and wine drink it in moderate quantity for pleasure and craftsmanship, they aren't drinking it in large volumes for the intoxicating effect. Our establishment is not in danger of becoming a neighborhood dive bar. We simply aren't catering to that market. We intend to be a music cafe, offering local music, local beer, local wine and other refreshments. The goal is for music lovers to be able to have a beer or glass of wine while they are enjoying acoustic music at a reasonable volume. We intend to open beer and wine sales at 4PM, 5 days a week, and close by 9PM or 10PM. The success of this model can be seen in the taprooms and tasting rooms of the aforementioned wineries and breweries. They are generally open a few hours a day, they serve only their local products and assorted cheeses, olives, nuts, etc. They are closed by 10PM. They are catering to the real beer and wine lovers who come in for 1 or 2 glasses after work, who stop in after a dinner date, or who bring their families to listen to their live music. Four such examples are Lift Bridge Brewery Taproom, Swirl Wine Bar, Cafe Cravings, and Riverside Cafe and Wine Bar. It's a successful model that does not introduce the undesirable elements the initial statute was intended to guard against. I think Falcon Heights could respond favorably to this shifting market trend and help create an establishment that the whole community will enjoy by amending its code to reflect the opportunity this market shift presents.

4. Loan, Financial Solvency

MWM firmly believes that the space, the neighborhood and the business model are aligned with mission delivery and vision. We feel that Falcon Heights is the right city; centrally located, with a strong local community and favorable demographics. We also realize that the reality this opportunity presents must be supported by stable finances generated by revenue from food and drink sales. Our financial advisors are strongly encouraging us to have a business model that works well, with favorable projections. Our review of the profit and loss statements of the current business demonstrates limited profitability to fund educational outreach. Downturn in the economy since 2008 and increased competition with larger chain coffeehouses, has reduced the amount of patrons. We believe a key strategy for success is to offer value and differentiation that sets us apart. Selling beer and wine is an integral part of our financial projections, will attract more customers to attend musical events, and will distinguish us from other businesses. If we obtain the ability to sell wine and beer without the requirement of matched food sales, we will fulfill a solid business model, remain a source of local employment, and fund the operations of a community-enhancing non-profit at the same time we're supporting local wineries and breweries.

It's really a winning combination, a very unique blend of services, that will be a benefit to the community. To make it possible we request that the city council vote to grant Chateau Fromage, LLC an exemption, or provision to allow the sale of wine and beer without the current requirement of food sales, and be willing to provide us with a preliminary acceptance of said liquor license for 2014 so we can plan to bring this exciting and vibrant business to the city of Falcon Heights.

Thank you for your time and consideration,

Tim Cheesebrow
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