

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

AGENDA
December 9, 2015 at 7:00 P.M.

- A. CALL TO ORDER:
- B. ROLL CALL: LINDSTROM ___ HARRIS ___ BROWN THUNDER ___
LONG ___ MERCER-TAYLOR ___

STAFF PRESENT: THONGVANH___
- C. PRESENTATIONS:
- D. APPROVAL OF MINUTES:
 - 1. October 28th, 2015 City Council Meeting Minutes
 - 2. November 10th, 2015 Canvass Board Meeting Minutes
 - 3. November 18th, 2015 City Council Meeting Minutes
- E. PUBLIC HEARINGS:
 - 1. 2016 Budget Presentation
- F. CONSENT AGENDA:
 - 1. General Disbursements through: 12/02/15 \$129,897.81
Payroll through: 11/30/15 \$16,956.25
 - 2. Approval of City License(s)
 - 3. 2016 Proposed City Fee Schedule
 - 4. Appointment of Prosecuting Attorney
 - 5. Appointment of City Attorney
 - 6. Appointment of City Engineer
 - 7. Appointment of City Auditor
 - 8. Designation of Official Newspaper
 - 9. 2016 Cost of Living Adjustments
 - 10. Year End Budget Amendments
- G. POLICY ITEMS:
 - 1. Approve CenturyLink Franchise Ordinance
 - 2. Declaration of Official Intent for Reimbursement for 2015 PMP
 - a. Snelling Service Drives
 - b. Roselawn Ave
- H. INFORMATION/ ANNOUNCEMENTS:
- I. COMMUNITY FORUM:
- J. ADJOURNMENT:

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

MINUTES
October 28, 2015 at 7:00 P.M.

A. CALL TO ORDER: 7:00pm

B. ROLL CALL: LINDSTROM X HARRIS X BROWN THUNDER X
LONG X MERCER-TAYLOR X

STAFF PRESENT: THONGVANH X

C. PRESENTATIONS:

D. APPROVAL OF MINUTES:

1. October 14th, 2015 City Council Meeting Minutes

Approved

E. PUBLIC HEARINGS:

F. CONSENT AGENDA:

1. General Disbursements through: 10/22/15 \$42,503.44
Payroll through: 10/15/15 \$16,943.03
2. Approval of City License(s)
3. Appoint James Wessenberg to the Environment Commission
4. Statutory Tort Liability Limits Coverage for 2016

Council Member Long Moved, Approved 5-0

G. POLICY ITEMS:

1. Safe Route to School (SRTS) – Letter of Consent
 - City Administrator Sack Thongvanh presented that MNDOT has set aside funding of \$1.7 million for the 2017 Safe Routes to School for infrastructure construction and planning assistance. Communities can request up to \$100,000-300,000 for construction and up to \$500,000 for planning assistance.

Requirements are that the project must be in a 2 mile radius of a K-8 school, 20% match, a completed student travel tally and parent survey, and an infrastructure improvement that is eligible. For planning assistance the requirements are for a private or public K-12 and the city would have to complete a letter of intent (LOI) by October 30, 2015. The LOI submission doesn't commit the city to anything. The full proposal is due January 8, 2016.

Council Member Mercer-Taylor Moved, Approved 5-0

2. Hoyt Avenue Sewer Repair Quotes

City Administrator Sack Thongvanh stated that the sanitary sewer line on Hoyt Avenue between Burton Street and Coffman Street has had multiple issues related to sanitary sewer service connections. When Hoyt was reconstructed it caused the private connections to be at a 90 degree angle. When the sanitary sewer line gets backed up it is pushing down on the main.

With continued issues the sanitary sewer could back up into properties if it is not addressed. The City of Roseville estimated costs to be at \$8,000-9,000. The Engineering Department sent out six requests for quotes and only received two back. GF Inc. quoted at \$48,480, and Dave Perkins Contracting quoted at \$57,800. The cost was higher than anticipated due to it being a small project apart from any street improvement, and the need for contractors to excavate 25-30 feet. The Engineering Department based the estimate on the cost of other projects done throughout the year.

- o The city is still waiting to hear from St. Paul about their involvement in the project, and whether or not they take ownership of the main. The reason for requesting pre-approval now is to avoid being too late in the season to do construction if measures need to be taken.

Council Member Harris Moved, Approved 5-0

I. INFORMATION/ ANNOUNCEMENTS:

Council Member Mercer-Taylor:

Mercer-Taylor returned from a sustainability event hosted in Minneapolis on October 25-28. She was able to speak about the sustainability studies minor and the work the students are doing in Falcon Heights, including the upcoming Sustainability Fair. There was a lot of positive feedback about all the sustainability programs that are located in the cities. The Sustainability Fair is on Thursday, November 19th from 5:30-8:00pm at Silverwood Park in St. Anthony.

Council Member Harris:

- Planning Commission talked about the upcoming tasks: comprehensive plan and putting out an RFP for a consultant for the comprehensive plan.
- Friday, The Good Acre is opening and will have tours of the food hub starting at 1pm.

Council Member Long:

The Parks Commission is hosting two open houses with regard to Curtiss Field on November 9 and November 18. The online survey for Curtiss Field will be open the first week of November.

Council Member Brown Thunder:

- The NYFS board meeting takes place tomorrow morning.
- He witnessed a 95 year old man take a tumble the other day and the Falcon Heights Fire Department and St. Anthony Police Dept. were on scene in just a few short minutes.

Mayor Lindstrom:

Voting takes place at City Hall and Falcon Heights United Church of Christ on November 3.

City Administrator Sack Thongvanh:

- Prepaid Assessments can only be paid through midnight November 13, 2015.
- Snow and ice removal notices will be sent out tomorrow.

- The Good Acre ribbon cutting for their Open House is at 11:45am.
- Attended a Safe Routes to Schools workshop last week where they discussed many options for safety and getting all parties involved.
- Posted information on the website about upcoming updates to the U of M's St. Paul campus: Bee and Pollinator Research Center, Bell Museum, Golf Course research, and The Good Acre.

J. COMMUNITY FORUM:

K. ADJOURNMENT: 7:25pm

Peter Lindstrom, Mayor

Dated this 28th day of October, 2015

Sack Thongvanh, City Administrator

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CITY OF FALCON HEIGHTS
Canvass Board of the City Council
City Hall
2077 West Larpenteur Avenue

MINUTES
November 10, 2015 at 7:00 P.M.

A. CALL TO ORDER: 7:05pm

B. ROLL CALL: LINDSTROM X HARRIS X BROWN THUNDER X
LONG MERCER-TAYLOR

STAFF PRESENT: THONGVANH X

C. POLICY ITEMS:

1. Canvassing Election Results

- City Administrator Sack Thongvanh stated that the City is required to hold a meeting between November 6th to November 13th to accept and approve election results for the Mayor's race and three City Council positions.

Council Member Harris Moved, 3-0

H. COMMUNITY FORUM:

I. ADJOURNMENT: 7:12pm

Peter Lindstrom, Mayor

Dated this 10th day of November, 2015

Sack Thongvanh, City Administrator

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

MINUTES
November 18, 2015 at 7:00 P.M.

- A. CALL TO ORDER: 7:00 pm
- B. ROLL CALL: LINDSTROM ___ HARRIS X BROWN THUNDER X
LONG ___ MERCER-TAYLOR X

STAFF PRESENT: THONGVANH X

C. PRESENTATIONS:

D. APPROVAL OF MINUTES:

1. October 28th, 2015 City Council Meeting Minutes

Approved

E. PUBLIC HEARINGS:

1. Century Link Cable Franchise

- The only service provider currently in the city is Comcast. Comcast has a non-exclusive franchise agreement with the city. The City Council may grant additional franchises within the city. Next steps would be to adopt the franchise and the findings of fact on the next council meeting, December 9th.

2. Outstanding Invoices for City Services

- City Administrator Sack Thongvanh stated that the city is required to abate certain code violations if the property owner has refused to remedy the violation. With proper notice the city has authority to do so. If the invoice is not paid on time, the city can assess the property for services. If not paid, the cost for services can be put on their tax roll. The City Services were utilized at 1354 California to remove obnoxious weeds and vegetation. The cost was \$696.32.

Council Member Harris Moved, Approved 3-0

F. CONSENT AGENDA:

1. General Disbursements through: 11/12/15 \$138,349.30
Payroll through: 11/15/15 \$30,560.26
2. Approval of City License(s)
3. Charitable/Lawful Gambling License for Falcon Heights Elementary PTA
4. Remove Amino Mohamed for the Community Engagement Commission
5. City Administrator (Sack Thongvanh) 6 Month Employee Step Adjustment

Council Member Brown Thunder Moved, Approved 3-0

G: POLICY ITEMS:

1. Senior Citizen Assessment Deferral Program for 1780 N. Snelling Ave
 - City Administrator Sack Thongvanh stated that the city received a request from Ms. Mary K. Olson for an Assessment Deferral. Staff recommends a 10 year period of deferment.
 - Council Member Harris states that the property taxes interest rate for outstanding special assessments is an appropriate rate. The total accumulated interest is to be made due with final payment.

Council Member Harris Moved, Approved 3-0

I. INFORMATION/ ANNOUNCEMENTS:

Council Member Harris:

- No Updates

Council Member Brown Thunder:

- At the NYFS Board Meeting they discussed pushing their senior chore program. They would like to promote enrollment for this program.

Council Member Mercer-Taylor:

- She attended a north suburban communities League of Women Voters event on public safety, with a focus on community police relationships and racial profiling. There were in-depth interviews with the police chiefs and the sheriff's office. There was discussion on greater outreach with the Somali community. In the coming months the in-depth interviews and report will be released by the League.
- The 4th Annual Sustainability Fair will be tomorrow from 5:30-8pm. There will be presentations from University students, non-profit booths, and food.

City Administrator Sack Thongvanh:

- After speaking to the Grant Administrator and City Engineer about the time constraints of the Safe Routes to School Grant, the city has decided to submit a letter of intent for planning resources versus infrastructure. This will allow for additional time for planning and discussion. The request will vary based on the recommendation from the City Engineer, but would likely be between \$25,000 to \$30,000.
- The Truth in Taxation Meeting will be presented at the December 9th Council Meeting. There will be an addendum for the packet closer to the Council Meeting date.
- The Parks Commission held the second and final Open House meeting on the Curtiss Field Park Master Plan today. The survey will still be available online until November 30. Staff will provide tabulated surveys to the Parks Commission so they can provide a recommendation to Council.
- A Council retreat will be planned for either February or March.

J. COMMUNITY FORUM:

K. ADJOURNMENT: 8:09 pm

Beth Mercer-Taylor, Mayor Pro Tem

Dated this 18th day of November, 2015

Sack Thongvanh, City Administrator



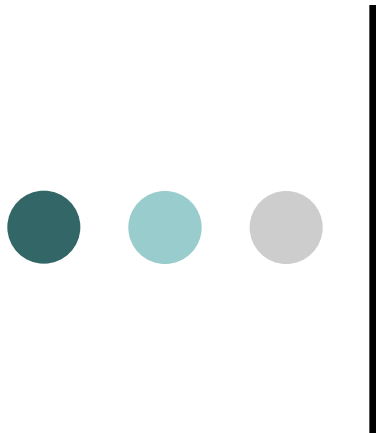
The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Public Hearing E1
Attachment	Budget Introduction Letter Resolutions(s)
Submitted By	Sack Thongvanh, City Administrator

Item	2016 TNT Hearing and Adoption of Tax Levy and Budget																																	
Description	<p>Each year the City Council is required to adopt a budget and tax levy to fund City operations. This action must be completed before the end of the year, and the adopted levy is then provided to Ramsey County so they can produce property tax statements for each parcel in the County. On September 23rd, the City Council adopted a preliminary levy and established December 9th as the date at which the public would be given an opportunity to address the Council about the proposed budget and tax levy.</p> <p>Before the Council, are a proposed property tax levy of \$1,173,447 and a General Fund Budget of \$1,923,292. The levy and budget with a comparison to previous years is detailed below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 20%;">2014 Levy</th> <th style="width: 20%;">2015 Levy</th> <th style="width: 20%;">Proposed 2016 Levy</th> <th style="width: 15%;">% Increase (Decrease)/ 2014 to 2015</th> </tr> </thead> <tbody> <tr> <td>Ad Valorem</td> <td style="text-align: right;">\$944,570</td> <td style="text-align: right;">\$1,014,116</td> <td style="text-align: right;">\$1,046,183</td> <td style="text-align: right;">3.2%</td> </tr> <tr> <td>Debt Service</td> <td style="text-align: right;">\$139,280</td> <td style="text-align: right;">\$69,734</td> <td style="text-align: right;">\$127,264</td> <td style="text-align: right;">82.5%</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$1,083,850</td> <td style="text-align: right;">\$1,083,850</td> <td style="text-align: right;">\$1,173,447</td> <td style="text-align: right;">8.3%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 20%;">2014 General Fund Budget</th> <th style="width: 20%;">2015 General Fund Budget</th> <th style="width: 20%;">Proposed 2016 General Fund Budget</th> <th style="width: 15%;">% Increase 2015 to 2016</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">\$1,779,118</td> <td style="text-align: right;">\$1,877,165</td> <td style="text-align: right;">\$1,923,292</td> <td style="text-align: right;">2.5%</td> </tr> </tbody> </table> <p>The impact of this proposed levy on a median valued home, which in 2016 is assessed at \$247,700 (-1.5% decrease over 2015), is estimated to result in an increase of \$45, in the City portion of the homeowner's taxes.</p>					2014 Levy	2015 Levy	Proposed 2016 Levy	% Increase (Decrease)/ 2014 to 2015	Ad Valorem	\$944,570	\$1,014,116	\$1,046,183	3.2%	Debt Service	\$139,280	\$69,734	\$127,264	82.5%	Total	\$1,083,850	\$1,083,850	\$1,173,447	8.3%		2014 General Fund Budget	2015 General Fund Budget	Proposed 2016 General Fund Budget	% Increase 2015 to 2016		\$1,779,118	\$1,877,165	\$1,923,292	2.5%
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	A full presentation with more details will be presented at the City Council meeting and will be available on the City’s website. In addition, attached to this report is the budget cover letter which goes into more detail about specific budget line items, factors influencing the proposed budget, and historical information.
Budget Impact	This budget preserves the core functions of the City’s current operations.
Attachment(s)	<ul style="list-style-type: none"> • Budget Introduction Letter • PowerPoint Presentation • Resolutions 15-45 Approving 2016 Tax Levy • Resolution 15-46 Approving 2016 City Budget <p>Due to the size and cost of printing the 2016 Budget, the document is available on the City’s website: www.falconheights.org and at City Hall.</p>
Action(s) Requested	Staff recommends that the Falcon Heights City Council hold a public hearing and receive comment. Once the hearing is closed, staff recommends that the City Council adopt attached resolution regarding the 2016 Tax Levy and regarding the 2016 City of Falcon Heights Budget.



2016 Budget Hearing

Sack Thongvanh, City Administrator
Roland Olson, Finance Director



Factors That Affect Taxes

Changes in the tax levy (or spending decision) made by the city, county, school, or special taxing authority

Changes in the market value of your property

Legislative changes

New taxes approved by referendum are applied to market value (not tax capacity)

Ramsey County Tax Statement

Proposed 2013 1320213006



Ramsey County

Property Records and Revenue

37 West Park Blvd • Saint Paul, MN • Phone: 651.266.2000 • Web: www.co.ramsey.mn.us/pr • Email: AssPropertyTaxandRecords@co.ramsey.mn.us

2016 Proposed Property Tax

This is NOT a bill – Do Not Pay

PIN/Property Address/Abbreviated Tax Description
 1320213006 0506
 2527 HOLLOWAY AVE
 REGISTERED LAND SURVEY 108
 SUBJ TO HOLLOWAY AVE TRACT B

RESIDENT



Property Classification	For taxes payable	For taxes payable in	Tax and Budget Meetings and Locations
	in 2012	in 2013	
	Res Hold	Res Hold	
Estimated Market Value	\$149,500	\$142,000	
Green Acres Value	0	0	
Flat Sylvania	0	0	
Tim. Old House Exclusion	0	0	
Disabled Vet's Value Exclusion	0	0	
Homesold Market Value Exclusion	23,800	24,600	
Taxable Market Value	\$125,700	\$117,500	
Mailing Address and Phone Numbers	Column (1)	Column (2)	
	2012 Tax - Actual	2013 Tax - Proposed	
Ramsey County	796.22	796.32	Roseville Area High School District
Regional Rail Authority	54.43	53.13	1240 Co Rd 92 West, Roseville, MN
Public Safety Radio System	5.11	4.79	November 26, 2012 - 6:30 p.m.
County Library	54.95	53.96	
Ramsey County Manager's Office 11 W Kellogg Blvd, Suite 250 St Paul, MN 55102 (651) 266-2200			
NORTH ST PAUL	\$13.09	\$16.77	CITY OF NORTH ST PAUL 2400 MARGARET STREET N NORTH ST PAUL, MN 55109 DECEMBER 4, 2012 6:30 PM
CITY OF NORTH ST PAUL 2400 MARGARET ST N NORTH ST PAUL, MN 55109-3020 (651) 747-2400			
State General Tax	0.00	0.00	No Meeting Required
SD 622 SD 622 BUSINESS OFFICE 2509 E 12TH AVE NORTH ST PAUL, MN 55109 (651) 748-2311 a. VSM approved levies b. Other local levies	267.48 310.49	275.57 343.28	DISTRICT EDUCATION CENTER 2509 E 12TH AVE NORTH ST PAUL, MN 55109 DECEMBER 18, 2012 7:00 PM
Metropolitan Special taxing Districts Metropolitan Council 300 Robert St N St Paul, MN 55101 (651) 602-1449	41.99	39.32	Council Chambers 300 Robert St N St Paul, MN December 12, 2012 - 6:00 PM
Other special taxing districts	71.94	72.93	No Meeting Required
Tax increment	0.00	0.00	No Meeting Required
Payal Property	0.00	0.00	No Meeting Required
Total Tax excluding special assessments	2,628.06	2,866.00	
Percent of Tax Change		1.9%	

Your local units of government have proposed the amount of property taxes that they will need for 2013. Column (1) above shows your actual 2012 property taxes. Column (2) above shows what your 2013 property taxes will be if your local jurisdictions approve the property tax amounts they are now considering. Any upcoming referendums, legal judgments, natural disasters, voter approved levy limit increases, or special assessments could change these amounts.

Your county commissioners, school board, city council, and metropolitan special taxing districts will soon be holding public meetings to discuss their proposed 2013 budgets and proposed 2013 property taxes. The school board will discuss the 2012 budget. You are invited to attend these meetings to express your opinion. The meeting places and times are listed above. Also shown are the addresses and telephone numbers for these local units of government if you have comments or questions concerning the proposed property tax amounts shown on this notice. No meeting is required if your city has a population of less than 500 people. There is also no public hearing on the state general tax.

This is NOT a bill – Do Not Pay
 For additional information about this notice, visit: www.co.ramsey.mn.us/pr
 Please see the back of this notice for more information on available appeals and programs that may reduce your property tax.



Market Value Exclusion

In 2011, State eliminated Market Value Homestead Credit (MVHC) and replaced it with Market Value Exclusion.

Taxable Market Value is what is used to calculate your taxes.

Benefit to properties decreases as values rise

Only applies to homesteaded properties

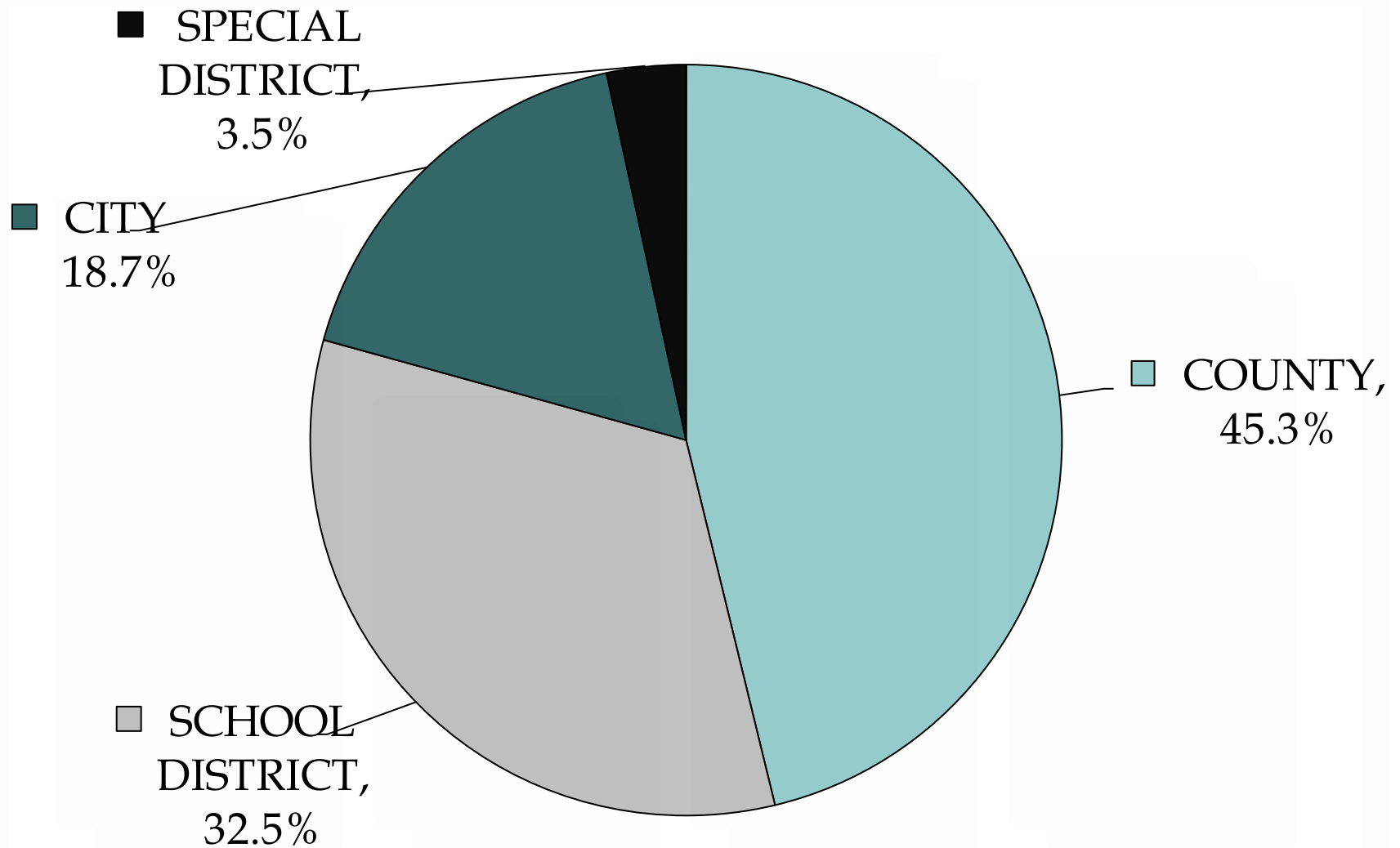


Ramsey County Median Values

	2015 Median Value	2016 Median Value	% Change
Arden Hills	\$295,100	\$300,300	1.8%
Falcon Heights	\$251,500	\$247,700	-1.5%
Gem Lake	\$214,000	\$227,800	6.4%
Lauderdale	\$175,000	\$186,550	6.6%
Little Canada	\$216,950	\$223,900	3.2%
Maplewood	\$187,300	\$190,800	1.9%
Mounds View	\$168,700	\$174,600	3.5%
New Brighton	\$209,200	\$218,600	4.5%
North St. Paul	\$148,900	\$157,500	5.8%
Roseville	\$216,500	\$216,400	0.0%
St. Paul	\$145,000	\$151,500	4.5%
Shoreview	\$247,500	\$247,500	2.5%
Vadnais Heights	\$224,900	\$234,300	4.2%
White Bear Lake	\$181,300	\$184,700	1.9%

True 2016 TAXABLE market value of median valued home is \$232,753 Page 15 of 169

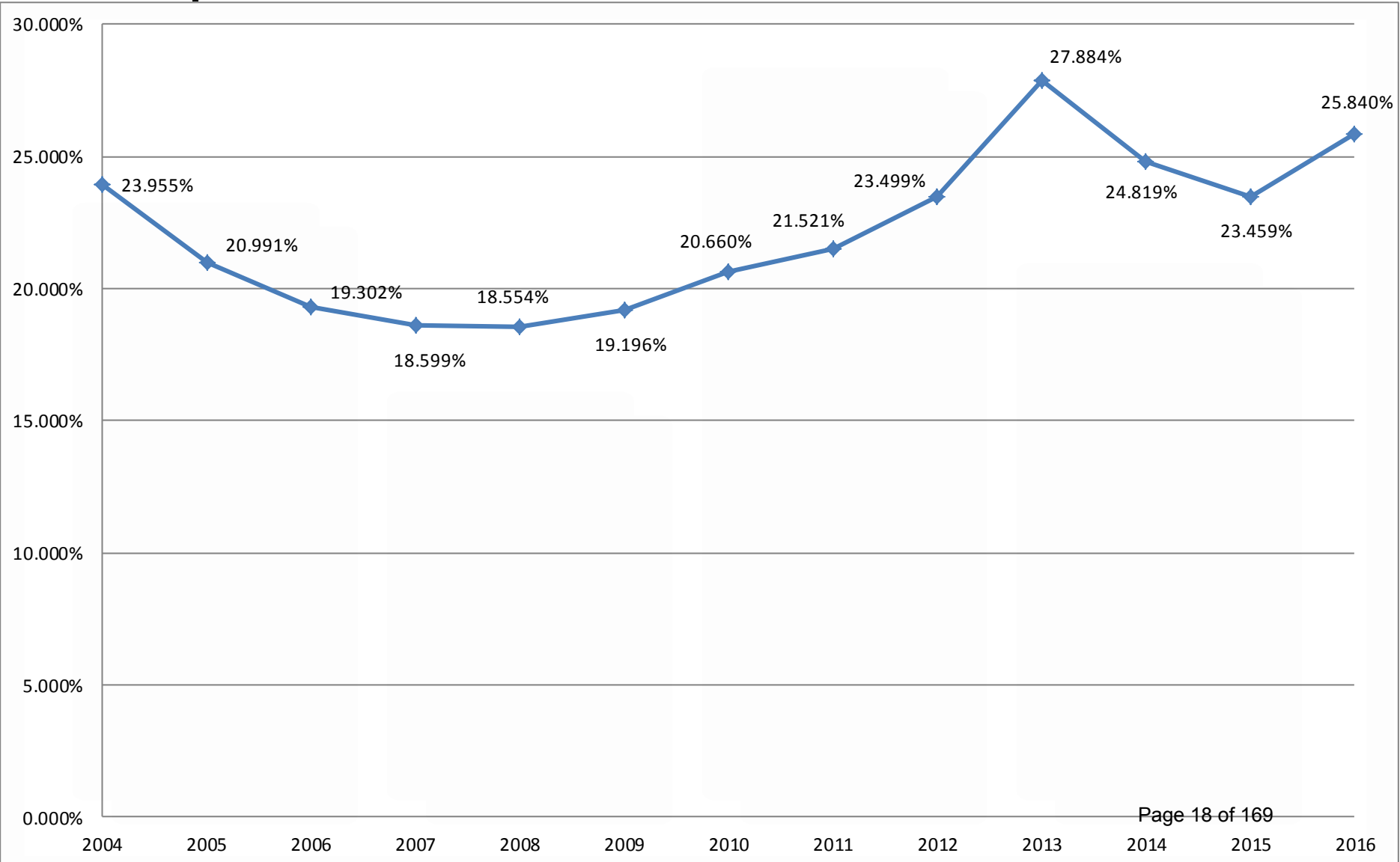
2016 Property Tax Allocation



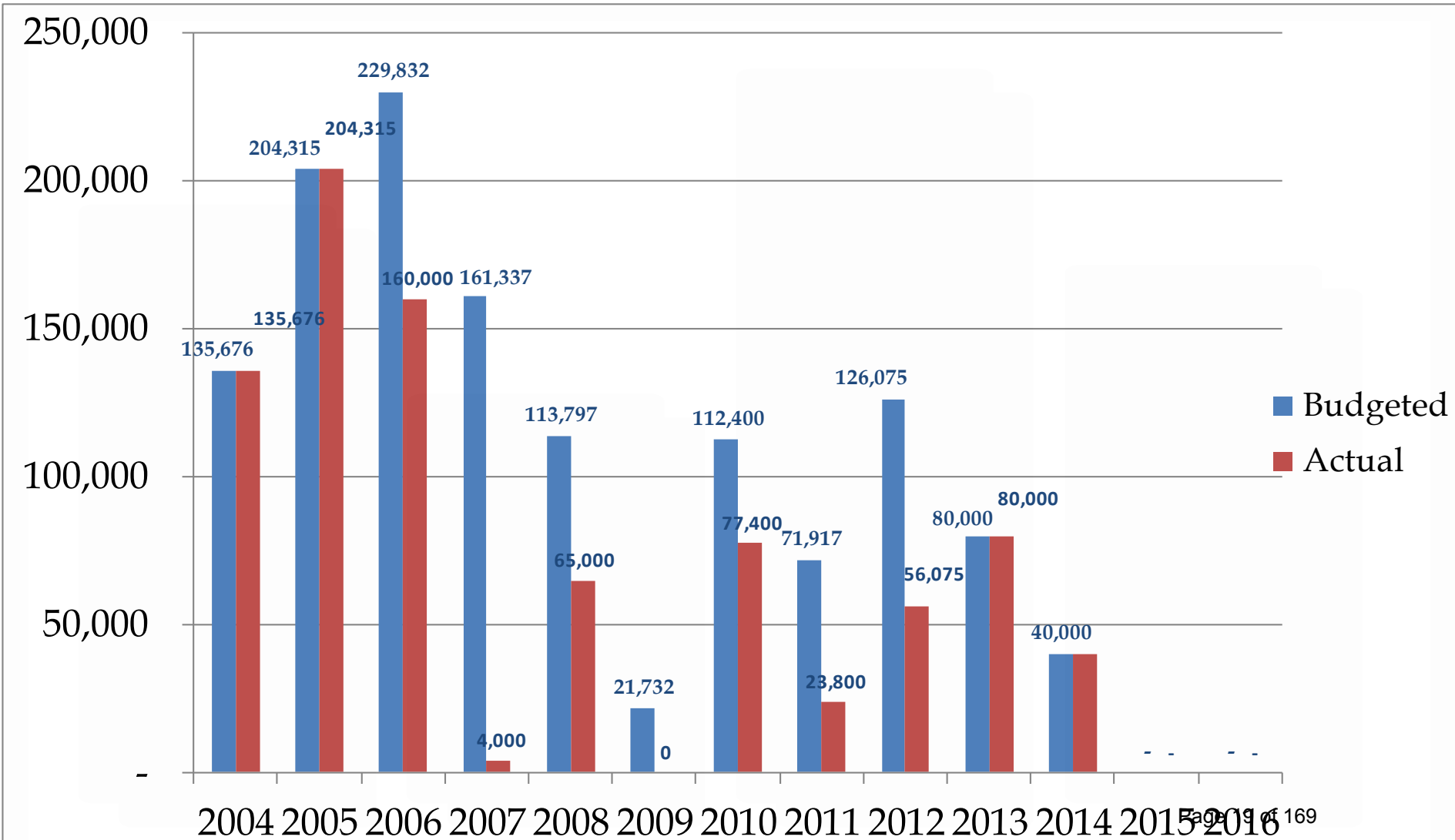
Ramsey County Tax Rates

City	Estimated 2016 Rate	Final 2015 Rate
Falcon Heights	25.840%	23.470%
Arden Hills	26.382%	27.294%
Little Canada	30.869%	30.696%
Maplewood	46.985%	46.353%
Mounds View	40.097%	42.886%
New Brighton	43.008%	42.939%
North St. Paul	38.669%	35.169%
Roseville	39.211%	39.909%
St. Paul	42.477%	43.827%
Shoreview	34.945%	34.873%
Vadnais Heights	26.796%	26.904%
White Bear Lake	19.684%	20.368%

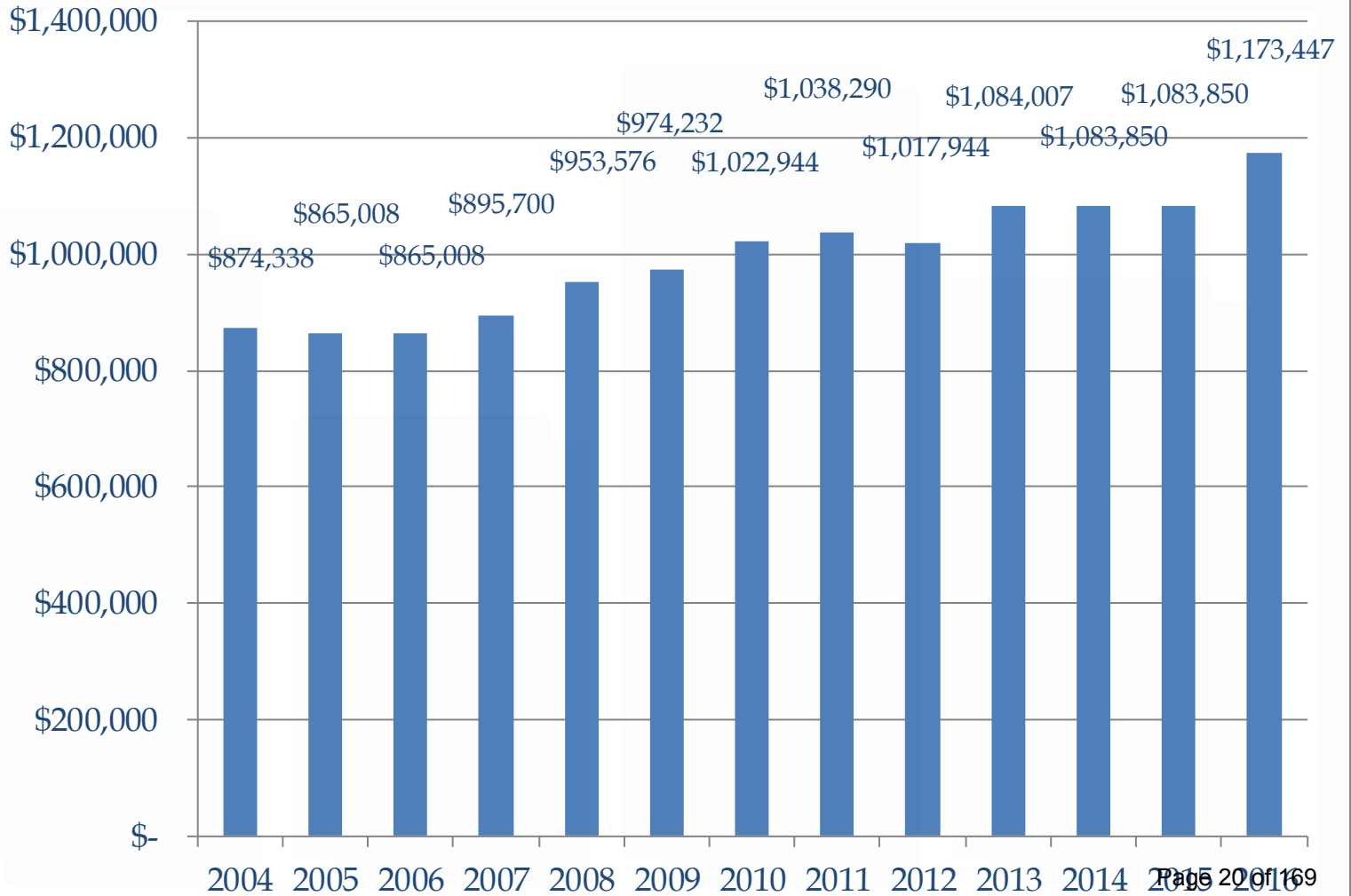
City Tax Rate History



History of Transfer of Reserves to General Fund



History of Property Tax Levy





History of Property Tax Levy, cont.

Overall levy has increased by \$299,109 since 2004

The police contract and 911 dispatching costs together have increased \$235,146 – an average of \$19,595 per year

For 2016, the 911 dispatching costs total \$36,115– an increase of \$60 from 2015, while the police contract increased \$18,675

If the police contract and 911 dispatching costs are taken out, the rest of the levy has increased by \$63,963 (\$5,330 per year) since 2004



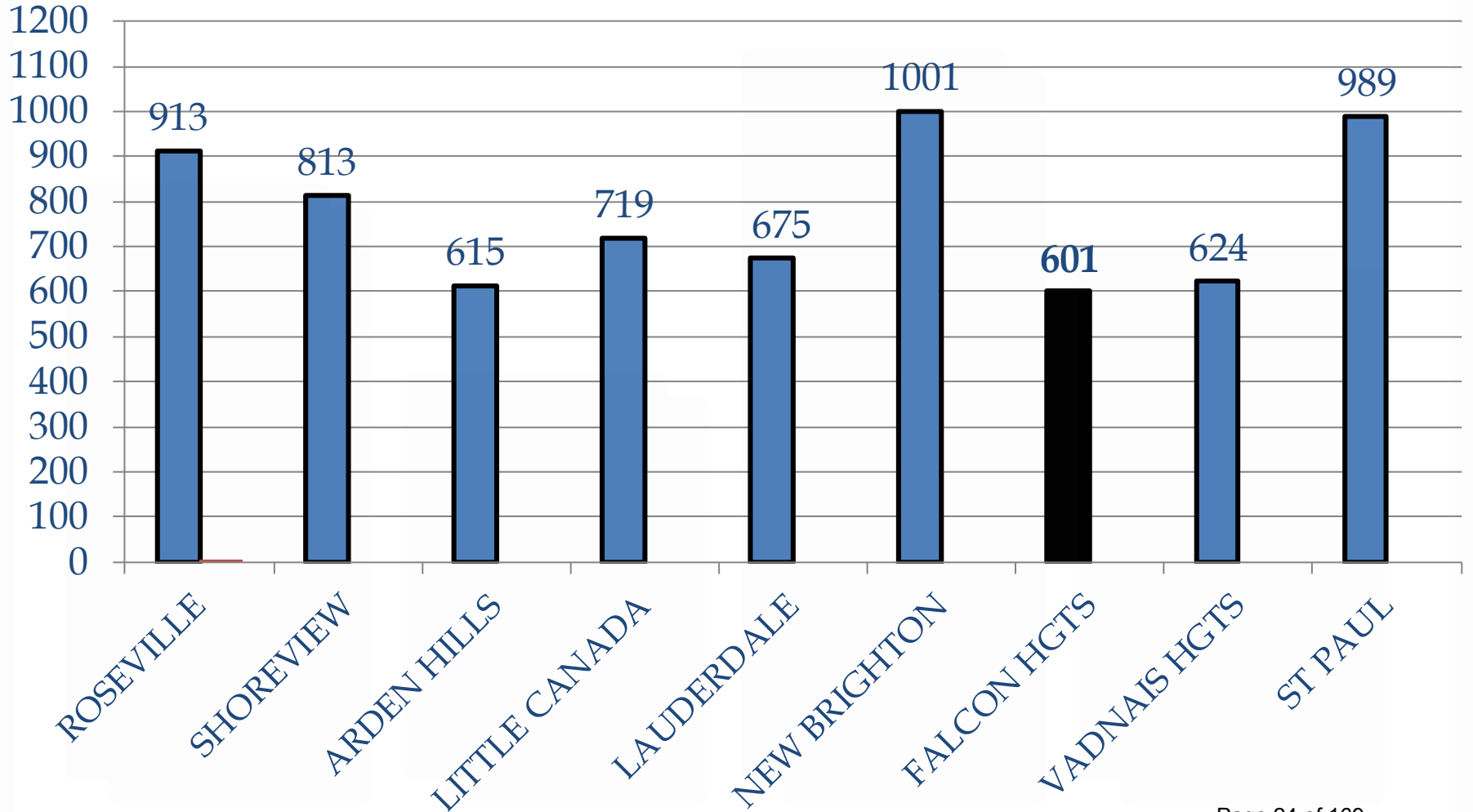
Property Tax Impacts

	Payable 2016	Payable 2015	Payable 2014
Median Valued Home	\$247,700	\$251,500	\$224,900
Taxable Median Value after Exclusion	\$232,753	\$236,895	\$207,901
Tax Capacity (1% of value)	2328	2369	2079
City Tax Rate	25.840%	23.459%	24.819%
City Taxes	601	\$556	\$515
Net Change Prior Year	\$45 Increase	\$41 Increase	\$46 Decrease

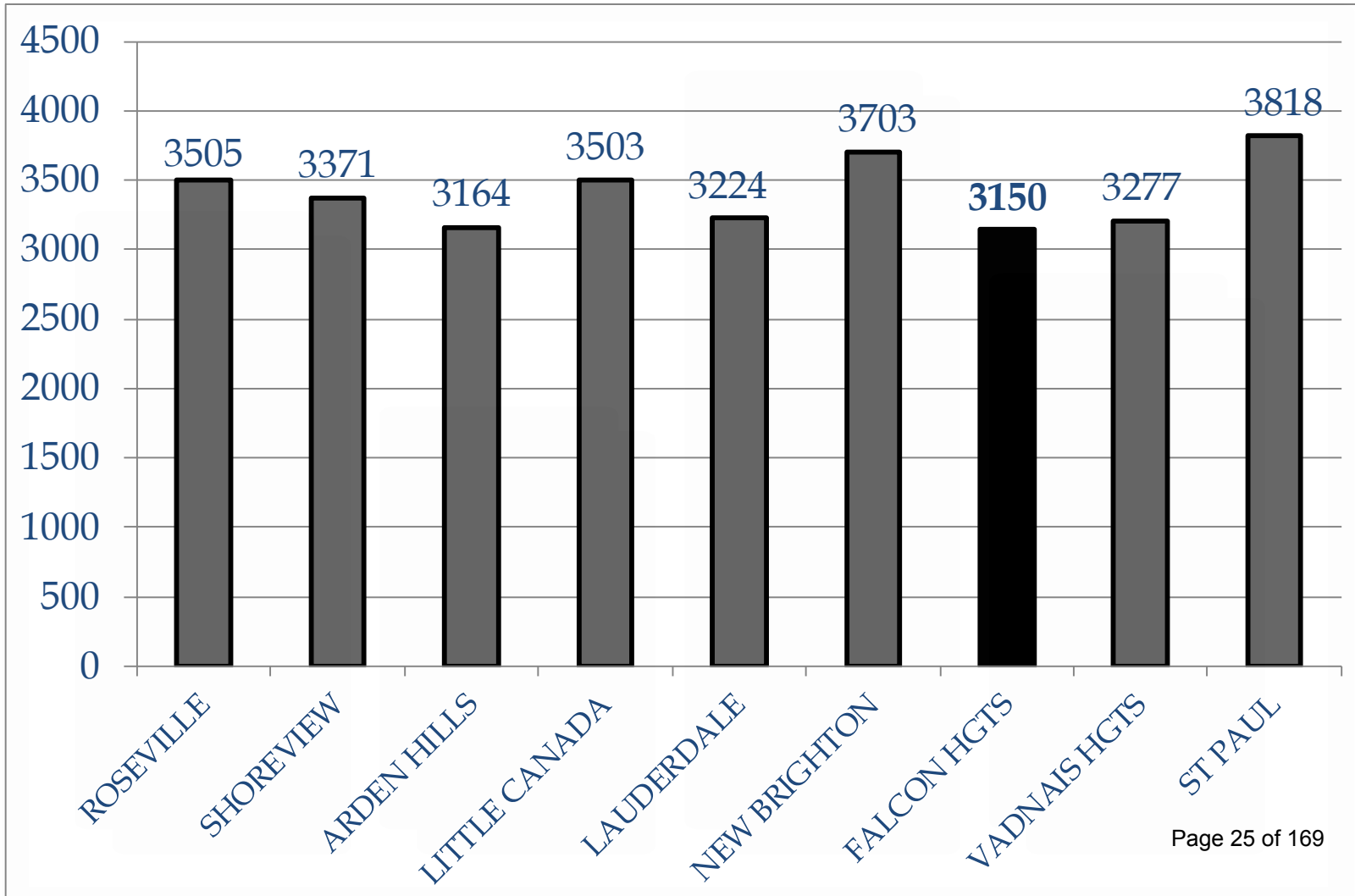
Estimated Percentage Change in 2016 Property Tax On Median Value Single Family Properties (as of 11/13/15)

City	School	Payable 2015 City Median Estimated Value	Payable 2016 City Median Estimated Value	Median % Change In Value	Estimated % Change in Tax on Median Valued Home					Estimated Change From 2015 Total Tax
					County	City	School	Other	Total	
Arden Hills	621	\$295,100	\$300,300	1.8%	1.4%	-1.4%	0.4%	0.1%	0.4%	\$18
	623	"	"	"	1.4%	-1.4%	-1.1%	0.1%	0.0%	-1
Falcon Heights	623	251,500	247,700	-1.5%	-2.3%	8.2%	-4.7%	1.7%	-1.0%	-33
Gem Lake	624	214,000	227,800	6.4%	7.0%	65.4%	5.2%	6.7%	17.4%	500
Lauderdale	623	175,000	186,550	6.6%	7.5%	8.7%	3.2%	11.9%	6.6%	146
Little Canada	623	216,950	223,900	3.2%	3.2%	4.4%	0.0%	4.7%	2.6%	75
	624	"	"	"	3.2%	4.4%	1.7%	4.7%	3.0%	93
Maplewood	622	187,300	190,800	1.9%	1.7%	3.7%	-1.3%	3.1%	1.4%	40
	623	"	"	"	1.7%	3.7%	-1.7%	3.1%	1.4%	38
	624	"	"	"	1.7%	3.7%	0.3%	3.1%	1.9%	54
Mounds View	621	168,700	174,600	3.5%	3.8%	-2.1%	2.6%	2.6%	1.8%	43
New Brighton	282	209,200	218,600	4.5%	4.7%	5.3%	0.9%	3.3%	3.2%	106
	621	"	"	"	4.7%	5.3%	3.5%	3.3%	4.4%	129
North Oaks	621	527,500	553,200	4.9%	5.4%	4.9%	3.9%	5.0%	4.7%	316
	624	"	"	"	5.4%	4.9%	3.6%	5.0%	4.6%	312
North St. Paul	622	148,900	157,500	5.8%	6.8%	12.8%	3.2%	8.7%	7.4%	155
Roseville	621	216,500	216,400	0.0%	-0.7%	0.6%	-1.4%	-16.2%	-1.6%	-52
	623	"	"	"	-0.7%	0.6%	-3.4%	-16.2%	-2.2%	-68
St. Anthony	282	247,400	251,800	1.8%	1.4%	-6.3%	-1.8%	0.0%	-2.4%	-114
St. Paul	625	145,000	151,500	4.5%	4.5%	2.6%	5.3%	10.2%	4.7%	95
Shoreview	621	247,500	253,800	2.5%	2.3%	3.2%	1.3%	1.1%	2.1%	76
	623	"	"	"	2.3%	3.2%	-0.5%	1.1%	1.6%	55
Spring Lake Park	621	175,900	186,900	6.3%	7.1%	11.2%	5.6%	5.9%	7.8%	211
Vadnais Heights	621	224,900	234,300	4.2%	4.3%	4.5%	3.1%	3.9%	3.9%	116
	624	"	"	"	4.3%	4.5%	2.7%	5.8%	3.9%	121
White Bear Lake	624	181,300	184,700	1.9%	1.7%	-1.1%	0.3%	3.2%	0.9%	21
White Bear Town	624	227,200	228,700	0.7%	0.1%	6.5%	-1.1%	1.6%	0.9%	269

2016 City Taxes on a Median Value Home in Ramsey County



2016 Total Property Taxes on a Median Value Home in Ramsey County

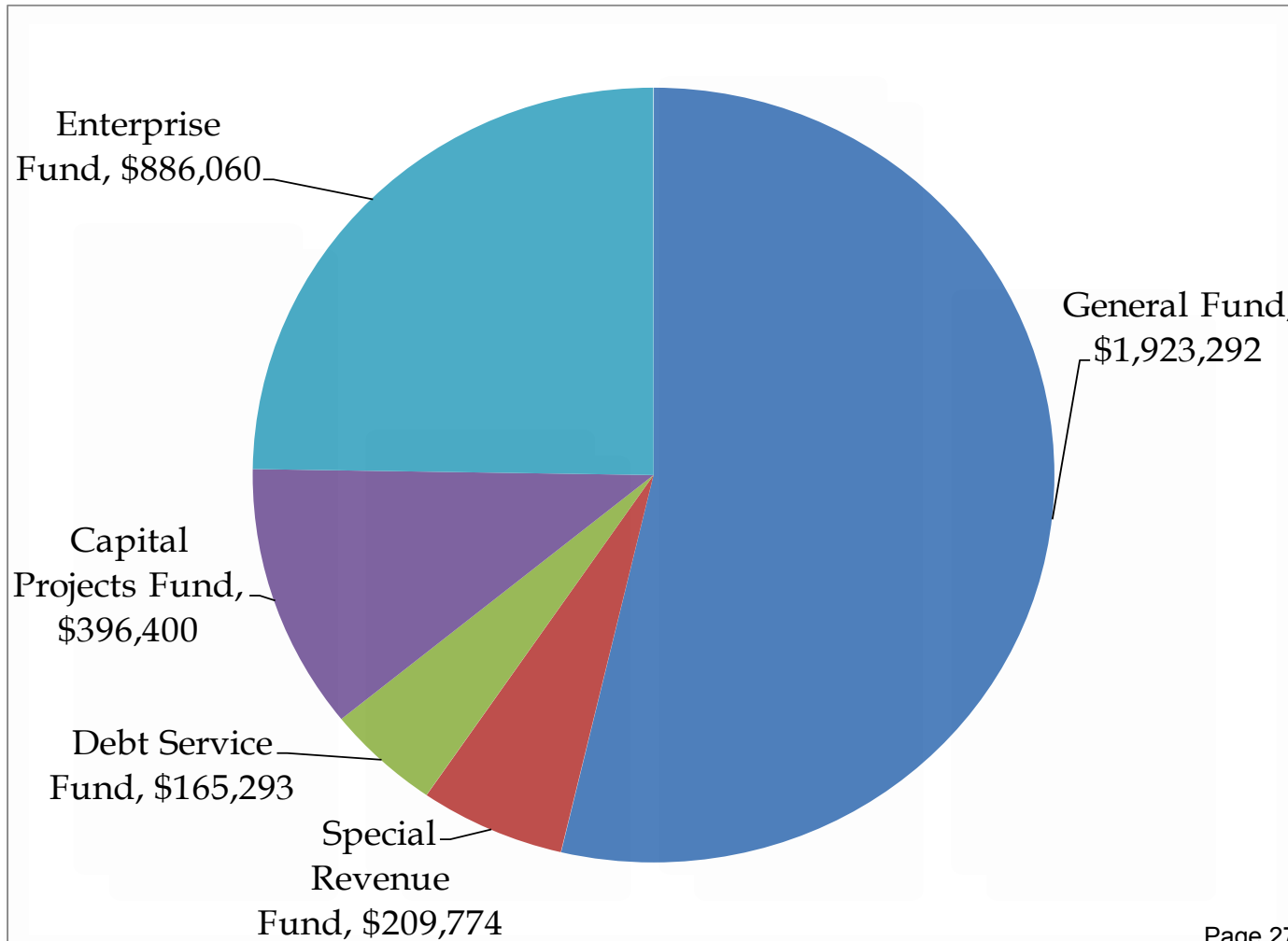




Stratified Change Property Taxes 2015 to 2016

TOTAL # PARCELS IN FALCON HEIGHTS:		1300		
			% of Total	Cumulative % of total
Decrease or "0"	665		51%	51%
\$1 to \$100	262		20%	71%
\$101 to \$200	219		17%	88%
\$201 to \$300	70		5%	93%
\$301 to \$400	31		3%	96%
\$401 to \$500	19		1%	97%
> \$500	34		3%	100%
Total:	1300		100%	

2016 Expenditures



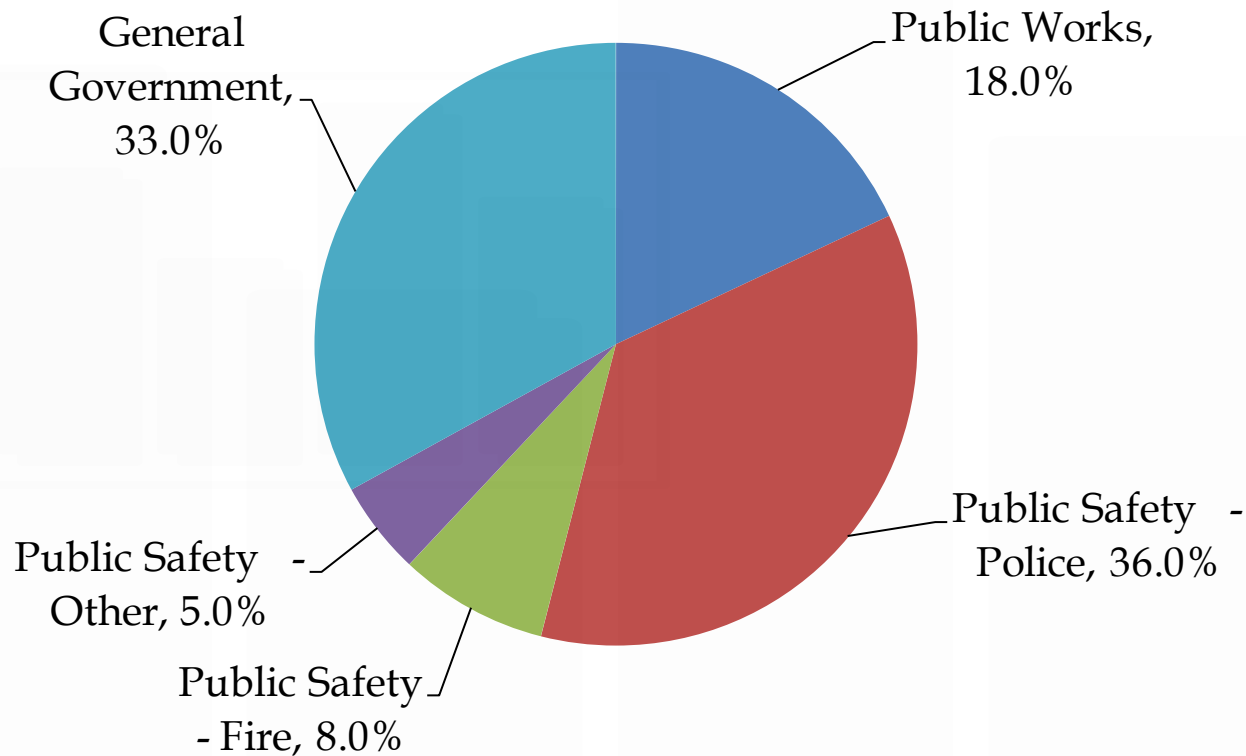


Cities Receive Sales Tax Exemption

Effective 2014

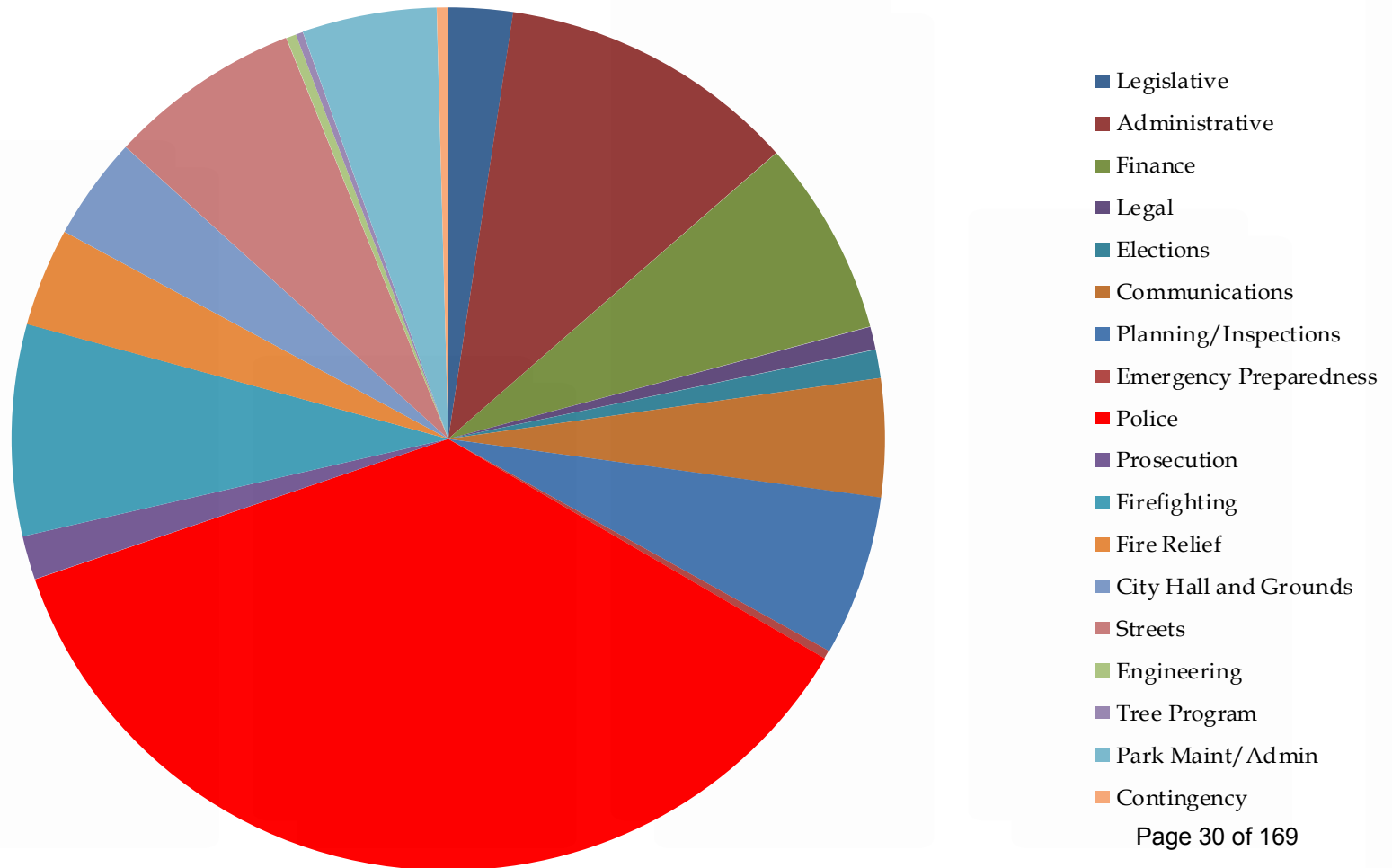
- 2013 MN State Legislature passed State Law changes exempting cities from sales taxes
- General Fund operational expenditure savings are estimated at around \$5,500 yearly

2016 Budgeted General Fund Expenditures By Dept.



2016 General Fund Expenditures by Department

% of Total Expenditures by Department





Levy Comparisons

	2014	2015	Proposed 2016	% Change
Ad valorem levy	\$944,570	\$1,014,116	\$1,046,183	+ \$32,067 + 3.2%
Debt levy	\$139,280	\$69,734	\$127,264	+ \$57,530 + 82.5% *
Total levy	\$1,083,850	\$1,083,850	\$1,173,447	+ 2.46%

* In 2015 a transfer of \$100,000 from reserves to decrease debt levy.

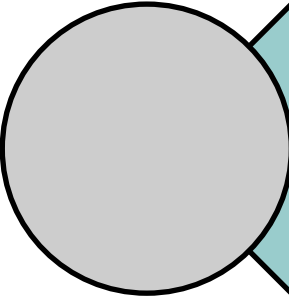


2016 Proposed Budget

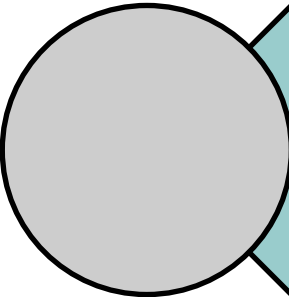
- Consolidated dispatch fees had an increase of \$60.
- Police budget increased by \$18,675.
- 7.3% renewal rate for health insurance through PEIP
- Wage increase by 3%.
- Expect license and permit revenues comparable to 2015 levels.



2016 Proposed Budget, cont.



There will be no transfer of reserve funds for general operating budget



LGA receipts from State of MN increased \$9,309. Fiscal Disparities decreased \$18,441



Overall, general fund expenditures and revenues are \$46,127, or 2.46%, higher than the 2015 operating budget.



Additional Information

- Ramsey County Proposed Budget and Levy Hearing – Held Nov 30th – 6:30 pm – Ramsey County Library - Roseville
- Roseville School District Proposed Budget and Levy Hearing – Held Dec 15th – 6:00 pm - District Service Center - Roseville
- State of Minnesota Property Tax Refund Programs
 - www.taxes.state.mn.us
 - Regular Refund – based on income
 - Circuit Breaker – if taxes increased over 12% and \$100
 - Senior Citizen Tax Deferral through City & Ramsey County
 - Disabled Veteran Market Value Exclusion
- To contest your property valuation to be used for 2017 property taxes – watch for notices in the mail during March 2016



For More Information:

- Visit: www.falconheights.org
- Call Sack Thongvanh, City Administrator at (651)792-7600
- E-mail: Sack.Thongvanh@falconheights.org

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**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 9, 2015

No. 15-45

**RESOLUTION ADOPTING THE 2015 TAX LEVY, COLLECTIBLE IN 2016, FOR
THE CITY OF FALCON HEIGHTS, COUNTY OF RAMSEY, STATE OF
MINNESOTA**

BE IT RESOLVED by the Mayor and City Council of the City of Falcon Heights, County of Ramsey, State of Minnesota, that the following sums of money be levied for the current year 2015, collectible in 2016, upon the taxable property in the City of Falcon Heights, for the following purposes:

	CERTIFIED LEVY
GENERAL FUND	\$1,046,183
DEBT SERVICE (G.O. Improvement, Series 2013A)	\$27,150
DEBT SERVICE (G.O. Fire Truck Bond, Series 2013B)	\$100,114
TOTAL LEVY	\$1,173,447

BE IT FURTHER RESOLVED that the City Administrator is hereby directed to transmit a certified copy of this Resolution to the County Auditor and should extend the tax levy in the amount of \$1,173,447 to be collected for the year 2016.

Moved by:

Approved by: _____

Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
BROWN THUNDER
HARRIS _____ Against
LONG
MERCER-TAYLOR

Attested by: _____

Sack Thongvanh
City Administrator

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December 9, 2015

Honorable Mayor Lindstrom
And
Members of the City Council
City of Falcon Heights

I am pleased to present for your consideration the 2016 City of Falcon Heights operating budget. This document is important not only as a budgetary tool, but also communicates to our residents, business community, and property owners the goals and priorities of the city for the upcoming year.

The City of Falcon Heights is primarily a residential community situated near the center of the Minneapolis and St. Paul metropolitan area. The city is at or near full development, with the economy consisting of light industry, commerce, and agricultural related businesses. Economic conditions and employment remain stable with the University of Minnesota St. Paul campus, Spire Federal Credit Union, and the Minnesota State Fairgrounds providing a diversified economic employment base.

FORM OF GOVERNMENT

The City of Falcon Heights operates under the Statutory Plan A form of government, where the policy decisions are made by the city council, but the administrative duties are delegated to the city administrator. One of the primary administrative duties of the city administrator is to prepare an annual budget for approval by the council.

BUDGET PROCESS

In June, city staff starts the preparation of their budget requests for the next calendar year (Falcon Heights' fiscal year is the calendar year). This is accomplished by correlating the city's budget goals into financial projections, while at the same time; revenues are estimated for the next year. During July, the staff submits their budget requests for the general, special revenue, debt service, and enterprise funds to the city administrator and city finance director. Budget requests are reviewed to determine if they are accurate, reasonable, and well justified. Staff requests are modified according to projected revenues. Once completed, a preliminary budget is prepared based upon initial revenue estimates, departmental budget requests, historical trends, and financial policies.

In July, the city administrator and finance director meet with staff members individually. During these meetings, any recommended revisions are discussed and the city administrator makes the final decision as to what will be included in the proposed budget. The finance director uses this information to prepare the proposed budget document.

In August, budget workshops open to the public are held where the city administrator presents the proposed budget to the city council. The city council reviews the proposed budget with staff, who then adjusts the budget for any changes the council recommends. In early September, the city certifies a proposed levy and budget to Ramsey County. The proposed levy is published and parcel specific notices are mailed to property owners. The council holds a public hearing on the proposed budget in early December and afterward approves the final budget. The city's property tax levy, which is necessary to finance the approved budget, is then certified to Ramsey County. Ramsey County collects the property taxes on behalf of the city as well as other taxing jurisdictions.

During the fiscal year, line items may be overspent as long as the total activity budget is not overspent. City staff may recommend changes in the activity budget to the city council, which can then approve or disapprove the amendment. The council may approve an activity to be overspent if funding is available, but may not amend the property tax levy.

BUDGET ORGANIZATION

The city's annual budget consists of five basic sections:

1. Introductory section
2. Governmental funds
3. Enterprise funds
4. Ten year capital improvement plan
5. Appendixes

The introductory section includes the city's goals for 2016, fiscal policies and budget summary information. The governmental funds section includes revenue and expenditure history and projections from 2013 to 2016 for the general, special revenue, debt service, and capital projects funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts and resources which are dedicated for a specific purpose. The city uses the modified accrual basis of accounting for all governmental funds, in which revenues are recognized when they become measurable and available and expenditures are generally recognized when the related fund liabilities are incurred.

Enterprise funds are those operated in a manner similar to private business enterprises, where the costs of providing services (expenses) are to be recovered primarily on a user-charge basis to the general public (revenues). The city uses the accrual basis of accounting for its enterprise fund (sanitary sewer, storm sewer), in which revenues are recognized when they are earned and expenses are recognized when they are incurred.

The city's ten-Year Capital Improvement Plan (C.I.P.) is a tabulation of projects and equipment that are being recommended with potential funding sources for each. A capital asset is defined as an expenditure which results in the acquisition or replacement of a fixed asset which costs \$1,000 or more and/or has a life expectancy of three years or more. The city uses the threshold level of \$5,000 to determine if the capital asset is listed in the general fixed asset account group. The Ten-Year Capital Improvement Plan is approved by the city council, but it is a planning document only and approval carries no appropriation authority. All appropriations are made as a result of the annual budgeting process.

A glossary of terms is provided to assist in a better understanding of this budget. Appendixes include additional information to support underlying budget assumptions.

2016 BUDGET SUMMARY

The 2011 State of Minnesota legislative session, or rather the special session that ended the state government shutdown, enacted sweeping changes to how property taxes are calculated at the local government level. The budget compromise negotiated between the governor and legislature eliminated the Market Value Homestead Credit (MVHC) program. In theory, this program served as a credit to local units of government and helped reduce the property tax impact on homesteaded properties. Over the past several years, however, this program was rarely fully funded and left cities such as Falcon Heights in the position of having to make up this loss of revenue through cuts in LGA funding. . During the 2011 legislative special session, the MVHC program was eliminated and replaced with a Market Value Exclusion, where a portion of residential homestead properties value was eliminated for tax purposes. In effect, this action reduced the taxable market value of property in Falcon Heights by 4% FOR 2011.

For 2016, the Market Value Exclusion continues. The median Estimated Value dropped from 251,500 to 247,700 resulting in a decrease of 1.5% value.

In addition, the city's fiscal disparities distribution decreased \$18,441, or 9.3%.

Personnel

As in most government and service related organizations, the vast majority of our spending is the result of employing workers and their associated benefits.

Health Insurance

2016 will be the seventh year where the city participates in the Public Employees Insurance Program. PEIP is a plan offered through the State of Minnesota to cities and other organizations throughout the state. The 2016 renewal rate is 7.3%. Employees will continue to purchase other insurance coverages (dental, life, etc.) through Ramsey County.

Personnel Costs

We have included a 3% cost of living adjustment for regular employees in 2016. There was a 3% COLA in 2015.

The part time Administrative Coordinator position moves to a full time position as of July 1, 2016.

Individual Budget Summaries

The areas below highlight department budgets where there are notable changes from the 2015 budget:

- | | |
|---------------------------|---|
| <u>Legislative (111):</u> | There is an additional \$2,000 increase for conferences/education/training budget line item for the council members. |
| Administrative (112): | The Part time employee position is increased to full time status as of July 1, 2016. |
| <u>Police (122):</u> | Reflects 2 nd year of three-year contract negotiated during 2014. Also reflects a slight decrease in dispatching expenses associated with consolidated dispatch center. The increase in the police budget for 2016 totals \$18,675 with an additional dispatching costs increasing \$60. |

Expenditure Summary

The proposed budget reflects a modest increase in expenditures of \$46,127, or 2.46%

Revenues:

Local Government Aid (LGA)

The city's LGA allocation is projected to increase \$9,309.

Licenses, Permits, and Charges for Service

Estimated revenues from building permits and licenses are projected to remain relatively stable as compared to 2015. We also are budgeting about the same in other revenues such as facility rentals, zoning fees, accident clean-up fees, and in fines and forfeitures.

Transfer from Reserve Funds

In order to provide a balanced budget, in the past, a transfer from reserve funds was needed. Transferring money from capital and enterprise accounts to the general fund began in response to the impact of the 2003 LGA cuts. Eliminating this transfer is a goal of future budgets in order to protect the capital account balances and our bond rating. Since 2006, the actual amount transferred from capital or other accounts at the end of the year has been less than what was originally budgeted.

History of Transfer From Reserves to General Fund		
Year	Budgeted Amount	Actual Amount
2004	\$135,676	\$135,676
2005	\$204,315	\$204,315
2006	\$229,832	\$160,000
2007	\$161,337	\$4,000
2008	\$113,797	\$65,000
2009	\$21,732	\$0
2010	\$112,400	\$77,400
2011	\$71,917	\$23,800
2012	\$126,075	\$126,075 (Estimate)
2013	\$80,000	\$80,000
2014	\$40,000	\$40,000
2015	\$0	\$0
2016	\$0	\$0

Debt Levy

In 2013, G.O. Equipment Certificate and Improvement Bond were issued to finance a new fire truck and complete street improvements for the city. Both bonds will contribute to the debt portion of the overall tax levy. In 2015, the City transferred \$100,000 from reserves to decrease debt service levy to lessen the impact on the overall general tax levy for the purchase of the new fire truck. The total debt service levy for 2016 is \$127,264 of which the portion for the new fire truck is \$100,115, and the debt service levy for the 2013 street project will be \$27, 150. Without the fire truck debt service levy the overall tax levy would have been -0.97% for 2016.

Summary

The overall general fund budget, including expenses, revenues, and transfers, totals \$1,923,292. This is an increase of \$46,127 or 2.46% over the 2015 operating budget. The total tax levy is \$1,173,447, which is 8.27% higher than the levy approved for the 2015 budget. This results in a city tax rate of 25.840%, and an estimated \$45 property tax increase on a median valued home.

When measured against other Ramsey County municipalities, Falcon Heights' tax rate is very impressive:

City	Proposed 2016 City Tax Rate
Falcon Heights	25.840%
Arden Hills	26.382%
Lauderdale	28.989%
Little Canada	30.869%
Maplewood	46.985%
Mounds View	40.097%
New Brighton	43.008%
North St. Paul	38.669%

Roseville	39.211%
St. Paul	42.477%
Shoreview	34.945%
Vadnais Heights	26.796%
White Bear Lake	19.684%

The frugal tax rates are due to an aggressive budget philosophy that encourages sharing or contracting for services from neighboring government agencies. Some examples of these practices include:

- Obtaining police services from the City of St. Anthony
- Using the City of Roseville for city engineering services
- Providing fire department services to the City of Lauderdale (allowing us to offset our expenses)
- Sharing a building inspector and street sweeper with the City of Little Canada
- Participating with seventeen area communities on technology related issues, such as phone and information technology services

In closing, I wish to acknowledge the contributions of many staff members, especially Finance Director Roland Olson and Finance Intern Sara Aschenbeck for their tireless efforts in putting these documents together.

Sincerely,

Sack Thongvanh
City Administrator

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**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 9, 2015

No. 15-46

RESOLUTION ADOPTING THE 2016 BUDGET

BE IT RESOLVED by the City Council of the City of Falcon Heights that the General Fund Operating Budget for the year 2016 in the amount of \$1,923,292 and other Fund Budgets as listed are adopted.

Park Program Fund (201)	\$55,442
Community Garden (203)	\$1,000
Water Fund (204)	\$11,810
Emerald Ash Borer	\$680
Recycling Fund (206)	\$88,442
Community Development Fund (208)	\$15,780
Street Light Utility (209)	\$36,620
GO Improvement Cert. Series 2013A (311)	\$71,025
GO Equipment Cert. Series 2013B (312)	\$94,268
General Capital Improvements (401)	\$13,180
Public Safety Capital (402)	\$34,180
Parks Recreation/Public Facilities Capital (403)	\$54,180
TIF District #1-3 (414)	\$248,680
Infrastructure Capital (419)	\$46,180

Moved by:

Approved by: _____
Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
BROWN THUNDER
HARRIS _____ Against
LONG
MERCER-TAYLOR

Attested by: _____
Sack Thongvanh
City Administrator

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F1
Attachment	General Disbursements and Payroll
Submitted By	Roland Olson, Finance Director

Item	General Disbursements and Payroll
Description	General Disbursements through: 12/02/15 \$129,987.81 Payroll through: 11/320/15 \$16,956.25
Budget Impact	The general disbursements and payroll are consistent with the budget.
Attachment(s)	<ul style="list-style-type: none"> • General Disbursements and Payroll
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

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PACKET: 01299 NOV 18 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
=====						
01-0250		AMERIPRIDE SERVICES				
I-1003295088		LINEN CLEANING	39.03			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		LINEN CLEANING		101 4124-82011-000	LINEN CLEANING	39.03
		=== VENDOR TOTALS ===	39.03			
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01-05634		RANDY BOGGIO				
I-201511165574		ENERGY EFFICIENCY REBATE	60.15			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		ENERGY EFFICIENCY REBATE		101 4117-89100-000	ENERGY REBATE PROGRAM	60.15
		=== VENDOR TOTALS ===	60.15			
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01-03110		CENTURY LINK				
I-201511165575		LANDLINES	181.44			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		CURTISS FIELD LANDLINES		101 4141-85011-000	TELEPHONE - LANDLINE	60.78
		LANDLINES		601 4601-85011-000	TELEPHONE - LANDLINE	64.10
		LANDLINES		101 4141-85011-000	TELEPHONE - LANDLINE	56.56
		=== VENDOR TOTALS ===	181.44			
=====						
01-03123		CINTAS CORPORATION #470				
I-201511165576		TOWELS. CLEANER, MATS, TP	148.18			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		TOWELS. CLEANER, MATS, TP		101 4132-70120-000	SUPPLIES	148.18
		=== VENDOR TOTALS ===	148.18			
=====						
01-0122		CITY OF ST PAUL				
I-IN12687		ASPHALT MIX	330.18			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		ASPHALT MIX		101 4132-75000-000	BITUMINOUS PATCHING	330.18
		=== VENDOR TOTALS ===	330.18			
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01-03302		D.R.S.				
I-IN14508		PW RANDOM DRUG TESTING	150.00			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		PW RANDOM DRUG TESTING		101 4132-89000-000	MISCELLANEOUS	150.00
		=== VENDOR TOTALS ===	150.00			

PACKET: 01299 NOV 18 PAYABLES
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

ID	POST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
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01-179			FIRE SAFETY USA, INC				
I-84068			RESCUE TOOL	502.00			
11/18/2015	APBNK		DUE: 11/18/2015 DISC: 11/18/2015		1099: N		
			RESCUE TOOL		402 4402-91000-000	MACHINERY & EQUIPMENT	502.00
=== VENDOR TOTALS ===				502.00			
=====							
01-05166			GRAINGER, W. W., INC.				
I-9889697877			WORK GLOVES, STREET LIGHTS	158.27			
11/16/2015	APBNK		DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
			WORK GLOVES		101 4132-77000-000	CLOTHING	66.12
			CITY HALL PARKING LOT LIGHTS		209 4209-87120-000	REPAIR & MAINTENANCE	92.15
=== VENDOR TOTALS ===				158.27			
=====							
01-05404			KURHAJETZ, CLEM				
I-201511185584			KITCHEN & CLEANING SUPPLIES	41.63			
11/18/2015	APBNK		DUE: 11/18/2015 DISC: 11/18/2015		1099: N		
			KITCHEN & CLEANING SUPPLIES		101 4112-70100-000	SUPPLIES	41.63
=== VENDOR TOTALS ===				41.63			
=====							
01-05440			LOFFLER COMPANIES, INC				
I-17821772			NOVEMBER COPIER CHARGES	222.08			
11/16/2015	APBNK		DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
			NOVEMBER COPIER CHARGES		101 4112-87000-000	REPAIR OFFICE EQUIPMENT	222.08
=== VENDOR TOTALS ===				222.08			
=====							
01-05464			MED-COMPASS				
I-28240			SCBA MEDICAL EXAMS	307.50			
11/18/2015	APBNK		DUE: 11/18/2015 DISC: 11/18/2015		1099: N		
			SCBA MEDICAL EXAMS		101 4124-86200-000	MEDICAL EXAMINATIONS	307.50
=== VENDOR TOTALS ===				307.50			
=====							
01-05555			MEDICS TRAINING				
I-9881			3 HR EMT/EMR TRAINING	550.00			
11/18/2015	APBNK		DUE: 11/18/2015 DISC: 11/18/2015		1099: N		
			3 HR EMT/EMR TRAINING		101 4124-86020-000	TRAINING	550.00
=== VENDOR TOTALS ===				550.00			

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01-0582	MENARDS					
I-201511165578		LOCK, PAINT BRUSHERS, ROLLERS	46.53			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		LOCK, PAINT BRUSHERS, ROLLERS		101 4132-70120-000	SUPPLIES	46.53
		=== VENDOR TOTALS ===	46.53			
01-05670	METRO PRODUCTS INC					
I-112579		SHOP SUPPLIES	50.05			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		SHOP SUPPLIES		101 4131-70110-000	SUPPLIES	50.05
		=== VENDOR TOTALS ===	50.05			
01-05743	MN DEPT OF AGRICULTURE					
I-201511165579		2016 TREE CARE REGISTRY	25.00			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		2016 TREE CARE REGISTRY		101 4134-70110-000	SUPPLIES	25.00
		=== VENDOR TOTALS ===	25.00			
01-05744	MN DEPT OF HUMAN RIGHTS					
I-201511165577		2015 HUMAN RIGHTS SYMPOSIUM	180.00			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		2015 HUMAN RIGHTS SYMPOSIUM		101 4112-86100-000	CONFERENCES/EDUCATION/AS	180.00
		=== VENDOR TOTALS ===	180.00			
01-05024	ON SITE SANITATION					
I-148350		COMM PARK TOILETS	75.00			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		COMM PARK TOILETS		601 4601-85080-000	PORTABLE TOILET PARKS	75.00
		=== VENDOR TOTALS ===	75.00			
01-05066	PRAIRIE RESTORATIONS, INC					
I-38145		TRIMMING AROUND BURN	628.55			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		TRIMMING AROUND BURN		101 4141-87120-000	FACILITIES & GROUND MAIN	628.55
		=== VENDOR TOTALS ===	628.55			

PACKET: 01299 NOV 18 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
01-0301	SAMS CLUB MC/SYNCR					
I-201511165580		ELECTION EXPENSES, STREET LIG	605.75			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		MS4 MEETING EXPENSE		602 4602-70200-000	SUPPLIES	25.32
		DRINKS- ELECTIONS		101 4115-70100-000	SUPPLIES	52.03
		MEALS- ELECTIONS		101 4115-70100-000	SUPPLIES	159.44
		JACKETS FOR PUBLIC WORKS		101 4132-77000-000	CLOTHING	197.15
		STREET LIGHT POLES- PAINT		209 4209-87120-000	REPAIR & MAINTENANCE	171.81
		=== VENDOR TOTALS ===	605.75			
01-07003	TESCH, SCOTT					
I-201511165581		REIMB: FRAME FOR SVC AREA MAP	221.73			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		REIMB: FRAME FOR SVC AREA MAP		101 4124-70100-000	SUPPLIES	221.73
		=== VENDOR TOTALS ===	221.73			
01-06901	ULTIMATE SAFETY CONCEPTS					
I-163696		AUTOMATIC EXTERNAL DEFIBRILAT	1,595.00			
11/18/2015	APBNK	DUE: 11/18/2015 DISC: 11/18/2015		1099: N		
		AUTOMATIC EXTERNAL DEFIBRILATO		402 4402-91000-000	MACHINERY & EQUIPMENT	1,595.00
		=== VENDOR TOTALS ===	1,595.00			
01-05635	JOHN P WARD					
I-201511165582		ENERGY EFFICIENCY REBATE	59.00			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		ENERGY EFFICIENCY REBATE		101 4117-89100-000	ENERGY REBATE PROGRAM	59.00
		=== VENDOR TOTALS ===	59.00			
01-05870	XCEL ENERGY					
I-201511165583		ELECT	2,253.03			
11/16/2015	APBNK	DUE: 11/16/2015 DISC: 11/16/2015		1099: N		
		CURTISS FIELD GAZEBO		101 4141-85020-000	ELECTRIC/GAS	11.88
		SNELLING & HOYT SIGN		209 4209-85020-000	STREET LIGHTING POWER	11.59
		STREET LIGHTS		209 4209-85020-000	STREET LIGHTING POWER	2,107.45
		CITY HALL ELECT		101 4131-85020-000	ELECTRIC	31.26
		STREET LIGHTS		209 4209-85020-000	STREET LIGHTING POWER	55.98
		ELECT		101 4141-85020-000	ELECTRIC/GAS	34.87
		=== VENDOR TOTALS ===	2,253.03			
		=== PACKET TOTALS ===	8,430.10			

PACKET: 01303 NOV 23 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
=====						
01-283		2ND WIND EXERCISE, INC				
I-11-2106		ELLIPTICAL	1,899.00			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		ELLIPTICAL		101 4124-70120-000	TOOLS & SUPPLIES	1,899.00
		=== VENDOR TOTALS ===	1,899.00			
=====						
01-03123		CINTAS CORPORATION #470				
I-201511235587		BLACK MATS	52.84			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		BLACK MATS		101 4132-70120-000	SUPPLIES	52.84
		=== VENDOR TOTALS ===	52.84			
=====						
01-05175		CONTINENTAL RESEARCH CORPORATI				
I-428311-CRC-1		DRAIN DEODERIZER	83.00			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		DRAIN DEODERIZER		101 4141-70100-000	SUPPLIES	83.00
		=== VENDOR TOTALS ===	83.00			
=====						
01-04027		EMERGENCY APPARATUS MAINT				
I-82429		755 FULL SERVICE/SAFETY INSPE	310.65			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		755 FULL SERVICE/SAFETY INSPEC		101 4124-87029-000	REPAIR OTHER EQUIPMENT	310.65
I-83725		755 THROTTLE PEDAL REPLACEMEN	3,290.42			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		755 THROTTLE PEDAL REPLACEMENT		101 4124-87029-000	REPAIR OTHER EQUIPMENT	3,290.42
		=== VENDOR TOTALS ===	3,601.07			
=====						
01-05179		FIRE SAFETY USA, INC				
I-84251		GAS MONITOR FOR TRAINING	1,785.00			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		GAS MONITOR FOR TRAINING		402 4402-91000-000	MACHINERY & EQUIPMENT	1,785.00
		=== VENDOR TOTALS ===	1,785.00			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-1119	GFOA					
I-201511235588		GFOA ANNUAL CONFERENCE	420.00			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		GFOA ANNUAL CONFERENCE		101 4113-86100-000	CONFERENCES/EDUCATION/AS	420.00
		=== VENDOR TOTALS ===	420.00			
01-05115	GOPHER STATE ONE CALL					
I-148110		OCTOBER LOCATES	125.00			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		OCTOBER LOCATES		601 4601-88030-000	LOCATES	125.00
		=== VENDOR TOTALS ===	125.00			
01-05561	HEALTH EAST VEHICLE SERVICES					
I-22644		EMERGENCY LIGHTING & SIREN	1,439.39			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		EMERGENCY LIGHTING & SIREN		402 4402-91000-000	MACHINERY & EQUIPMENT	1,439.39
		=== VENDOR TOTALS ===	1,439.39			
01-06185	RAMSEY COUNTY					
I-PUBW-15146		RECYCLED BASE- SIDEWALKS	158.20			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		RECYCLED BASE- SIDEWALKS		419 4419-92005-000	SIDEWALK IMPROVEMENTS	158.20
		=== VENDOR TOTALS ===	158.20			
01-06544	TIM SANDVIK					
I-201511235586		REIMB- CELL PHONE, MILEAGE	117.94			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		CELL PHONE REIMB		101 4131-85015-000	CELL PHONE	60.00
		MILEAGE REIMB		101 4112-86010-000	MILEAGE & PARKING	32.94
		APMP MEETING FEES		101 4112-86100-000	CONFERENCES/EDUCATION/AS	25.00
		=== VENDOR TOTALS ===	117.94			
01-06525	SUBURBAN ACE HARDWARE					
I-103299		FASTENERS, AIR FILTERS, PWR E	439.33			
11/23/2015	APBNK	DUE: 11/23/2015 DISC: 11/23/2015		1099: N		
		FASTENERS, AIR FILTERS, PWR EQ		101 4131-70110-000	SUPPLIES	439.33
		=== VENDOR TOTALS ===	439.33			
		=== PACKET TOTALS ===	10,120.77			

PACKET: 01306 DEC 2 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
01-222		ALLEGRA PRINT & IMAGING				
I-146147		REPORT COVERS	67.82			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		REPORT COVERS		101 4112-70100-000	SUPPLIES	67.82
=== VENDOR TOTALS ===			67.82			
01-00255		AMERICAN OFFICE PRODUCTS				
I-2493		LETTERHEAD, ENVELOPES	308.52			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		LETTERHEAD, ENVELOPES		101 4112-70100-000	SUPPLIES	308.52
=== VENDOR TOTALS ===			308.52			
01-05422		BP				
I-201512025596		FUEL	641.42			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		FUEL		101 4124-74000-000	MOTOR FUEL & LUBRICANTS	45.00
		FUEL		101 4132-74000-000	MOTOR FUEL & LUBRICANTS	596.42
=== VENDOR TOTALS ===			641.42			
01-03089		CASH				
I-201512025598		CERTIFIED MAIL, BUSINESS CARD	24.12			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		POINTSETTIAS		101 4112-70100-000	SUPPLIES	8.48
		CERTIFIED MAIL		101 4112-70500-000	POSTAGE	3.94
		VACUUM CLEANER BELT		101 4131-70110-000	SUPPLIES	6.41
		BUSINESS CARDS		101 4112-70100-000	SUPPLIES	5.29
=== VENDOR TOTALS ===			24.12			
01-03123		CINTAS CORPORATION #470				
I-201511305590		SHOP TOWELS, MATS, SOAP	115.40			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		SHOP TOWELS, MATS, SOAP		101 4132-70120-000	SUPPLIES	115.40
=== VENDOR TOTALS ===			115.40			

PACKET: 01306 DEC 2 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
=====						
01-0290	CITY OF ROSEVILLE					
I-220868		USED WIFI EQUIPMENT	20.00			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		USED WIFI EQUIPMENT		101 4116-70100-000	SUPPLIES	20.00
I-220882		DECEMBER IT SERVICES	1,286.83			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		DECEMBER IT SERVICES		101 4116-85070-000	TECHNICAL SUPPORT	1,286.83
I-220913		DECEMBER PHONE SERVICES	295.88			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		DECEMBER PHONE SERVICES		101 4116-85010-000	TELEPHONE	295.88
		=== VENDOR TOTALS ===	1,602.71			
=====						
01-03122	CITY OF ST PAUL					
I-12907		STREET LIGHT MAINT	136.54			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		STREET LIGHT MAINT		209 4209-87120-000	REPAIR & MAINTENANCE	136.54
I-IN 12908		STREET LIGHT MAINT	11.79			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		STREET LIGHT MAINT		209 4209-87120-000	REPAIR & MAINTENANCE	11.79
		=== VENDOR TOTALS ===	148.33			
=====						
01-05352	SHAILA CUNNINGHAM					
I-201512025597		YOGA INSTRUCTOR	272.80			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: Y		
		YOGA INSTRUCTOR		201 4201-87700-000	INSTRUCTOR-SPECIALTY CLA	272.80
		=== VENDOR TOTALS ===	272.80			
=====						
01-05637	FITNESS DISTRIBUTING, INC.					
I-FIREDEOT		DUMBBELLS FOR TRAINING	595.00			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		DUMBBELLS FOR TRAINING		101 4124-86020-000	TRAINING	595.00
		=== VENDOR TOTALS ===	595.00			

PACKET: 01306 DEC 2 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

01-153	HOME DEPOT CRC/GECF					
I-201512025595		HARDWARE, PAINT, FLAG	133.49			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		STREET LIGHT MAINT		209 4209-87120-000	REPAIR & MAINTENANCE	3.97
		HARDWARE, PAINT, FLAG		101 4131-70110-000	SUPPLIES	129.52
=== VENDOR TOTALS ===			133.49			

01-05665 METROPOLITAN COUNCIL

I-1050137		JANUARY SS	40,550.39			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		JANUARY SS		601 15500-000	PREPAID EXPENSE	40,550.39
=== VENDOR TOTALS ===			40,550.39			

01-05843 MN NCPERS LIFE INSURANCE

I-201511305593		DECEMBER LIFE INSURANCE	80.00			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		DECEMBER LIFE INSURANCE		101 21709-000	OTHER PAYABLE	45.44
		DECEMBER LIFE INSURANCE		201 21709-000	OTHER PAYABLE	4.00
		DECEMBER LIFE INSURANCE		601 21709-000	OTHER PAYABLE	20.32
		DECEMBER LIFE INSURANCE		602 21709-000	OTHER PAYABLE	10.24
=== VENDOR TOTALS ===			80.00			

01-07263 NEXTEL COMMUNICATIONS, INC

I-201511305589		CELL PHONES	113.21			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		CELL PHONES		101 4121-85015-000	CELL PHONE	22.76
		CELL PHONES		101 4131-85015-000	CELL PHONE	11.60
		CELL PHONES		101 4141-85015-000	CELL PHONE	11.60
		CELL PHONES		101 4132-85015-000	CELL PHONE	11.60
		CELL PHONES		601 4601-85015-000	CELL PHONE	45.00
		CELL PHONES		602 4602-85015-000	CELL PHONES	10.65
=== VENDOR TOTALS ===			113.21			

01-06185 RAMSEY COUNTY

I-EMCOM4719		NOVEMBER FLEET SUPPORT	81.12			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		NOVEMBER FLEET SUPPORT		101 4124-86800-000	RADIO MESB/FLEET SUPPORT	81.12
=== VENDOR TOTALS ===			81.12			

PACKET: 01306 DEC 2 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

01-0184 RAMSEY COUNTY - 911 DISPATCH

I-EMCOM 4760		NOVEMBER CAD SERVICES	480.09			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		NOVEMBER CAD SERVICES		101 4122-81200-000	911 DISPATCH FEES	480.09

I-EMCOM 4775		NOV 911 DISPATCH	2,473.65			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		NOV 911 DISPATCH		101 4122-81200-000	911 DISPATCH FEES	2,473.65

=== VENDOR TOTALS === 2,953.74

01-07228 CITY OF ST ANTHONY

I-3331		DECEMBER POLICE SERVICES	50,710.39			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		DECEMBER POLICE SERVICES		101 4122-81000-000	POLICE SERVICES	50,710.39

=== VENDOR TOTALS === 50,710.39

01-00935 ST PAUL REGIONAL WATER SERVICE

I-201511305594		WATER, SS	479.54			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		CITY HALL WATER		101 4131-85040-000	WATER	57.42
		CITY HALL SS		101 4131-85070-000	SEWER	22.76
		COMM PARK WATER		101 4141-85040-000	WATER	248.55
		COMM PARK SS		101 4141-85070-000	SEWER	150.81

=== VENDOR TOTALS === 479.54

01-06628 SACK THONGVANH

01511305592		OCT, NOV, DEC CELL PHONE REIM	180.00			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		OCT, NOV, DEC CELL PHONE REIMB		101 4131-85015-000	CELL PHONE	90.00
		OCT, NOV, DEC CELL PHONE REIMB		601 4601-85015-000	CELL PHONE	90.00

=== VENDOR TOTALS === 180.00

01-05870 XCEL ENERGY

I-201511305591		AUTO PROTECTIVE LIGHT, SIREN	37.17			
11/30/2015	APBNK	DUE: 11/30/2015 DISC: 11/30/2015		1099: N		
		AUTO PROTECTIVE LGIHT		101 4141-85020-000	ELECTRIC/GAS	28.95
		CIVIL DEFENSE SIREN		101 4121-85020-000	ELECTRIC	8.22

=== VENDOR TOTALS === 37.17

PACKET: 01306 DEC 2 PAYABLES
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
ST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01 12/02/2015		ZEP SALES & SERVICE				
I-9001988858		ALL PURPOSE CLEANER	243.21			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		ALL PURPOSE CLEANER		101 4131-70110-000	SUPPLIES	243.21
I-9001991290		FLOOR CLEANER	240.75			
12/02/2015	APBNK	DUE: 12/02/2015 DISC: 12/02/2015		1099: N		
		FLOOR CLEANER		101 4131-70110-000	SUPPLIES	240.75
		=== VENDOR TOTALS ===	483.96			
		=== PACKET TOTALS ===	99,579.13			
		Fed withholdings	6840.12			
		St withholdings	1005.72			
		Pera	3021.97			
		Icma	900.00			
			<u>111,346.94</u>			

EMP #	NAME	AMOUNT
0 J013	PETER C LINDSTROM	316.50
01-0016	PAMELA M HARRIS	277.05
01-1005	SACK THONGVANH	2,884.62
01-1017	TIMOTHY J SANDVIK	1,459.79
01-1019	KATHLEEN N THRASHER	730.82
01-1136	ROLAND O OLSON	1,799.43
01-1159	SARA E ASCHENBECK	227.42
01-2154	MAUREEN A ANDERSON	88.43
01-1018	PAUL A MORETTO	1,694.49
01-0086	RICHARD H HINRICHS	825.00
01-0095	MICHAEL J POESCHL	115.44
01-0105	ANTON M FEHRENBACH	322.71
01-0123	BRYAN R SULLIVAN	110.96
01-0124	MICHAEL D KRUSE	110.96
01-1030	TIMOTHY J PITTMAN	2,010.54
01-1033	DAVE TRETSVEN	1,415.73
01-1143	COLIN B CALLAHAN	1,439.27

TOTAL PRINTED: 17 15,829.16

11-23-2015 12:57 PM PAYROLL CHECK REGISTER
PAYROLL NO: 01 City of Falcon Heights

PAGE: 1
PAYROLL DATE: 11/23/2015

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
0	MERCER-TAYLOR, ELIZABETH	R	11/23/2015	277.05	087069
0	LONG, CHARLES E	R	11/23/2015	277.05	087070
0020	BROWN THUNDER, JOSEPH C	R	11/23/2015	277.05	087071
0034	KURHAJETZ, CLEMENT	R	11/23/2015	100.44	087072
0097	GAFFNEY, PATRICK	R	11/23/2015	115.44	087073
2172	ARCAND, MICHAEL W	R	11/23/2015	80.06	087074

11-23-2015 12:57 PM PAYROLL CHECK REGISTER
PAYROLL NO: 01 City of Falcon Heights

PAGE: 2
PAYROLL DATE: 11/23/2015

*** REGISTER TOTALS ***

REGULAR CHECKS:	6	1,127.09
DIRECT DEPOSIT REGULAR CHECKS:	17	15,829.16
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	23	16,956.25

*** NO ERRORS FOUND ***

** END OF REPORT **



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F2
Attachment	N/A
Submitted By	Tim Sandvik, Deputy Clerk

Item	Approval of City Licenses
Description	<p>The following individuals have applied for a <u>Municipal Business License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Har Mar Lock and Service 2. Falcon Heights Gas and Convenience, Inc. 3. Spire Credit Union 4. Cox Insurance Associates Inc 5. Curves 6. H1 HH MN Inc dba Honest-1 Auto Care Hamline Hoyt 7. Peterson Dental 8. TIES 9. Merwin Liquors <p>The following individuals have applied for a <u>Restaurant License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Stout's Pub 2. Pizza Hut 3. Quick Service Restaurant STP JJ Team LLC dba Jimmy John's 4. DivoJac dba Dino's Gyros 5. XY Corporation dba New Fresh Wok 6. Chateau Formage <p>The following individuals have applied for an <u>On Sale Liquor License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Stout's Pub 2. DivoJac dba Dino's Gyros 3. XY Corporation dba New Fresh Wok 4. Chateau Formage <p>The following individuals have applied for an <u>Off Sale Liquor License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Merwin Liquors

	<p>The following individuals have applied for a <u>Refuse/Recycler’s License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Advanced Disposal Services 2. Gene’s Disposal Services Inc 3. Waste Management <p>The following individuals have applied for a <u>Tobacco License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Falcon Heights Gas and Convenience Inc. 2. Merwin Liquors <p>The following individuals have applied for a <u>Tree Trimming/Treating/Removal Contractor’s License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. SavATree 2. Vineland Tree Care <p>The following individuals have applied for a <u>Therapeutic Massage License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Ferencz Mihaly Vincze-Turcean – Hair Designs Unlimited <p>The following individuals have applied for a <u>Home Occupation License</u> for 2016. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Pamela M. Harris PLLC 2. Cyberwares, LLC 3. David L Wasson Graphic Design
Budget Impact	N/A
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the 2016 City License Applications.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F3
Attachment	Fee Schedule and Resolution
Submitted By	Sack Thongvanh, City Administrator

Item	2016 Proposed City Fee Schedule
Description	Each year the City Council is required to approve a fee schedule that identifies the various fees charged by the City. Staff reviews these fees each year to ensure that the costs charged cover the City's expenses and so they are competitive with other cities of comparable size.
Budget Impact	These fees will be incorporated in the 2016 budget.
Attachment(s)	<ul style="list-style-type: none"> • 2016 Proposed Fee Schedule • Resolution 15-47 Adopting the 2016 City Fee Schedule
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the attached resolution and fee schedule.

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**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 9, 2015

No. 15-47

A RESOLUTION APPROVING THE 2016 CITY FEE SCHEDULE

WHEREAS, City Staff reviews the fee schedule to make sure that the fee reflects staff cost and that the fee is competitive;

WHEREAS, the recommended changes are reflected on the attached 2016 Proposed City Fee Schedule labeled as "Exhibit A".

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota approves the 2016 Fee Schedule as attached as "Exhibit A".

Moved by:

Approved by: _____
Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
BROWN THUNDER
HARRIS _____ Against
LONG
MERCER-TAYLOR

Attested by: _____
Sack Thongvanh
City Administrator

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**CITY OF FALCON HEIGHTS
Fee Schedule - Proposed 2016**

A. LICENSES

1.	Business Licenses	
	<u>Item</u>	<u>Fee</u>
	Bus Benches (Courtesy)	\$ 25.00 per bench
	Filling Stations	
	Less than 15 hours	\$ 100.00
	15-20 hours	\$ 400.00
	20 hours or more	\$ 500.00
	General Business	\$ 50.00
	Pool Halls	\$ 800.00
	Precious Metal Dealer	
	Investigation fee/general	\$1500.00
	Investigation fee/MN only	\$ 500.00
	License fee	\$2000.00
	Restaurants	
	Lunchroom	\$ 50.00
	Less than 15 hours	\$ 100.00
	15-20 hours	\$ 400.00
	20 hours or more	\$ 500.00
	Therapeutic Massage License	
	Investigation fee	\$ 350.00
	License fee	\$ 100.00
2.	Liquor Licenses	
	<u>Item</u>	<u>Fee</u>
	Bottle Club	\$ 300.00
	Liquor, Off-Sale	\$ 310.00
	Liquor, On-Sale	\$4000.00
	Liquor, Special Event	\$ 25.00
	Liquor, Sunday	\$ 200.00
	Malt Beverage, Off-Sale	\$ 150.00
	Malt Beverage, On-Sale	\$ 500.00
	Malt Beverage, On-Sale (with wine license)	\$ 1.00
	Wine License	\$2000.00
	Temporary Liquor License	\$ 50.00
	Background Checks (per license)	\$500.00
3.	Other Licenses	
	<u>Item</u>	<u>Fee</u>
	Amusement machines (per machine)	\$ 30.00
	Cigarette sales	\$ 250.00
	Contractor licenses	\$ 35.00
	Itinerant salespersons & solicitors	
	(for profit only)	\$ 25.00
	(Charitable)	Free
	Pool tables (per table)	\$ 30.00
	Refuse Haulers	\$100.00
	Rental License	\$ 50.00
	Re-inspection (due to initial failure)	\$ 50.00

B. PERMITS

1. Building permit fees:

Total Valuation	2015
\$1.00 - \$500.00	\$25.00
\$501.00 - \$2,000.00	\$25.00 for first \$500, \$3.25/each additional \$100, to and including \$2000
\$2,001.00 - \$25,000	\$73.75 for first \$2000, \$14.75/each additional \$1000, to and including \$25,000
\$25,001.00 - \$50,000	\$413.00 for first \$25,000, \$10.75/each additional \$1000, to and including \$50,000
\$50,001.00 - \$100,000.00	\$681.75 for first \$50,000, \$7.50/each additional \$1000, to and including \$100,000.00
\$100,001.00 - \$500,000.00	\$1,056.75 for first \$100,000, \$6.00/each additional \$1000, to and including \$500,000
\$500,001.00 - \$1,000,000.00	\$3,456.75 for first \$500,000, \$5.00/each additional \$1,000, to and including \$1,000,000
\$1,000,001 and up	\$5,956.75 for first \$1,000,000, \$4.00/each additional \$1,000

Other Inspections and Fees:

1. Inspections outside of normal business hours \$47.00 per hour¹ (minimum charge – two hours)
2. Re-inspection fees assessed under provisions of Section 305.8 \$47.00 per hour¹
3. Inspections for which no fee is specifically indicated \$47.00 per hour¹ (minimum charge – one-half hour)
4. Additional plan review required by changes, additions or revisions to plans \$47.00 per hour¹ (minimum charge – one-half hour)
5. For use of outside consultants for plan checking and inspections, or both actual costs²

¹Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

²Actual costs include administrative and overhead costs.

**Building Permits are subject to the State Surcharge*

2. Relocation of structure or building: \$150.00
3. Demolition or removal of structure: \$1.25/1,000 cubic ft; minimum \$50.00

4. Mechanical permit fees

a. Residential Work

Base Fee \$30.00

Gas Piping

\$10.00 \$500 valuation or less (repair or installation)

\$ 6.00 Each additional \$500 cost of repair or installation

Gas or oil fired furnaces or boilers

\$25.00 First 100,000 BTU input or less.

\$ 5.00 Each additional 100,000 input or fraction thereof.

Warm air or hot water heating system

\$30.00 First 100,000 BTU input for construction, installation, alteration, or replacement of each warm air furnace duct work or hot water system per unit.

\$ 6.00 Each additional 100,000 BTU input or fraction thereof.

\$20.00 First 100,000 BTU input per unit on unit heaters

\$ 5.00 Each additional 100,000 BTU input or fraction thereof.

Air conditioning

\$30.00 First 5 tons (60,000 BTU) of air conditioning per unit or of cooling for duct work for air conditioning.

\$ 6.00 Each ton (12,000 BTU) or fraction thereof over first 5 tons for duct work or air conditioning.

Other Items

\$35.00 Wood burning furnace per unit

\$35.00 Swimming pool heater per unit

\$25.00 Air exchanger with duct work per unit

\$25.00 Gas or oil space heater per unit

\$25.00 Gas direct vent heater per unit

\$25.00 Gas fireplace log or heater per unit

\$25.00 Gas hot water heater for domestic hot water

b. Commercial Work

Gas piping, refrigeration, chilled water, pneumatic control, ventilation, exhaust, hot water, steam, and warm air heating systems.

This fee shall be \$50 plus 1-1/4 percent (1.25%) of the total valuation of the work. Value of the work must include the cost of installation, alteration, addition, and repairs, including fans, hoods, HVAC units and heat transfer units, and all labor and materials necessary for installation. In addition, it shall include all material and equipment supplied by other sources when those materials are normally supplied by the contractor.

- 5. Plumbing Permit Fees.
\$30.00 base fee plus \$7.00 per fixture installed
- 6. Sewer Connection or Repair \$50.00
- 7. Water Connection

<u>Meter Size</u>	<u>Fee</u>
3/4"	\$ 62.00
1"	\$ 115.00
1-1/2"	\$ 265.00
2"	\$ 470.00
3"	\$1,080.00
- 8. Street Opening Fee \$25.00 (plus cost of permit)
- 9. Fence Permit Fee \$40.00
- 10. Residential Driveway Permit Fee \$40.00
- 11. Commercial Driveway Permit Fee Subject to Building Permit Fees
- 12. Temporary Sign Permit \$30.00
- 13. Permanent Sign Permit \$50.00
- 14. Dumpster Permit \$ 20.00 (30 days) \$10.00 (14 days)
(Dumpster permits can be renewed once)

C. PLANNING FEES*

<u>Item</u>	<u>Fee</u>
Comprehensive Plan Amendment	\$550.00 \$ 500
Conditional Use Permit	\$500.00
Design Review (when required by code)	\$ 50.00
Lot Split (one lot into two)	\$ 250.00 \$ 500
Planned Unit Development	\$ 500.00
Rezoning/Zoning Amendment	\$ 500.00
Subdivision (>1 new lot)	\$ 300.00 \$ 500 + \$ 100.00/lot created
Variance	\$ 350.00 \$ 500

Comment [ST1]:
Change this to \$550 or \$500

Comment [ST2]: Proposed increase to \$500

Comment [ST3]: Proposed increase to \$500

Comment [ST4]:
Proposed to increase to \$500 to be in line with Conditional Use Permit fee. Variance are just or more complex than CUP.

*Fee plus actual cost billed by contractors or city consultant fees.

D. FACILITY RENTAL FEES

Private use of public facilities is permitted on a space available basis. Reservations and damage deposits are required for private use of the following community facilities. Discounted rates are available for weekly bookings:

Park and Facility Rental Fees

Venue	Amenities included in rental	Half Day 9am-3pm 4pm-10pm	Full Day 9am-10pm
Community Park Building and Upper Picnic Area 2050 Roselawn Ave. (corner of Roselawn and Cleveland)	Park Building Full Kitchen (stove, oven, frig/freezer, sink, microwave) Tables and Chairs Inside Bathrooms 2 BBQ Grills 9 Outdoor picnic tables Parking lot (50) and off street parking	\$100.00 + Tax	\$200.00 + Tax \$150 plus Tax
East Picnic Area (near playground)	2 Picnic Tables Trash receptacles Portable bathroom Parking lot (50) and off street parking	\$20.00 + Tax	\$35.00 + Tax
Lower Picnic Area (Southwest corner of park)	2 Picnic Tables 1 BBQ Grill Trash receptacles Portable bathroom Parking lot (50) and off street parking	\$20.00 + Tax	\$35.00 + Tax
Curtiss Field Building and Picnic Shelter 1551 W. Iowa Ave.	Park building Inside Bathrooms Playground Basketball hoop and half court 2 picnic tables Portable bathroom Parking lot (10) and off street parking	\$50.00 + Tax	\$100.00 + Tax
Rentals: Play Kit	Play kit variety of balls, frisbees, and other play equipment	\$15.00 + Tax	
Set up/Tear Down		\$25.00	

Comment [ST5]:
Recommendation would be that we ONLY offer full-day rentals at \$150. Paying for staff to come in and clean up to 4 times in a weekend provides more expenditures than revenue for Parks and Maintenance Fund. Suggestion: Full Day only at \$150. This fee is inline with surround communities.

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Comment [ST6]: Remove for now (No Rental Opportunity)

- * For park building rentals there is a \$200 damage deposit required that needs to be made in a separate form than the payment. Deposit will be refunded upon return of the key and inspection of the park building.
- * Key pick up is two days prior to scheduled event and can be picked up at City Hall Monday –Friday 8:00am-4:30pm, (Summer hours: 7:30am- 5:00pm Monday-Thursday, Friday 7:30am-noon Memorial Day- Labor Day)
- * Keys can be dropped off at the key box located on the city hall building (near the front doors) or during City Hall office hours.
- * Park building rental permits will be issued when payment is received. Holding reservations without payment is not accepted.
- * If you plan on bringing any equipment (i.e. inflatable devices, dunk tanks etc.) into the park you must disclose this to a city employee during the reservation process. The city may require documentation such as: a hold harmless agreement or certificate of insurance naming the city has an additional insured.

City Hall Rental Fees

City Hall	Capacity	Rates (3 hours) Hours must fall within half/full hours	Half Day 9am-3pm 4pm-10pm	Full Day 8am-10pm
Council Chambers Full Room (includes kitchen facility)	150 75- Seated	\$115.00	\$175.00	\$250.00
Council Chambers Front Half	75 30 Seated	\$50.00	\$100.00	\$150.00
Council Chambers Back Half	75 30 Seated	\$50.00	\$100.00	\$150.00
Kitchen Facility	10 6 Seated	\$25.00	\$50.00	\$50.00
Conference Room	8 maximum	\$30.00	\$60.00	\$100.00
Set Up Fee Excludes governmental entities		\$25.00		

- * For city hall rentals there is a \$200 damage deposit required that needs to be made in a separate form than the payment. Deposit will be refunded upon return of the key and inspection of the park building.
- * Key pick up is two days prior to scheduled event and can be picked up at City Hall Monday –Friday 8:00am-4:30pm, (Summer hours: 7:30am- 5:00pm Monday-Thursday, Friday 7:30am-noon Memorial Day-Labor Day)
- * Keys can be dropped off at the key box located on the city hall building (near the front doors) or during City Hall office hours.
- * Building rental permits will be issued when payment is received. Holding reservations without payment is not accepted.
- * **CITY HALL CANNOT BE RENTED FOR PRIVATE SOCIAL GATHERINGS. City Hall cannot be rented for private social gatherings**

Adopted January 15th, 2015

Field/Court/Rink Rental Fees

You may rent Community Park's soccer field, tennis courts or basketball courts and Curtiss Field's ice rink (seasonal). Discounted rates are available for weekly bookings.

Renters	Fee (3 hr. block time)	Fee Seasonal 3 hr block time April-October Consecutive times in one week	Additional Hours
Resident	\$20+ tax	-	\$10 + tax
Non Resident	\$30+ tax	-	\$10 + tax
Youth Organizations ages 2-18 (must be open to serving residents of Falcon Heights)	\$20+ tax	<u>2 day: \$35</u> <u>3 day: \$50</u> <u>4 days: \$65</u> <u>5 days or more: \$80</u> 2-3 times per week \$50.00 4-5 times per week \$100.00 6-7 times per week \$150.00	\$10 + tax
Adult Organizations	\$30+ tax	<u>2 day: \$40</u> <u>3 day: \$55</u> <u>4 days: \$70</u> <u>5 days or more: \$85</u> 2-3 times per week \$75.00 4-5 times per week \$125.00 6-7 times per week \$175.00	\$10 + tax
Striping a soccer field	<u>At City Cost \$25</u>	case by case basis	

Fees apply only for games and practices. Tournaments or special events/services are subject to additional fees.

Field rental permits will be issued when payment is received.

Disclaimer:

All short term rentals (1-5 times) entitle the customer to use of the field as is: anything additional will be the customer's responsibility (i.e. striping the field or providing bases.) Special request of services will be dealt with on a case by case basis and may include extra fees. All requests should be discussed with the Parks and Recreation Department at 651-792-7617.

Adopted January 15th, 2015

E. FACILITY USE BY PUBLIC SERVICE ORGANIZATIONS

1. Public facilities are available for use on a reservation basis.
2. The following shall be allowed use of public facilities but set up/tear down fees apply:
 - a. Specifically listed local organizations:
 - League of Women Voters
 - Senior Citizen Groups (Falconeers, Roseville Area Seniors)
 - Ramsey County League of Local Governments
 - League of Minnesota Cities/ Association of Metropolitan Municipalities
 - Watershed management organizations
 - Scouts, Brownie Troops, 4-H, Campfire
 - Neighborhood Groups (e.g. Grove Association, Maple Knoll Courtyard Homeowner's Association)
 - 55 Alive Mature Driving Class
 - Cable Commission
 - Developers when presenting to neighbors
 - Legislators for informational (non-campaign) meetings, except after the filing date and before the November election of a legislative election year unless requested by a majority of the city council
 - Northwest Youth and Family Service
 - Lauderdale and Falcon Heights Lions Club
 - Roseville Rotary Club
 - Party Precinct caucuses, legislated district conventions and county conventions under the requirements of MN State Statute 202A.192
 - AARP Tax Services
 - Hobby groups or clubs that meet the following criteria:
 - Falcon Heights based (A minimum of 25% of on-going members or participants are Falcon Heights residents).
 - Non-profit
 - Open membership
 - Founded on a hobby
 - Actively reaches out to include people of different ages, especially youth, to encourage intergenerational exchanges of information
 - Encourages a community service and/or benefit component
 - Falcon Heights neighborhood or community groups whose activities are open to all and for the sole purpose of developing, fostering and strengthening neighborhood and community well-being.
 - b. Any organization that meets the above guidelines yet uses a facility more than twice a year shall be charged \$100 per year.
 - c. The organization or group cannot be a private, business, political, or religious organization.
 - d. Any organization denied free use under this policy as defined in this section may appeal to the city council.

F. MISCELLANEOUS FEES.

<u>Item</u>	<u>Fee</u>
Agendas (Council or Planning) ¹	\$15.00/year
City Council Minutes ¹	\$35.00/year
Planning Commission Minutes ¹	\$20.00/year
Single copies	\$.25/ page for first 100 pages
Assessment search	\$20.00
Maps	\$ 6.50
Open burning permit (no charge for recreational fires)	\$25.00
Returned Check Fee	\$25.00

¹ The charges apply only when hard copies are mailed. These documents can be viewed free of charge on the website or at City Hall.

G. FALSE ALARM FEES

1. Fire False Alarms
\$175.00 for second false alarm and \$225.00 for the third and all subsequent false alarms at an address within one calendar year.
2. Security False Alarms
\$60.00 for second call and \$75.00 for the third and each subsequent false alarm at an address within one calendar year.
3. Penalties and Assessment
Penalties for late payment and assessment of unpaid fees are the same as stipulated for unpaid utility fees in the city code.

H. VEHICLE EMERGENCY RESPONSE

The fee for emergency personnel response to accidents is \$350.00/vehicle.

I. PARKING FEES

<u>Item</u>	<u>Fee</u>
Application fee to designate "residential area" permit parking	\$ 200.00
Annual residential area parking permits	
First two vehicles	\$ 15.00/vehicle
Third and subsequent vehicles	\$ 25.00/vehicle
Lost permit replacement	\$5.00 \$7.00
Temporary parking permit (up to 3 weeks)	\$ 3.00/vehicle
Temporary parking permit for 5 or more vehicles for a one-time/ one-day event	\$ 25.00/event
Mobile Storage Structure (up to 72 hours)	\$ 10.00

Comment [ST7]:
New language to clarify

J. RENTAL HOUSING RE-INSPECTIONS

\$50.00 for third and subsequent inspections

K. SANITARY SEWER

The sanitary sewer fee for residential units is ~~\$28.75~~ ~~\$31.75~~ per quarter plus ~~\$.0188314~~ ~~\$.0207896~~ per cubic foot of water usage during the months of November – January. For apartment units, the rate will be ~~\$28.75~~ ~~\$31.75~~/unit/quarter plus ~~\$.0188314~~ ~~\$.0207896~~ per cubic foot of water used in November. For residential units, this will serve as the maximum fee for other quarters throughout the year, but the actual amount billed may be lower depending on water usage. For commercial units, the fee is ~~\$.0188314~~ ~~\$.0207896~~ per cubic foot of water usage during each month.

Adopted January 15th, 2015

- L. STORM DRAINAGE**
The fee for storm drainage is \$22.00 per quarter for residential units and \$205.32 per acre for commercial and apartment units.
- M. HYDRANT WATER**
The fee for hydrant water is 6% surcharge of the water bill.
- N. RECYCLING**
The recycling charge is \$9.75 per quarter for residential units.
- O. STREET LIGHTING**
The street lighting fee is \$6.00 per quarter for residential units and \$0.02 per lineal foot frontage for commercial properties monthly.
- P. FEES FOR UNSPECIFIED REQUESTS**
A private party or public institution (hereinafter applicant) making a request to the City for approval of a project or for public assistance must cover the City's consultants' costs associated with reviewing the request. Prior to having the request considered by the City, the applicant must deposit an escrow fee in an amount that is estimated to cover the City's consultants' costs as determined by the City Administrator. If the City's consultants' costs exceed the initial escrow deposited by the applicant, an additional escrow fee will be required to cover the additional costs. The City shall use the applicant's fees to cover the City's actual consultants' costs in reviewing the request regardless of the City's action on the applicant's request. If the applicant's escrow fees exceed the City's actual consultants' costs for reviewing the request, the remaining escrow fees shall be refunded to the applicant.

"Exhibit A"

**CITY OF FALCON HEIGHTS
Fee Schedule - Proposed 2016**

A. LICENSES

1.	Business Licenses	
	<u>Item</u>	<u>Fee</u>
	Bus Benches (Courtesy)	\$ 25.00 per bench
	Filling Stations	
	Less than 15 hours	\$ 100.00
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	Wine License	\$2,000.00
	Temporary Liquor License	\$ 50.00
	Background Checks (per license)	\$500.00
3.	Other Licenses	
	<u>Item</u>	<u>Fee</u>
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Rental License	\$ 50.00
Re-inspection (due to initial failure)	\$ 50.00

B. PERMITS

1. Building permit fees:

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4. Additional plan review required by changes, additions or revisions to plans \$47.00 per hour¹ (minimum charge – one-half hour)
5. For use of outside consultants for plan checking and inspections, or both actual costs²

¹Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

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**Building Permits are subject to the State Surcharge*

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(Dumpster permits can be renewed once)

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*Fee plus actual cost billed by contractors or city consultant fees.

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Venue	Amenities included in rental	Half Day 9am-3pm 4pm-10pm	Full Day 9am-10pm
Community Park Building and Upper Picnic Area 2050 Roselawn Ave. (corner of Roselawn and Cleveland)	Park Building Full Kitchen (stove, oven, frig/freezer, sink, microwave) Tables and Chairs Inside Bathrooms 2 BBQ Grills 9 Outdoor picnic tables Parking lot (50) and off street parking	-	\$150 plus Tax
East Picnic Area (near playground)	2 Picnic Tables Trash receptacles Portable bathroom Parking lot (50) and off street parking	\$20.00 + Tax	\$35.00 + Tax
Lower Picnic Area (Southwest corner of park)	2 Picnic Tables 1 BBQ Grill Trash receptacles Portable bathroom Parking lot (50) and off street parking	\$20.00 + Tax	\$35.00 + Tax
Curtiss Field Building and Picnic Shelter 1551 W. Iowa Ave.	Park building Inside Bathrooms Playground Basketball hoop and half court 2 picnic tables Portable bathroom Parking lot (10) and off street parking	Not Available	Not Available
Rentals: Play Kit	Play kit variety of balls, frisbees, and other play equipment	\$15.00 + Tax	
Set up/Tear Down		\$25.00	

- * For park building rentals there is a \$200 damage deposit required that needs to be made in a separate form than the payment. Deposit will be refunded upon return of the key and inspection of the park building.
- * Key pick up is two days prior to scheduled event and can be picked up at City Hall Monday –Friday 8:00am-4:30pm, (Summer hours: 7:30am- 5:00pm Monday-Thursday, Friday 7:30am-noon Memorial Day- Labor Day)
- * Keys can be dropped off at the key box located on the city hall building (near the front doors) or during City Hall office hours.
- * Park building rental permits will be issued when payment is received. Holding reservations without payment is not accepted.
- *If you plan on bringing any equipment (i.e. inflatable devices, dunk tanks etc.) into the park you must disclose this to a city employee during the reservation process. The city may require documentation such as: a hold harmless agreement or certificate of insurance naming the city has an additional insured.

City Hall Rental Fees

City Hall	Capacity	Rates (3 hours) Hours must fall within half/full hours	Half Day 9am-3pm 4pm-10pm	Full Day 8am-10pm
Council Chambers Full Room (includes kitchen facility)	150 75- Seated	\$115.00	\$175.00	\$250.00
Council Chambers Front Half	75 30 Seated	\$50.00	\$100.00	\$150.00
Council Chambers Back Half	75 30 Seated	\$50.00	\$100.00	\$150.00
Kitchen Facility	10 6 Seated	\$25.00	\$50.00	\$50.00
Conference Room	8 maximum	\$30.00	\$60.00	\$100.00
Set Up Fee Excludes governmental entities		\$25.00		

* For city hall rentals there is a \$200 damage deposit required that needs to be made in a separate form than the payment. Deposit will be refunded upon return of the key and inspection of the park building.

* Key pick up is two days prior to scheduled event and can be picked up at City Hall Monday –Friday 8:00am-4:30pm, (Summer hours: 7:30am- 5:00pm Monday-Thursday, Friday 7:30am-noon Memorial Day-Labor Day)

* Keys can be dropped off at the key box located on the city hall building (near the front doors) or during City Hall office hours.

* Building rental permits will be issued when payment is received. Holding reservations without payment is not accepted.

* CITY HALL CANNOT BE RENTED FOR PRIVATE SOCIAL GATHERINGS.

Field/Court/Rink Rental Fees

You may rent Community Park's soccer field, tennis courts or basketball courts and Curtiss Field's ice rink (seasonal). Discounted rates are available for weekly bookings.

Renters	Fee (3 hr. block time)	Fee Seasonal 3 hr block time April-October Consecutive times in one week	Additional Hours
Resident	\$20+ tax	-	\$10 + tax
Non Resident	\$30+ tax	-	\$10 + tax
Youth Organizations ages 2-18 (must be open to serving residents of Falcon Heights)	\$20+ tax	2 day: \$35 3 day: \$50 4 days: \$65 5 days or more: \$80	\$10 + tax
Adult Organizations	\$30+ tax	2 day: \$40 3 day: \$55 4 days: \$70 5 days or more: \$85	\$10 + tax
Striping a soccer field	At City Cost	case by case basis	

Fees apply only for games and practices. Tournaments or special events/services are subject to additional fees.

Field rental permits will be issued when payment is received.

Disclaimer:

All short term rentals (1-5 times) entitle the customer to use of the field as is: anything additional will be the customer's responsibility (i.e. striping the field or providing bases.) Special request of services will be dealt with on a case by case basis and may include extra fees. All requests should be discussed with the Parks and Recreation Department at 651-792-7617.

E. FACILITY USE BY PUBLIC SERVICE ORGANIZATIONS

1. Public facilities are available for use on a reservation basis.
2. The following shall be allowed use of public facilities but set up/tear down fees apply:
 - a. Specifically listed local organizations:
 - League of Women Voters
 - Senior Citizen Groups (Falconeers, Roseville Area Seniors)
 - Ramsey County League of Local Governments
 - League of Minnesota Cities/ Association of Metropolitan Municipalities
 - Watershed management organizations
 - Scouts, Brownie Troops, 4-H, Campfire
 - Neighborhood Groups (e.g. Grove Association, Maple Knoll Courtyard Homeowner's Association)
 - 55 Alive Mature Driving Class
 - Cable Commission
 - Developers when presenting to neighbors
 - Legislators for informational (non-campaign) meetings, except after the filing date and before the November election of a legislative election year unless requested by a majority of the city council
 - Northwest Youth and Family Service
 - Lauderdale and Falcon Heights Lions Club
 - Roseville Rotary Club
 - Party Precinct caucuses, legislated district conventions and county conventions under the requirements of MN State Statute 202A.192
 - AARP Tax Services
 - Hobby groups or clubs that meet the following criteria:
 - Falcon Heights based (A minimum of 25% of on-going members or participants are Falcon Heights residents).
 - Non-profit
 - Open membership
 - Founded on a hobby
 - Actively reaches out to include people of different ages, especially youth, to encourage intergenerational exchanges of information
 - Encourages a community service and/or benefit component
 - Falcon Heights neighborhood or community groups whose activities are open to all and for the sole purpose of developing, fostering and strengthening neighborhood and community well-being.
 - b. Any organization that meets the above guidelines yet uses a facility more than twice a year shall be charged \$100 per year.
 - c. The organization or group cannot be a private, business, political, or religious organization.
 - d. Any organization denied free use under this policy as defined in this section may appeal to the city council.

F. MISCELLANEOUS FEES.

<u>Item</u>	<u>Fee</u>
Agendas (Council or Planning) ¹	\$15.00/year
City Council Minutes ¹	\$35.00/year
Planning Commission Minutes ¹	\$20.00/year
Single copies	\$.25/page for first 100 pages
Assessment search	\$20.00
Maps	\$ 6.50
Open burning permit (no charge for recreational fires)	\$25.00
Returned Check Fee	\$25.00

¹ The charges apply only when hard copies are mailed. These documents can be viewed free of charge on the website or at City Hall.

G. FALSE ALARM FEES

1. Fire False Alarms
\$175.00 for second false alarm and \$225.00 for the third and all subsequent false alarms at an address within one calendar year.
2. Security False Alarms
\$60.00 for second call and \$75.00 for the third and each subsequent false alarm at an address within one calendar year.
3. Penalties and Assessment
Penalties for late payment and assessment of unpaid fees are the same as stipulated for unpaid utility fees in the city code.

H. VEHICLE EMERGENCY RESPONSE

The fee for emergency personnel response to accidents is \$350.00/vehicle.

I. PARKING FEES

<u>Item</u>	<u>Fee</u>
Application fee to designate "residential area" permit parking	\$ 200.00
Annual residential area parking permits	
First two vehicles	\$ 15.00/vehicle
Third and subsequent vehicles	\$ 25.00/vehicle
Lost permit replacement	\$5.00
Temporary parking permit (up to 3 weeks)	\$ 3.00/vehicle
Temporary parking permit for 5 or more vehicles for a one-time/ one-day event	\$ 25.00/event
Mobile Storage Structure (up to 72 hours)	\$ 10.00

- J. RENTAL HOUSING RE-INSPECTIONS** \$50.00 for third and subsequent inspections

K. SANITARY SEWER

The sanitary sewer fee for residential units is \$31.75 per quarter plus \$0.0207896 per cubic foot of water usage during the months of November – January. For apartment units, the rate will be \$31.75/unit/quarter plus \$0.0207896 per cubic foot of water used in November. For residential units, this will serve as the maximum fee for other quarters throughout the year, but the actual amount billed may be lower depending on water usage. For commercial units, the fee is \$0.0207896 per cubic foot of water usage during each month.

L. STORM DRAINAGE

The fee for storm drainage is \$22.00 per quarter for residential units and \$205.32 per acre for commercial and apartment units.

M. HYDRANT WATER

The fee for hydrant water is 6% surcharge of the water bill.

N. RECYCLING

The recycling charge is \$9.75 per quarter for residential units.

O. STREET LIGHTING

The street lighting fee is \$6.00 per quarter for residential units and \$0.02 per lineal foot frontage for commercial properties monthly.

P. FEES FOR UNSPECIFIED REQUESTS

A private party or public institution (hereinafter applicant) making a request to the City for approval of a project or for public assistance must cover the City's consultants' costs associated with reviewing the request. Prior to having the request considered by the City, the applicant must deposit an escrow fee in an amount that is estimated to cover the City's consultants' costs as determined by the City Administrator. If the City's consultants' costs exceed the initial escrow deposited by the applicant, an additional escrow fee will be required to cover the additional costs. The City shall use the applicant's fees to cover the City's actual consultants' costs in reviewing the request regardless of the City's action on the applicant's request. If the applicant's escrow fees exceed the City's actual consultants' costs for reviewing the request, the remaining escrow fees shall be refunded to the applicant.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F4
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Designation of 2016 Prosecuting Attorney
Description	Each year the City of Falcon Heights designates a prosecuting attorney. This person works closely with the St. Anthony Police Department and City Staff in prosecuting all misdemeanor and felony level offenses as well as Ordinance Violations. For several years our prosecuting attorney has been Katrina Joseph. She also serves as the attorney for the City of Lauderdale.
Budget Impact	The monthly retainer will not change and has been included in the 2015 operating budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve Katrina Joseph and the law firm of Hughes and Costello as the City's prosecuting attorneys for 2016.

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F5
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Appointment of City Attorney
Description	Falcon Heights has used the law firm of Campbell Knutson, P.A. for Civil Attorney services for many years. Roger Knutson is the main contact, but the City uses various attorneys in the firm for our daily needs.
Budget Impact	Funds have been allocated in the 2016 Budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the law firm of Campbell Knutson, P.A. for civil legal services for 2016.

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F6
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Appointment of City Engineer
Description	For several years the City has contracted with the City of Roseville for engineering services. Staff is seeking to continue this relationship and appoint Roseville's City Engineer, Jesse Freihammer, as the City Engineer for 2016.
Budget Impact	Funds have been allocated in the 2016 Budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends the approval of Jesse Freihammer and the City of Roseville Engineering Department as City of Falcon Heights' Engineer for 2016.

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F7
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Appointment of City Auditor
Description	Each year the City is required to have an independent firm audit our financial records. For the past several years, we have used Kern-DeWenter-Viere as our auditors, and we have been very satisfied with their services.
Budget Impact	Funds have been allocated in the 2016 Budget.
Attachment(s)	
Action(s) Requested	Staff recommends the approval of KDV, Kern-DeWenter-Viere, as the City Auditor for 2016.

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F8
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Designation of Official Newspaper
Description	<p>State statute requires that a city designate a legal newspaper of general circulation in the city. This newspaper is used when the city is required to publish legal notification regarding public hearings, elections and city financial matters. There are two local papers that service Falcon Heights: the Park Bugle and the Roseville Review.</p> <p>Staff recommends that the City designate the Roseville Review as its legal newspaper in 2016 for the following reasons.</p> <ul style="list-style-type: none"> • The Roseville Review circulates to most households in Falcon Heights. • The Roseville Review is a weekly publication. A monthly publication such as The Park Bugle would not suit the City’s needs, as the City Council meets twice a month and legal notices must be published on a more timely schedule.
Budget Impact	Funds have been allocated in the 2016 Budget for any costs associated with public notices.
Attachment(s)	N/A
Action(s) Requested	Designate the Roseville Review as the City’s legal newspaper for 2016.

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F9
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	2016 Cost of Living Adjustments (COLA)
Description	As part of the 2016 Budget process, employee salaries are adjusted based on various factors, one of which is a cost-of-living adjustment (COLA). Incorporated into the approved 2016 budget is a 3% increase for all employees, including the City Administrator.
Budget Impact	The 3% COLA is incorporated into the approved 2016 Budget.
Attachment(s)	
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve a 3% cost of living adjustment for all city employees for 2016 as reflected in the approved 2016 Budget.

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Consent F10
Attachment	
Submitted By	Roland Olson, Finance Director

Item	Budget amendments for year end.
Description	<p>Sometimes, at the end of the year, budget amendments need to be made to improve the financial statements for year end. Staff recommends the following amendments:</p> <p>Parks and Public Works Capital (403). Work continued during 2015 with the Curtiss Field Improvements after the 2015 budget had been completed. During the budgeting process it was not possible to estimate expenditures since it was unknown what was to be done at Curtis Field Park during 2015. The city has utilized park dedication funds for these improvements. Staff recommends amending the budget expense line item for park dedication improvements (403-4403-92000) by \$70,000.</p> <p>TIF District # 1-2 Capital Fund had some additional expenditures occurring as the TIF district is closing. The city hired Ehlers and Associates to assist. Staff recommends amending the expense line item for other professional services (412-4412-81900) by \$5,000.</p>
Budget Impact	Establish and amend budget line item amounts as listed above.
Attachment(s)	NA
Action(s) Requested	Staff recommends establishing and amending the budget line items as recommended above. These are basic bookkeeping entries to improve the financial statements for end of year.

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Policy G1
Attachment	Ordinance & Document(s)
Submitted By	Sack Thongvanh, City Administrator

Item	Approve Century Link Franchise Ordinance
Description	<p>The City Council held a public hearing on November 18th, 2015 to discuss the CenturyLink Franchise Ordinance and Findings.</p> <p><u>BACKGROUND</u></p> <p>The City is one of nine member cities of the North Suburban Communications Commission (the "NSCC"). Following the submission of an application for a cable television franchise for each member city of the NSCC, the above-entitled matter initially came before the NSCC for a public hearing on Thursday, March 5, 2015, at the NSCC's Office in Roseville. The public hearing was held open through Friday, March 13, 2015, for the purpose of allowing additional written public comments. Following the public hearing, the NSCC's Executive Director prepared a detailed report entitled "Staff Report on CenturyLink Cable Franchise Application" (the "Staff Report"). The NSCC received and filed the Staff Report and directed NSCC staff to negotiate a cable television franchise with CenturyLink. NSCC staff negotiated a cable television franchise with CenturyLink and presented it to the NSCC on October 7, 2015. The NSCC adopted a Findings of Fact and Recommendation on October 7, 2015, which recommended approval of the negotiated cable television franchise with CenturyLink by each member city. The CenturyLink Cable Television Franchise is now before the City Council for consideration.</p> <p>On February 20, 2015, the NSCC received a cable franchise application covering each member city from CenturyLink. Comcast Cable currently has a non-exclusive franchise agreement with the City, which means the City Council may grant additional franchises to provide cable service in the City.</p> <p>The CenturyLink PEG commitments are summarized as follows:</p> <ul style="list-style-type: none"> • <u>Number of Access Channels</u>. CenturyLink will provide 16 Access Channels (greater overall number of Access Channels than Comcast). • <u>Format of Access Channels</u>. CenturyLink will provide all 16 Access Channels in HD if the Commission sends them in HD format (Comcast will provide one Access Channels in HD over time). • <u>Electronic Programming Guide</u>. CenturyLink will have similar

requirement as Comcast.

- Channel Placement. CenturyLink will make all Access Channels accessible at Channel 15 through the “North Suburban Mosaic.” The Access Channels will be physically located in the 8000s. (Comcast has no mosaic and is required to have the HD Access Channel located near the broadcast channels).
- Public Service Announcements. CenturyLink will allow the Commission to air PSA’s on non-Access channels during periods of unsold/unused airtime (Exceeds Comcast’s commitment).
- Video On-Demand. CenturyLink will provide 25 hours of VOD per member city (Exceeds Comcast’s PEG commitment).
- PEG Support. CenturyLink will pay a PEG Fee in support of the Access Channels of \$4.15 (This fee is equal to the fee that Comcast currently passes through to its subscribers in the City).

Overall, the CenturyLink cable franchise is substantially similar to the Comcast cable franchise in most respects. The following highlights the differences between the two cable franchises:

- Term. CenturyLink’s Franchise term is 5 years. Comcast’s term is 15+ years.
- Indemnification of the City/NSCC. CenturyLink has an additional indemnification commitment that Comcast does not have.
- Access Channel Commitments. CenturyLink may provide more channels in HD than Comcast. CenturyLink is providing VOD programming, while Comcast is not providing any. PEG support may be used for capital and operational support under the CenturyLink franchise.
- Twin Cities Metro PEG Interconnect Network. CenturyLink will provide a network to allow cities throughout the metro area to share live programming with one another. We believe this will be the only such network in the country.
- Penalties/Liquidated Damages. CenturyLink franchise has additional damages for violating the Build-Out and Economic Redlining provisions of the franchise that is not in the Comcast franchise.
- Build-Out. CenturyLink Franchise has a reasonable build-out commitment based on market success. Comcast does not have a build-out provision, as it built-out the member cities many years ago.

Line Extension. The CenturyLink franchise does not have an immediate line extension requirement. The Commission will determine a line extension obligation

	similar to Comcast's line extension if CenturyLink obtains a 50% penetration level in the city. Comcast has a line extension requirement.
Budget Impact	CenturyLink will be required to pay a franchise fee of 5% of its Gross Revenues.
Attachment(s)	<ul style="list-style-type: none"> • CenturyLink Findings • Ordinance 15-04 Approving CenturyLink Franchise Agreement
Action(s) Requested	Staff would recommend approval of attached ordinance for CenturyLink to operate within the City of Falcon Heights and direct staff to draft findings consistent with its decision.

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ORDINANCE NO. 15-04
CITY OF FALCON HEIGHTS

CABLE TELEVISION FRANCHISE ORDINANCE

December 9, 2015

Prepared by:

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ORDINANCE NO. 15-04

AN ORDINANCE GRANTING A FRANCHISE TO QWEST BROADBAND SERVICES, INC., D/B/A CENTURYLINK, TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE COMMUNICATIONS SYSTEM IN THE CITY OF FALCON HEIGHTS; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM AND THE PUBLIC RIGHTS-OF-WAY IN CONJUNCTION WITH THE CITY'S RIGHT-OF-WAY ORDINANCE, IF ANY, AND PRESCRIBING PENALTIES FOR THE VIOLATION OF THE PROVISIONS HEREIN;

The City Council of the City of Falcon Heights ordains:

STATEMENT OF INTENT AND PURPOSE

Qwest Broadband Services, Inc., d/b/a CenturyLink ("Grantee"), applied for a cable franchise to serve the City. The City will adopt separate findings related to the application and the decision to grant a cable franchise to Grantee, which shall be incorporated herewith by reference. The City intends, by the adoption of this Franchise, to bring about competition in the delivery of cable services in the City.

Adoption of this Franchise is, in the judgment of the Council, in the best interests of the City and its residents.

SECTION 1. SHORT TITLE AND DEFINITIONS

1. Short Title. This Franchise Ordinance shall be known and cited as the CenturyLink Cable Franchise Ordinance.
2. Definitions. For the purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.
 - a. "Basic Cable Service" means any service tier which includes the lawful retransmission of local television broadcast signals and any public, educational, and governmental access programming required by the Franchise to be carried on the basic tier. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b)(7).
 - b. "City" means City of Falcon Heights, a municipal corporation, in the State of Minnesota, acting by and through its City Council, or its lawfully appointed designee.
 - c. "City Council" means the governing body of the City.

- d. “Cable Service” or “Service” means the provision of communications and/or entertainment services as “Cable Service” is defined by Minn. Stat. § 238.01 *et seq.* and 47 U.S.C § 521 *et seq.*, as may be amended from time to time, but including Institutional Network services. Cable Service shall also include any video programming service for which a franchise from a local government is permitted under state law.
- e. “Cable System” or “System” means a system of antennas, cables, wires, lines, towers, waveguides, or other conductors, Converters, equipment, or facilities located in City and designed and constructed for the purpose of producing, receiving, transmitting, amplifying, or distributing audio, video, and data. System as defined herein shall not be inconsistent with the definitions set forth in Minn. Stat. § 238.02, subd. 3 and 47 U.S.C. § 522(7). This definition shall include any facility that is a “cable system” under federal law or a “cable communications system” under state law.
- f. “Commercial Need” or “Marketplace Need” means such need or market demand which City and Grantee may jointly determine requires action or performance by Grantee as specifically set forth in this Franchise. Such determination shall be based upon evidence and information presented by City, Grantee and other interested parties at a duly noticed public proceeding. Grantee shall have an opportunity to present evidence regarding the level of market demand, the cost of meeting such demand and the availability of technologies to meet such demand. Any decision regarding Commercial or Marketplace Need which requires action by Grantee shall not be unreasonable.
- g. “Commission” means the North Suburban Communications Commission, a municipal Joint Powers Commission.
- h. “Converter” means an electronic device which converts signals to a frequency acceptable to a television receiver of a Subscriber and by an appropriate selector permits a Subscriber to view all Subscriber signals included in the service.
- i. “Drop” means the cable that connects the ground block on the Subscriber's residence or institution to the nearest feeder cable of the System.
- j. “FCC” means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.
- k. “Franchise” or “Cable Franchise” means this ordinance and the regulatory and contractual relationship established hereby.
- l. “Grantee” is Qwest Broadband Services, Inc., d/b/a CenturyLink, its lawful successors, transferees or assignees.

- m. “Gross Revenues” shall be defined as and shall be construed broadly to include all revenues derived directly or indirectly by Grantee and/or an Affiliate that is a cable operator of the Cable System, from the operation of Grantee’s Cable System to provide Cable Services within the City (including cash, credits, property or other consideration of any kind or nature). Gross revenues include, by way of illustration and not limitation: monthly fees for Cable Services, regardless of whether such Cable Services are provided to residential or commercial customers, including revenues derived from the provision of all Cable Services (including but not limited to pay or premium Cable Services, digital Cable Services, pay-per-view, pay-per-event and video-on-demand Cable Services); installation, reconnection, downgrade, upgrade or similar charges associated with changes in subscriber Cable Service levels; fees paid to Grantee for channels designated for commercial/leased access use; converter, remote control, lockout device and other Cable Service equipment rentals and/or leases or sales; advertising revenues received or derived by Grantee and/or its Affiliates, including but not limited to, rep fees, Affiliate fees, rebates and commissions, but excluding unaffiliated agency fees; late fees, convenience fees and administrative fees; revenues from program guides; franchise fees; and commissions from home shopping channels and other revenue sharing arrangements. Gross Revenues subject to franchise fees shall include revenues derived from sales of advertising that run on Grantee’s Cable System within the City and shall be allocated on a *pro rata* basis using total Cable Service subscribers reached by the advertising. Additionally, Grantee agrees that Gross Revenues subject to franchise fees shall include all commissions paid to third parties associated with sales of advertising on the Cable System within the City allocated according to this paragraph using total Cable Service subscribers reached by the advertising. Gross revenues shall not include: actual bad debt write-offs, provided, however, that all or part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected; and any taxes on services furnished by Grantee imposed by any municipality, state or other governmental unit, provided that franchise fees shall not be regarded as such a tax.
- (i) To the extent revenues are received by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable Services, Grantee shall calculate revenues to be included in Gross Revenues using a methodology that allocates revenue on a *pro rata* basis when comparing the bundled service price and its components to the sum of the most recent published rate card rate for the components, except it is expressly understood that equipment may be subject to inclusion in the bundled price at full rate card value. This calculation shall be applied to every bundled service package containing Cable Service from which Grantee receives or derives revenues in the City, and must be updated within sixty (60) days of the date any rate change for cable and/or non-cable services is implemented for a service package containing Cable Service or the date any rate change is implemented for any service

included in a service package that contains Cable Service. The NSCC reserves its right to review and to challenge Grantee's calculations.

- (ii) For purposes of this definition, the term "Affiliates" means any person(s) and/or entity(ies) who own or control, are owned or controlled by or are under common ownership or control with Grantee but does not include affiliated entities that are not directly or indirectly involved with the programming, use, management, operation, construction, repair and/or maintenance of Grantee Corporation's cable systems.
 - (iii) Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties agree that reference shall be made to generally accepted accounting principles ("GAAP") as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/or the U.S. Securities and Exchange Commission ("SEC"). Notwithstanding the forgoing, the City and/or the Commission reserves its right to challenge Grantee's calculation of Gross Revenues, including the use or interpretation of GAAP as promulgated and defined by the FASB, EITF and/or the SEC.
- n. "Household" means a distinct address in the Qwest Corporation ("QC") network database, whether a residence or small business, subscribing to or being offered cable service. Grantee represents and warrants that it has access to the QC network database and shall demonstrate to the City's reasonable satisfaction how the data required in Section 2 are calculated and reported using the QC network database.
 - o. "Installation" means the connection of the System from feeder cable to the point of connection with the Subscriber Converter or other terminal equipment.
 - p. "Lockout Device" means an optional mechanical or electrical accessory to a Subscriber's terminal which inhibits the viewing of a certain program, certain channel, or certain channels provided by way of the Cable Communication System.
 - q. "North Suburbs Access Corporation" means that certain non-profit corporation or its lawful successor, designee, or assignee, which is delegated authority and responsibility for providing certain community programming functions including public access.
 - r. "North Suburban System" means the Cable System located in those municipalities collectively comprising the North Suburban Cable Commission.

- s. “Pay Television” means the delivery over the System of pay-per-channel or pay-per-program audio-visual signals to Subscribers for a fee or charge, in addition to the charge for Basic Cable Service or Cable Programming Services.
- t. “Person” is any person, firm, partnership, association, corporation, company, or other legal entity, but does not include the City or Commission.
- u. “Right-of-Way” or “Rights-of-Way” means the area on, below, or above any real property in City in which the City has an interest including, but not limited to any street, road, highway, alley, sidewalk, parkway, park, skyway, or any other place, area, or real property owned by or under the control of City, including other dedicated Rights-of-Way for travel purposes and utility easements.
- v. “Right-of-Way Ordinance” means the ordinance codifying requirements regarding regulation, management and use of Rights-of-Way in City, including registration and permitting requirements.
- w. “Set Top Box” means an electronic device (sometimes referred to as a receiver) which may serve as an interface between a System and a Subscriber’s television monitor and which may convert signals to a frequency acceptable to a television monitor of a Subscriber and may, by an appropriate selector, permit a Subscriber to view all signals of a particular service
- x. “Subscriber” means any Person who lawfully receives service via the System. In the case of multiple office buildings or multiple dwelling units, the “Subscriber” means the lessee, tenant or occupant.

SECTION 2. GRANT OF AUTHORITY AND GENERAL PROVISIONS

- 1. Grant of Franchise.
 - a. This Franchise is granted pursuant to the terms and conditions contained herein.
 - b. Nothing in this Franchise shall be deemed to waive the lawful requirements of any generally applicable City ordinance existing as of the Effective Date.
 - c. Each and every term, provision or condition herein is subject to the provisions of state law, federal law, and local ordinances and regulations. The Municipal Code of the City, as the same may be amended from time to time, is hereby expressly incorporated into this Franchise as if fully set out herein by this reference. Notwithstanding the foregoing, the City may not unilaterally alter the material rights and obligations of Grantee under this Franchise.
 - d. This Franchise shall not be interpreted to prevent the City from imposing additional lawful conditions, including additional compensation conditions for use of the Rights-of-Way, should Grantee provide service other than cable service.

- e. The parties acknowledge that Grantee intends that Qwest Corporation (“QC”), an affiliate of Grantee, will be primarily responsible for the construction and installation of the facilities in the Rights-of-Way, constituting the cable communications system, which will be utilized by Grantee to provide cable service. Grantee promises, as a condition of exercising the privileges granted by this Franchise, that any affiliate of the Grantee, including QC, directly or indirectly involved in the construction, management, or operation of the cable communications system will comply with all applicable federal, state and local laws, rules and regulations regarding the use of the City’s rights of way. The City agrees that to the extent QC violates any applicable laws, rules and regulations, the City shall first seek compliance directly from QC. In the event, the City cannot resolve these violations or disputes with QC, or any other affiliate of Grantee, then the City may look to Grantee to ensure such compliance. Failure by Grantee to ensure QC’s or any other affiliate’s compliance with applicable laws, rules and regulations shall be deemed a material breach of this Franchise by Grantee. To the extent Grantee constructs and installs facilities in the rights-of-way, such installation will be subject to the terms and conditions contained herein.
- f. No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:
 - (i) Any other permit or authorization required for the privilege of transacting and carrying on a business within the City that may be required by the ordinances and laws of the City;
 - (ii) Any permit, agreement, or authorization required by the City for Right-of-Way users in connection with operations on or in Rights-of-Way or public property including, by way of example and not limitation, street cut permits; or
 - (iii) Any permits or agreements for occupying any other property of the City or private entities to which access is not specifically granted by this Franchise including, without limitation, permits and agreements for placing devices on poles, in conduits or in or on other structures.
- g. This Franchise is intended to convey limited rights and interests only as to those Rights-of-Way in which the City has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide the Grantee with any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.
- h. This Franchise does not authorize Grantee to provide telecommunications service, or to construct, operate or maintain telecommunications facilities. This Franchise is not a bar to imposition of any lawful conditions on Grantee with respect to

telecommunications, whether similar, different or the same as the conditions specified herein. This Franchise does not relieve Grantee of any obligation it may have to obtain from the City an authorization to provide telecommunications services, or to construct, operate or maintain telecommunications facilities, or relieve Grantee of its obligation to comply with any such authorizations that may be lawfully required.

2. Grant of Nonexclusive Authority.

- a. The Grantee shall have the right and privilege, subject to the permitting and other lawful requirements of City ordinance, rule or procedure, to construct, erect, and maintain, in, upon, along, across, above, over and under the Rights-of-Way in City a Cable System and shall have the right and privilege to provide Cable Service. The System constructed and maintained by Grantee or its agents shall not interfere with other uses of the Rights-of-Way. Grantee shall make use of existing poles and other above and below facilities available to Grantee to the extent it is technically and economically feasible to do so.
- b. Notwithstanding the above grant to use Rights-of-Way, no Right-of-Way shall be used by Grantee if City determines that such use is inconsistent with the terms, conditions, or provisions by which such Right-of-Way was created or dedicated, or with the present use of the Right-of-Way.
- c. This Franchise shall be nonexclusive, and City reserves the right to grant a franchise to any Person at any time during the period of this Franchise for the provision of Cable Service. The terms and conditions of any such franchise shall be, when taken as a whole, no less burdensome or more beneficial than those imposed upon Grantee pursuant to this Franchise.

3. Lease or Assignment Prohibited. No Person may lease Grantee's System for the purpose of providing Service until and unless such Person shall have first obtained and shall currently hold a valid Franchise or other lawful authorization containing substantially similar burdens and obligations to this Franchise. Any assignment of rights under this Franchise shall be subject to and in accordance with the requirements of Section 10, Paragraph 5.

4. Franchise Term. This Franchise shall be in effect for a period of five (5) years from the date of acceptance by Grantee, unless sooner renewed, revoked or terminated as herein provided.

5. Compliance with Applicable Laws, Resolutions and Ordinances.

- a. The terms of this Franchise shall define the contractual rights and obligations of Grantee with respect to the provision of Cable Service and operation of the System in City. However, the Grantee shall at all times during the term of this Franchise be subject to all lawful exercise of the police power, statutory rights, local ordinance-making authority, and eminent domain rights of City. Except as

provided below, any modification or amendment to this Franchise, or the rights or obligations contained herein, must be within the lawful exercise of City's police power, in which case the provision(s) modified or amended herein shall be specifically referenced in an ordinance of the City authorizing such amendment or modification. This Franchise may also be modified or amended with the written consent of Grantee as provided in Section 13, Paragraph 3 herein.

- b. Grantee shall comply with the terms of any City ordinance or regulation of general applicability which addresses usage of the Rights-of-Way within City which may have the effect of superseding, modifying or amending the terms of Section 3 and/or Section 8, Paragraph 5(c) herein, except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
 - c. In the event of any conflict between Section 3 and/or Section 8, Paragraph 5(c) of this Franchise and any City ordinance or regulation which addresses usage of the Rights-of-Way, the conflicting terms in Section 3 and/or Section 8, Paragraph 5(c) of this Franchise shall be superseded by such City ordinance or regulation, except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
 - d. In the event any City ordinance or regulation which addresses usage of the Rights-of-Way adds to, modifies, amends, or otherwise differently addresses issues addressed in Section 3 and/or Section 8, Paragraph 5(c) of this Franchise, Grantee shall comply with such ordinance or regulation of general applicability, regardless of which requirement was first adopted except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
 - e. In the event Grantee cannot determine how to comply with any Right-of-Way requirement of City, whether pursuant to this Franchise or other requirement, Grantee shall immediately provide written notice of such question, including Grantee's proposed interpretation, to the City with copy to the North Suburban Cable Communications Commission, in accordance with Section 2, Paragraph 8. The City or Commission shall provide a written response within fourteen (14) days of receipt indicating how the requirements cited by Grantee apply. Grantee may proceed in accordance with its proposed interpretation in the event a written response is not received within seventeen (17) days of mailing or delivering such written question.
6. Rules of Grantee. The Grantee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably

necessary to enable said Grantee to exercise its rights and perform its obligations under this Franchise and to assure uninterrupted service to each and all of its Subscribers; provided that such rules, regulations, terms and conditions shall not be in conflict with provisions hereto, the rules of the FCC, the laws of the State of Minnesota, City, or any other body having lawful jurisdiction.

7. Territorial Area Involved. This Franchise is granted for the corporate boundaries of City, as it exists from time to time. In the event of annexation by City, or as development occurs, any new territory shall become part of the territory for which this Franchise is granted, subject Paragraph 7(a) (Reasonable Build-Out of the Entire City) below. Access to cable service shall not be denied to any group of potential residential cable Subscribers because of the income of the residents of the area in which such group resides. .

- a. Reasonable Build-Out of the Entire City. The Parties recognize that Grantee, or its affiliate, has constructed a legacy communications system throughout the City that is capable of providing voice grade service. The Parties further recognize that Grantee or its affiliate must expend a significant amount of capital to upgrade its existing legacy communications system and to construct new facilities to make it capable of providing cable service. Further, there is no promise of revenues from cable service to offset these capital costs. The Parties agree that the following is a reasonable build-out schedule taking into consideration Grantee's market success and the requirements of Minnesota state law.
 - (i) Complete Equitable Build-Out. Grantee aspires to provide cable service to all households within the City by the end of the initial term of this Franchise. In addition, Grantee commits that a significant portion of its investment will be targeted to areas below the median income in the City.
 - (ii) Initial Minimum Build-Out Commitment. Grantee agrees to be capable of serving a minimum of fifteen percent (15%) of the City's households with cable service during the first two (2) years of the initial Franchise term, provided, however that Grantee will make its best efforts to complete such deployment within a shorter period of time. This initial minimum build-out commitment shall include deployment to households equitably throughout the City and to a significant number of households below the medium income in the City. Nothing in this Franchise shall restrict Grantee from serving additional households in the City with cable service;
 - (iii) Quarterly Meetings. Commencing January 1, 2016, and continuing throughout the term of this Franchise, Grantee shall meet quarterly with the Executive Director of the Commission. At each quarterly meeting, Grantee shall present information acceptable to the City/Commission (to the reasonable satisfaction of the City/Commission) showing the number of households Grantee is presently capable of serving with cable service and the number of households that Grantee is actually serving with cable service. Grantee shall also present information acceptable to the

City/Commission (to the reasonable satisfaction of the City/Commission) that Grantee is equitably serving all portions of the City in compliance with this Section 2, Paragraph 7. In order to permit the City/Commission to monitor and enforce the provisions of this section and other provisions of this Franchise, the Grantee shall promptly, upon reasonable demand, show to the City/Commission (to the City/Commission's reasonable satisfaction) maps and provide other documentation showing exactly where within the City the Grantee is currently providing cable service;

- (iv) Additional Build-Out Based on Market Success. If, at any quarterly meeting, Grantee is actually serving twenty seven and one-half percent (27.5%) of the Households capable of receiving cable service, then Grantee agrees the minimum build-out commitment shall increase to include all of the Households then capable of receiving cable service plus an additional fifteen (15%) of the total households in the City, which Grantee agrees to serve within two (2) years from the quarterly meeting; provided, however, the Grantee shall make its best efforts to complete such deployment within a shorter period of time. For example, if, at a quarterly meeting with the Commission's Executive Director, Grantee shows that it is capable of serving sixty percent of the households in the City with cable service and is actually serving thirty percent of those households with cable service, then Grantee will agree to serve an additional fifteen percent of the total households in the City no later than 2 years after that quarterly meeting (a total of 75% of the total households). This additional build-out based on market success shall continue until every household in the City is served;
- (v) Line Extension. Grantee shall not have a line extension obligation until the first date by which Grantee is providing Cable Service to more than fifty percent (50%) of all subscribers receiving facilities based cable service from both the Grantee and any other provider(s) of cable service within the City. At that time, the City/Commission, in its reasonable discretion and after meeting with Grantee, shall determine the timeframe to complete deployment to the remaining households in the City, including a density requirement that is the same or similar to the requirement of the incumbent franchised cable operator.

8. Written Notice. All notices, reports, or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to any officer of Grantee or City's Administrator of this Franchise or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

If to City: City of Falcon Heights
 2077 Larpenteur Avenue W.
 Falcon Heights, Minnesota 55113

Attention: City Administrator

With copies to: North Suburban Cable Communications Commission
2670 Arthur Street
Roseville, Minnesota 55113

And to: Michael R. Bradley
Bradley Hagen & Gullikson, LLC
1976 Wooddale Drive, Suite 3A
Woodbury, Minnesota 55125

If to Grantee: Qwest Broadband Services, Inc., d/b/a CenturyLink
1801 California St., 10th Flr.
Denver, CO 80202
Attn: Public Policy

With copies to: Qwest Broadband Services Inc., d/b/a CenturyLink
200 S. 5th Street, 21st Flr.
Minneapolis, MN 55402
Attn: Public Policy

Such addresses may be changed by either party upon notice to the other party given as provided in this Section.

SECTION 3. CONSTRUCTION STANDARDS

1. Registration, Permits and Construction Codes

- a. Grantee shall strictly adhere to all state and local laws and building and zoning codes currently or hereafter applicable to location, construction, installation, operation or maintenance of the System in City and give due consideration at all times to the aesthetics of the property.
- b. Failure to obtain permits or comply with permit requirements shall be grounds for revocation of this Franchise or any lesser sanctions provided herein or in any other applicable law.

2. **Repair of Rights-of-Way and Property.** Any and all Rights-of-Way, or public or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance, expansion, extension or reconstruction of the System shall be promptly and fully restored by Grantee, at its expense, to the same condition as that prevailing prior to Grantee's work, as determined by City. If Grantee shall fail to promptly perform the restoration required herein, after written request of City and reasonable opportunity to satisfy that request, City shall have the right to put the Rights-of-Way, public, or private property back into good condition. In the event City

determines that Grantee is responsible for such disturbance or damage, Grantee shall be obligated to fully reimburse City for such restoration.

3. Conditions on Right-of-Way Use.

- a. Nothing in this Franchise shall be construed to prevent City from constructing, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any Right-of-Way; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work.
- b. All System transmission and distribution structures, lines and equipment erected by the Grantee within City shall be located so as not to obstruct or interfere with the use of Rights-of-Way except for normal and reasonable obstruction and interference which might occur during construction and to cause minimum interference with the rights of property owners who abut any of said Rights-of-Way and not to interfere with existing public utility installations.
- c. If at any time during the period of this Franchise City shall elect to alter or change the grade or location of any Right-of-Way, the Grantee shall, at its own expense, upon reasonable notice by City, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures of the System and in each instance comply with the reasonable and lawful standards and specifications of City.
- d. The Grantee shall not place poles, conduits, or other fixtures of System above or below ground where the same will interfere with any gas, electric, telephone, water or other utility fixtures and all such poles, conduits, or other fixtures placed in any Right-of-Way shall be so placed as to comply with all reasonable and lawful requirements of City.
- e. The Grantee shall, upon request of any Person holding a moving permit issued by City, temporarily move its wires or fixtures to permit the moving of buildings with the expense of such temporary removal to be paid by the Person requesting the same, and the Grantee shall be given not less than ten (10) days advance written notice to arrange for such temporary changes.
- f. The Grantee shall have the authority to trim any trees upon and overhanging the Rights-of-Way of City so as to prevent the branches of such trees from coming in contact with the wires and cables or other facilities of the Grantee.
- g. Grantee shall use its best efforts to give reasonable prior notice to any adjacent private property owners who will be negatively affected or impacted by Grantee's work in the Rights-of-Way.

4. Undergrounding of Cable. Unless otherwise required by action of City Council, Grantee must place newly constructed facilities underground in areas of City where all other

utility lines are placed underground. Amplifier boxes and pedestal mounted terminal boxes may be placed above ground if existing technology reasonably requires, but shall be of such size and design and shall be so located as not to be unsightly or unsafe, all pursuant to plans submitted with Grantee's permit application(s) and approved by City.

5. Installation of Facilities. No poles, conduits, amplifier boxes, pedestal mounted terminal boxes, similar structures, or other wire-holding structures shall be erected or installed by the Grantee without required permit of City.
6. Safety Requirements.
 - a. The Grantee shall at all times employ ordinary and reasonable care and shall install and maintain in use nothing less than commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage or injuries.
 - b. The Grantee shall install and maintain its System and other equipment in accordance with City's codes and the requirements of the National Electric Safety Code and all other applicable FCC, state and local regulations, and in such manner that they will not interfere with City communications technology related to health, safety and welfare of the residents.
 - c. All System structures, and lines, equipment and connections in, over, under and upon the Rights-of-Way of City, wherever situated or located, shall at all times be kept and maintained in good condition, order, and repair so that the same shall not menace or endanger the life or property of City or any Person.

SECTION 4. DESIGN PROVISIONS

1. System Design.
 - a. Grantee shall develop, construct and operate a state-of-the-art cable communications system, constructed in accordance with Section 2, Paragraph (7)(a).
 - b. All final programming decisions remain the discretion of Grantee, provided that Grantee notifies City and Subscribers in writing thirty (30) days prior to any channel additions, deletions, or realignments, and further subject to Grantee's signal carriage obligations hereunder and pursuant to 47 U.S.C. §§ 531-536, and further subject to City's rights pursuant to 47 U.S.C. § 545. Location and relocation of the PEG Channels shall be governed by Section 6, Paragraph 1(d).
2. Interruption of Service. The Grantee shall interrupt service only for good cause and for the shortest time possible. Such interruption shall occur during periods of minimum use of the System. If service is interrupted for a total period of more than forty eight (48) hours in

any thirty (30) day period, Subscribers shall be credited pro rata for such interruption, upon request.

3. Technical Standards. The technical standards used in the operation of the System shall comply, at minimum, with the technical standards promulgated by the FCC relating to Cable Systems pursuant to Title 47, Sections 76.601 to 76.617, as applicable, as may be amended or modified from time to time, which regulations are expressly incorporated herein by reference.

4. Special Testing.

a. The City shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise. In addition, the City/Commission may require special testing of a location or locations within the System if there is a particular matter of controversy or unresolved complaints regarding such construction or installation work or pertaining to such location(s). Demand for such special tests may be made on the basis of complaints received or other evidence indicating an unresolved controversy or noncompliance. Such tests shall be limited to the particular matter in controversy or unresolved complaints. The City shall endeavor to so arrange its request for such special testing so as to minimize hardship or inconvenience to Grantee or to the Subscribers caused by such testing.

b. Before ordering such tests, Grantee shall be afforded thirty (30) days following receipt of written notice to investigate and, if necessary, correct problems or complaints upon which tests were ordered. The City shall meet with Grantee prior to requiring special tests to discuss the need for such and, if possible, visually inspect those locations which are the focus of concern. If, after such meetings and inspections, City wishes to commence special tests and the thirty (30) days have elapsed without correction of the matter in controversy or unresolved complaints, the tests shall be conducted at Grantee's expense by a qualified engineer selected by City and Grantee, and Grantee shall cooperate in such testing.

5. Drop Testing and Replacement. The Grantee shall replace, at no separate charge to an individual Subscriber, all Drops and/or associated passive equipment incapable of passing the full System capacity at the time a Subscriber upgrades.

6. FCC Reports. The results of any tests required to be filed by Grantee with the FCC shall upon request of City also be filed with the City or its designee within ten (10) days of the conduct of such tests.

7. Interconnection. The System servicing the Cities of Arden Hills, Falcon Heights, Lauderdale, Little Canada, Mounds View, New Brighton, North Oaks, Roseville, and St. Anthony shall continue to be completely interconnected. In addition, Grantee shall make available for interconnection purposes one (1) channel for forward video purposes, one (1) six

(6) MHz channel for return video purposes, one (1) channel for forward data or other purposes, and one (1) channel for return data or other purposes between all Systems adjacent to the North Suburban System and under common ownership with Grantee. This commitment may be satisfied through the provision of the Twin Cities Metro PEG Interconnect Network, provided Grantee agrees to allow all cities adjacent to the North Suburban System to participate.

8. Nonvoice Return Capability. Grantee is required to use cable and associated electronics having the technical capacity for nonvoice return communications.

9. Lockout Device. Upon the request of a Subscriber, Grantee shall make available a Lockout Device at no additional charge to Subscribers.

SECTION 5. SERVICE PROVISIONS

1. Regulation of Service Rates.

a. The City may regulate rates for the provision of Cable Service, equipment, or any other communications service provided over the System to the extent allowed under federal or state law(s). City reserves the right to regulate rates for any future services to the extent permitted by law.

b. Grantee shall give City and Subscribers written notice of any change in a rate or charge at least one billing cycle prior to the effective date of the change. Bills must be clear, concise, and understandable, with itemization of all charges.

2. Sales Procedures. Grantee shall not exercise deceptive sales procedures when marketing any of its services within City. In its initial communication or contact with a non-Subscriber and in all general solicitation materials marketing the Grantee or its services as a whole, Grantee shall inform the non-Subscriber of all levels of service available, including the lowest priced and free service tiers. Grantee shall have the right to market door-to-door during reasonable hours consistent with local ordinances and regulation.

3. Subscriber Inquiry and Complaint Procedures.

a. Grantee shall have a publicly listed toll-free telephone number which shall be operated so as to receive Subscriber complaints and requests on a twenty-four (24) hour-a-day, seven (7) days-a-week, 365 days a year basis. During normal business hours, trained representatives of Grantee shall be available to respond to Subscriber inquiries.

b. Grantee shall maintain adequate numbers of telephone lines and personnel to respond in a timely manner to schedule service calls and answer Subscriber complaints or inquiries in a manner consistent with regulations adopted by the FCC and City where applicable and lawful. Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be

transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis. Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time. Grantee shall respond to written complaints with copy to City or its designee within thirty (30) days.

- c. Subject to Grantee's obligations pursuant to law regarding privacy of certain information, Grantee shall prepare and maintain written records of all complaints received from City and the resolution of such complaints, including the date of such resolution. Such written records shall be on file at the office of Grantee. Grantee shall provide City with a written summary of such complaints and their resolution upon request of City. As to Subscriber complaints, Grantee shall comply with FCC record-keeping regulations and make the results of such record-keeping available to City upon request.
- d. Subscriber requests for repairs shall be performed within thirty-six (36) hours of the request unless conditions beyond the control of Grantee prevent such performance. Grantee may schedule appointments for Installations and other service calls either at a specific time or, at a maximum, during a four hour time block during normal business hours. Grantee may also schedule service calls outside normal business hours for the convenience of customers. Grantee shall use its best efforts to not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment. If the installer or technician is late and will not meet the specified appointment time, he/she must use his/her best efforts to contact the customer and reschedule the appointment at the sole convenience of the customer. Service call appointments must be met in a manner consistent with FCC standards.

4. Subscriber Contracts. Grantee shall file with City any standard form Subscriber contract utilized by Grantee. If no such written contract exists, Grantee shall file with the City a document completely and concisely stating the length and terms of the Subscriber contract offered to customers. The length and terms of any Subscriber contract(s) shall be available for public inspection during normal business hours.

5. Refund Policy. In the event a Subscriber establishes or terminates service and receives less than a full month's service, Grantee shall prorate the monthly rate on the basis of the number of days in the period for which service was rendered to the number of days in the billing.

6. Late Fees. Fees for the late payment of bills shall not be assessed until after the service has been fully provided and, as of the due date of the bill notifying Subscriber of an unpaid balance, the bill remains unpaid. Late Fees may not exceed the actual costs to Grantee of late payment of bills and the servicing and collecting of such accounts.

7. Office Policy. The Grantee shall install, maintain and operate, throughout the term of this Franchise, a single staffed payment center with regular business hours in the Commission Franchise Area at a location agreed upon by the Commission and the Grantee. Additional payment centers may be installed at other locations. The purpose of the payment center(s) shall be to receive Subscriber payments. All subscriber remittances at a payment center shall be posted to Subscribers' accounts within forty-eight (48) hours of remittance. Subscribers shall not be charged a late fee or otherwise penalized for any failure by the Grantee to properly credit a Subscriber for a payment timely made. The Grantee shall, at the request of and at no delivery or retrieval charge to a Subscriber, deliver or retrieve electronic equipment (*e.g.*, Set Top Boxes and remote controls). After consultation with the Commission, the Grantee shall provide Subscribers with at least sixty (60) days' prior notice of any change in the location of the customer service center serving the North Suburban System, which notice shall apprise Subscribers of the customer service center's new address, and the date the changeover will take place.

SECTION 6. ACCESS CHANNEL(S) PROVISIONS

1. Public, Educational and Government Access.
 - a. City or its designee is hereby designated to operate, administer, promote, and manage access (public, education, and government programming) (hereinafter "PEG access") programming on the Cable System.
 - b. Within one hundred twenty (120) days from the Effective Date, the Grantee shall provide sixteen (16) channels (the "Access Channels") to be used for PEG access programming on the basic service tier. The City and Commission have the sole discretion to designate the use of each Access Channel. Grantee shall provide a technically reliable path for upstream and downstream transmission of the Access Channels, which will in no way degrade the technical quality of the Access Channels, from an agreed upon demarcation point at the Commission's Master Control Center at the Commission's office, and from any other designated Access providers' locations, to Grantee's headend, on which all Access Channels shall be transported for distribution on Grantee's subscriber network. The Access Channels shall be delivered without degradation to subscribers in the technical format (*e.g.* HD or SD) as delivered by the Commission and any designated Access provider to Grantee at each demarcation point at the Commission Office and at the designated Access providers' locations.
 - (1) All of the Access Channels will be made available through a multi-channel display (*i.e.* a picture in picture feed) on a single TV screen called a "mosaic" (the "North Suburban Mosaic"), where a cable subscriber can access via an interactive video menu one of any of the sixteen Access Channels. The North Suburban Mosaic will be located on Channel 15. The sixteen Access Channels will be located at Channels 8010-8025. The North Suburban Mosaic will contain only Access Channels authorized by the Commission.

- (2) Grantee will make available to the Commission the ability to place detailed scheduled Access Channel programming information on the interactive channel guide by putting the Commission in contact with the electronic programming guide vendor (“EPG provider”) that provides the guide service (currently Gracenote). Grantee will be responsible for providing the designations and instructions necessary to ensure the Access Channels will appear on the programming guide throughout the City and any necessary headend costs associated therewith. The Commission shall be responsible for providing programming information to the EPG provider.
- (3) For purposes of this Franchise, the term channel shall be as commonly understood and is not any specific bandwidth amount. The signal quality of the Access Channels shall be the same as the local broadcast channels, provided such signal quality is delivered to Grantee at the Access Channels’ respective demarcation points.
- (4) Grantee will provide, at no cost to the Commission, air time on non-Access channels during periods in which ample unsold/unused air time on such channels exists for City public service announcements (PSAs). The Commission will provide a 30-second PSA prior to the start of each month on a mutually agreed-upon schedule.
- (5) In the event Grantee makes any change in the Cable System and related equipment and facilities or in its signal delivery technology, which requires the City or Commission to obtain new equipment in order to be compatible with such change for purposes of transport and delivery of the Access Channels to the Grantee’s headend, Grantee shall, at its own expense and free of charge to the City, the Commission, or its designated entities, purchase such equipment as may be necessary to facilitate the cablecasting of the Access Channels in accordance with the requirements of the Franchise.
- (6) Neither the Grantee nor the officers, directors, or employees of the Grantee is liable for any penalties or damages arising from programming content not originating from or produced by the Grantee and shown on any public access channel, education access channel, government access channel, leased access channel, or regional channel.
- (7) Within one hundred twenty (120) days of a written request from the Commission, Grantee shall make available as part of Basic Service to all Subscribers a PEG Access Video-on Demand (PEG-VOD) Service and maintain a PEG-VOD system. The PEG-VOD system shall be connected by the Grantee such that:

- (i) Twenty-five (25) hours of programming per member city of the Commission, or such greater amount as may be mutually agreed to by the parties, as designated and supplied by the City, Commission, or its Designated Access Provider to the Grantee may be electronically transmitted and/or transferred and stored on the PEG-VOD system; and
 - (ii) A database of that programming may be efficiently searched and a program requested and viewed over the PEG-VOD system by any Subscriber in the City; and
 - (iii) Programming submitted for placement on the PEG-VOD system, shall be placed on and available for viewing from the PEG-VOD system within forty-eight (48) hours of receipt of said programming;
 - (iv) The hardware and software described in Subsection (8) below, shall be in all respects of the same or better technical quality as the hardware and software utilized by Grantee in the provision of any other video on demand services offered over the Cable System, and shall be upgraded at Grantee's cost, when new hardware or software is utilized on Grantee's Cable System for other video on demand services. Grantee shall provide reasonable technical assistance to allow for proper use and operation when encoding hardware or software is installed and/or upgraded at City's facilities.
- (8) To ensure compatibility and interoperability, the Grantee shall supply and maintain all necessary hardware and software to encode, transmit and/or transfer Government Access programming from the City to the PEG-VOD system. The City shall be responsible for all monitoring of any equipment provided under this Section, and notifying Grantee of any problems. Grantee shall provide all technical support and maintenance for the equipment provided to the City by Grantee under this Section. After notification of any equipment problems, Grantee shall diagnose and resolve the problem within forty eight (48) hours. Major repairs which cannot be repaired within the forty eight (48) hour timeframe shall be completed within seven (7) days of notice, unless, due to Force Majeure conditions, a longer time is required. "Major repairs" are those that require equipment to be specially obtained in order to facilitate the repairs. The quality of signal and the quality of service obtained by a Subscriber utilizing the PEG-VOD service shall meet or exceed the quality standards established for all other programming provided by the Grantee and as established elsewhere in this Franchise Agreement.

- c. All residential Subscribers who receive all or any part of the total services offered on the System shall be eligible to receive the Access Channels at no additional charge. City may rename, reprogram, or otherwise change the use of these channels in its sole discretion, provided such use is non-commercial, lawful, and retains the general purpose of the provision of community programming. Nothing herein shall diminish the City's rights to secure additional channels pursuant to Minn. Stat. § 238.084, which is expressly incorporated herein by reference. City shall provide ninety (90) days prior written notice to Grantee of City's intent to activate access channels.
 - d. Grantee may not move or otherwise change the channel number or location of any public or government access or community program channel, including the North Suburban Mosaic channel, without the written approval of the City or its designee. Upon six (6) months' notice to City, any other access channel may be moved by Grantee, but in no event more than once every two (2) years unless otherwise allowed by City, provided Grantee pays all reasonable costs or expenses arising out of the channel move including, but not limited to, equipment necessary to effect the change at the programmer's production or receiving facility (school frequency routing equipment, etc.), signage, letterhead, business cards, and reasonable marketing or other constituency notification costs. This paragraph shall not apply to Regional Channel 6.
2. Charges for Use. Channel time and playback of programming on the PEG access and community program channel(s) must be provided without charge to City and the public.
 3. Access Rules. City, or its designee, shall implement rules for use of any access channel(s).
 4. Access Support. Grantee shall pay a PEG Fee of \$4.15/subscriber/month from the effective date until the franchise renews. Starting with the 2016 calendar year, the City may elect to increase this fee based on the Consumer Price Index. Any such election must be made in writing to the Franchisee no later than September 1st prior to the year in which the increase shall apply. In no event shall the PEG Fee be in an amount different from the incumbent cable provider. In the event the incumbent recovers from subscribers a higher, or lower, PEG fee, Grantee will increase, or decrease, its PEG fee upon ninety (90) days written notice from the City. The PEG fee may be used for operational or capital support of PEG programming.
 5. Regional Channel 6. Grantee shall designate standard VHF Channel 6 for uniform regional channel usage.
 6. State and Federal Law compliance. Satisfaction of the requirements of this Section 6 satisfies any and all of Grantee's state and federal law requirements of Grantee with respect to PEG access.
 7. Future PEG Funding Obligations. Grantee agrees that financial support for PEG arising from or relating to the obligations set forth in this Section shall in no way modify or

otherwise affect Grantee's obligations to pay Franchise Fees to City. Grantee agrees that although the sum of Franchise Fees plus the payments set forth in this Section may total more than five percent (5%) of Grantee's Gross Revenues in any 12-month period, the additional commitments shall not be offset or otherwise credited in any way against any Franchise Fee payments under this Franchise Agreement.

8. Additional Payments. If the incumbent franchised cable operator agrees to provide any support of the Access Channels in excess of the amount identified above or to any payment in support of any other PEG-related commitment after the Effective Date of this Franchise, the Commission, in its reasonable discretion, after meeting with the Grantee, will determine whether Grantee's PEG Fee should be changed. If Grantee is required to pay any additional PEG Fee, such amount must be based upon a per subscriber/per month fee.

SECTION 7. SERVICES TO CITY

1. Twin Cities Metro PEG Interconnect Network. Grantee shall provide a discrete, non-public, video interconnect network, from an agreed upon demarcation point at the Commission's Master Control Center at the Commission's office, to Grantee's headend. The video interconnect network shall not exceed 50 Mbps of allocated bandwidth, allowing PEG operators that have agreed with Grantee to share (send and receive) live and recorded programming for playback on their respective systems. Where available the Grantee shall provide the video interconnect network and the network equipment necessary for the high-priority transport of live multicast HD/SD video streams as well as lower-priority file-sharing. Grantee shall provide 50 Mbps bandwidth for each participating PEG entity to send its original programming, receive at least two additional multicast HD/SD streams from any other participating PEG entity, and allow the transfer of files. Each participating PEG entity is responsible for encoding its own SD/HD content in suitable bit rates to be transported by the video interconnect network without exceeding the 50 Mbps of allocated bandwidth.

2. Cable Service to Public Buildings. Grantee shall, at no cost to the City or Commission, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and necessary reception equipment to up to seven (7) outlets at the Commission Office and at each Member City City Hall and to each Independent School District at the current locations located in the Commission area that originates PEG programming. Grantee shall, at no cost to the City, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and necessary reception equipment to up to three (3) outlets at all other government buildings, schools and public libraries located in the City where Grantee provides Cable Service, so long as these government addresses are designated as a Household and no other cable communications provider is providing complementary service at such location. For purposes of this subsection, "school" means all State-accredited K-12 public and private schools. Outlets of Basic and Expanded Basic Service provided in accordance with this subsection may be used to distribute Cable Services throughout such buildings; provided such distribution can be accomplished without causing Cable System disruption and general technical standards are maintained. Such outlets may only be used for lawful purposes. If any location is not designated as a Household, it

will be provided the functionality to monitor PEG signals through a mutually agreeable alternate technology at the expense of the Grantee.

SECTION 8. OPERATION AND ADMINISTRATION PROVISIONS

1. Administration of Franchise. The City Administrator or other designee shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise. The City, or its designee, may issue such reasonable rules and regulations concerning the construction, operation and maintenance of the System as are consistent with the provisions of the Franchise and law.

2. Delegated Authority. The City may appoint a citizen advisory body or a Joint Powers Commission, or may delegate to any other body or Person authority to administer the Franchise and to monitor the performance of the Grantee pursuant to the Franchise. Grantee shall cooperate with any such delegatee of City.

3. Franchise Fee.

- a. During the term of the Franchise, Grantee shall pay quarterly to City or its delegatee a Franchise Fee in an amount equal to five percent (5%) of its quarterly Gross Revenues, or such other amounts as are subsequently permitted by federal statute.
- b. Any payments due under this provision shall be payable quarterly. The payment shall be made within thirty (30) days of the end of each of Grantee's fiscal quarters together with a report showing the basis for the computation.
- c. All amounts paid shall be subject to audit and recomputation by City and/or the Commission and acceptance of any payment shall not be construed as an accord that the amount paid is in fact the correct amount. If an audit or review discloses an overpayment or underpayment of franchise fees, the City and/or the Commission shall notify Grantee of such overpayment or underpayment. The City's/Commission's audit or review expenses shall be borne by the City/Commission unless the audit or review determines that the payment to the City should be increased by more than five percent (5%) in the audited/reviewed period, in which case the costs of the audit/review shall be borne by Grantee, up to a cap of \$25,000, as a cost incidental to the enforcement of the Franchise. Any additional amounts due to the City as a result of the audit or review shall be paid to the City within thirty (30) days following written notice to Grantee by the City/Commission of the underpayment, which notice shall include a copy of the audit/review report. If the recomputation results in additional revenue to be paid to the City, such amount shall be subject to a ten percent (10%) annual interest charge.
- d. The City/Commission shall have the right to inspect and to require Grantee to provide any and all data, documents and records maintained by Grantee (or

maintained by an Affiliate or a third-party contractor/vendor on behalf of Grantee) reasonably related to the calculation and payment of franchise fees. The Grantee shall maintain such records, documents and data for a minimum of four (4) years.

- e. Grantee shall have no less than twenty (20) business days to respond fully and completely to any written request for data, documents and records issued by the City/Commission, unless an extension of time is granted by the City/Commission in writing. Grantee may request an extension of the twenty (20) business day deadline applicable to a written request for data, information and documents no later than ten (10) business days after the date of such request. Every request for an extension of time shall describe, in detail, the reasons the extension is necessary. The City/Commission may, in its sole discretion, grant or deny an extension request, and shall act reasonably in making such a determination based on the scope and complexity of the information request at issue and the facts cited by Grantee in its written extension request.
- f. In the event any franchise fee payment or recomputation amount is not made on or before the required date, Grantee shall pay, during the period such unpaid amount is owed, the additional compensation and interest charges computed from such due date, at an annual rate of ten percent (10%).
- g. Nothing in this Franchise shall be construed to limit any authority of the City to impose any tax, fee or assessment of general applicability.
- h. The franchise fee payments required by this Franchise shall be in addition to any and all taxes or fees of general applicability. Grantee shall not have or make any claim for any deduction or other credit of all or any part of the amount of said franchise fee payments from or against any of said taxes or fees of general applicability, except as expressly permitted by law. Grantee shall not apply nor seek to apply all or any part of the amount of said franchise fee payments as a deduction or other credit from or against any of said taxes or fees of general applicability, except as expressly permitted by law. Nor shall Grantee apply or seek to apply all or any part of the amount of any of said taxes or fees of general applicability as a deduction or other credit from or against any of its franchise fee obligations, except as expressly permitted by law.
- i. The Franchise Fee shall be in addition to any and all taxes or other levies or assessments which are now or hereafter required to be paid by businesses in general by any law of the City, the State or the United States including, without limitation, sales, use and other taxes, business license fees or other payments. Payment of the Franchise Fee under this Franchise shall not exempt Grantee from the payment of any other license fee, permit fee, tax or charge on the business, occupation, property or income of Grantee that may be lawfully imposed by the City. Any other license fees, taxes or charges shall be of general applicability in

nature and shall not be levied against Grantee solely because of its status as a cable operator or solely because of its status as such.

4. Access to Records. The City shall have the right to inspect, upon reasonable notice and during normal business hours, or require Grantee to provide within a reasonable time copies of any records maintained by Grantee which relate to System operations including specifically Grantee's accounting and financial records.

5. Reports and Maps.

a. Grantee shall file with the City, at the time or payment of the Franchise Fee, a report of all Gross Revenues in form and substance as required by City.

b. Grantee shall prepare and make available to City, at the times and in the form prescribed, such other reasonable reports with respect to Grantee's operations pursuant to this Franchise as City may require.

c. If required by City, Grantee shall make available to the City Administrator the maps, plats, and permanent records of the location and character of all facilities constructed, including underground facilities, and Grantee shall make available with City updates of such maps, plats and permanent records annually if changes have been made in the System.

6. Periodic Evaluation.

a. The City may require evaluation sessions at any time during the term of this Franchise, upon fifteen (15) days written notice to Grantee.

b. Topics which may be discussed at any evaluation session may include, but are not limited to, application of new technologies, System performance, programming offered, access channels, facilities and support, municipal uses of cable, subscriber rates, customer complaints, amendments to this Franchise, judicial rulings, FCC rulings, line extension policies and any other topics City deems relevant.

c. As a result of a periodic review or evaluation session, upon notification from City, Grantee shall meet with city and undertake good faith efforts to reach agreement on changes and modifications to the terms and conditions of the Franchise which are both economically and technically feasible.

SECTION 9. GENERAL FINANCIAL AND INSURANCE PROVISIONS

1. Performance Bond.
 - a. Within 30 days of the Effective Date of this Franchise, the Grantee shall deliver to the Commission a bond, that is effective as of the Effective Date and at all times thereafter, until the Grantee has liquidated all of its obligations with City, the Grantee shall furnish a bond to Commission in the amount of \$500,000.00 in a form and with such sureties as reasonably acceptable to City. This bond will be conditioned upon the faithful performance by the Grantee of its Franchise obligations and upon the further condition that in the event the Grantee shall fail to comply with any law, ordinance or regulation governing the Franchise, there shall be recoverable jointly and severally from the principal and surety of the bond any damages or loss suffered by City as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Grantee, plus a reasonable allowance for attorneys' fees and costs, up to the full amount of the bond, and further guaranteeing payment by the Grantee of claims, liens and taxes due City which arise by reason of the construction, operation, or maintenance of the System. The rights reserved by City with respect to the bond are in addition to all other rights City may have under the Franchise or any other law. City may, from year to year, in its sole discretion, reduce the amount of the bond.
 - b. The time for Grantee to correct any violation or liability, shall be extended by City if the necessary action to correct such violation or liability is, in the sole determination of City, of such a nature or character as to require more than thirty (30) days within which to perform, provided Grantee provides written notice that it requires more than thirty (30) days to correct such violations or liability, commences the corrective action within the thirty (30) days period and thereafter uses reasonable diligence to correct the violation or liability.
 - c. In the event this Franchise is revoked by reason of default of Grantee, City shall be entitled to collect from the performance bond that amount which is attributable to any damages sustained by City as a result of said default or revocation.
 - d. Grantee shall be entitled to the return of the performance bond, or portion thereof, as remains sixty (60) days after the expiration of the term of the Franchise or revocation for default thereof, provided City has not notified Grantee of any actual or potential damages incurred as a result of Grantee's operations pursuant to the Franchise or as a result of said default.
 - e. The rights reserved to City with respect to the performance bond are in addition to all other rights of City whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of a right with respect to the performance bond shall affect any other right City may have.

2. Letter of Credit.
 - a. Within thirty (30) days of the Effective Date of this Franchise, Grantee shall deliver to Commission an irrevocable and unconditional Letter of Credit, that is effective as of the Effective Date, in form and substance acceptable to City, from a National or State bank approved by the Commission , in the amount of \$25,000.00.
 - b. The Letter of Credit shall provide that funds will be paid to City, upon written demand of City, and in an amount solely determined by City in payment for penalties charged pursuant to this Section, in payment for any monies owed by Grantee to City or any person pursuant to its obligations under this Franchise, or in payment for any damage incurred by City or any person as a result of any acts or omissions by Grantee pursuant to this Franchise.
 - c. In addition to recovery of any monies owed by Grantee to City or any person or damages to City or any person as a result of any acts or omissions by Grantee pursuant to the Franchise, City in its sole discretion may charge to and collect from the Letter of Credit the following penalties:
 - i. For failure to timely complete System upgrades as provided in this Franchise unless City approves the delay, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
 - ii. For failure to provide data, documents, reports or information or to cooperate with City during an application process or system review or as otherwise provided herein, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.
 - iii. Fifteen (15) days following notice from City of a failure of Grantee to comply with construction, operation or maintenance standards, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
 - iv. For failure to provide the services Grantee has proposed, including, but not limited to, the implementation and the utilization of the access channels and the maintenance and/or replacement of the equipment and other facilities, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
 - v. For Grantee's breach of any written contract or agreement with or to the City or its designee, the penalty shall be \$500.00 per day for each day, or part thereof, such breach occurs or continues.
 - vi. For failure to comply with the reasonable build-out provisions and for economic redlining in violation of Section 2, Paragraph 7 above and 47

U.S.C. § 541(a)(3): Five Hundred dollars (\$500) per day for each day or part thereof that such violation continues.

- vii. For failure to comply with any of the provisions of this Franchise, or other City ordinance for which a penalty is not otherwise specifically provided pursuant to this paragraph c, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.
- d. Each violation of any provision of this Franchise shall be considered a separate violation for which a separate penalty can be imposed.
- e. Whenever City finds that Grantee has violated one or more terms, conditions or provisions of this Franchise, or for any other violation contemplated in Section 9, Paragraph 2(c) above, a written notice shall be given to Grantee informing it of such violation. At any time after thirty (30) days (or such longer reasonable time which, in the sole determination of City, is necessary to cure the alleged violation) following local receipt of notice, provided Grantee remains in violation of one or more terms, conditions or provisions of this Franchise, in the sole opinion of City, City may draw from the Letter of Credit all penalties and other monies due City from the date of the local receipt of notice.
- f. Whenever the Letter of Credit is drawn upon, Grantee may, within seven (7) days of such draw, notify City in writing that there is a dispute as to whether a violation or failure has in fact occurred. Such written notice by Grantee to City shall specify with particularity the matters disputed by Grantee. All penalties shall continue to accrue and City may continue to draw from the Letter of Credit during any appeal pursuant to this subparagraph f.
 - i. City shall hear Grantee's dispute within sixty (60) days and render a final decision within sixty (60) days thereafter.
 - ii. Upon the determination of City that no violation has taken place, City shall refund to Grantee, without interest, all monies drawn from the Letter of Credit by reason of the alleged violation.
- g. If said Letter of Credit or any subsequent Letter of Credit delivered pursuant thereto expires prior to thirty (30) months after the expiration of the term of this Franchise, it shall be renewed or replaced during the term of this Franchise to provide that it will not expire earlier than thirty (30) months after the expiration of this Franchise. The renewed or replaced Letter of Credit shall be of the same form and with a bank authorized herein and for the full amount stated in Paragraph A of this Section.
- h. If City draws upon the Letter of Credit or any subsequent Letter of Credit delivered pursuant hereto, in whole or in part, Grantee shall replace or replenish to its full amount the same within ten (10) days and shall deliver to City a like

replacement Letter of Credit or certification of replenishment for the full amount stated in Section 9, Paragraph 2(a) as a substitution of the previous Letter of Credit. This shall be a continuing obligation for any draws upon the Letter of Credit.

- i. If any Letter of Credit is not so replaced or replenished, City may draw on said Letter of Credit for the whole amount thereof and use the proceeds as City determines in its sole discretion. The failure to replace or replenish any Letter of Credit may also, at the option of the City, be deemed a default by Grantee under this Franchise. The drawing on the Letter of Credit by City, and use of the money so obtained for payment or performance of the obligations, duties and responsibilities of Grantee which are in default, shall not be a waiver or release of such default.
- j. The collection by City of any damages, monies or penalties from the Letter of Credit shall not affect any other right or remedy available to City, nor shall any act, or failure to act, by City pursuant to the Letter of Credit, be deemed a waiver of any right of City pursuant to this Franchise or otherwise.

3. Indemnification of City.

- a. City, its officers, boards, committees, commissions, elected officials, employees and agents shall not be liable for any loss or damage to any real or personal property of any Person, or for any injury to or death of any Person, arising out of or in connection with Grantee's construction, operation, maintenance, repair or removal of the System or as to any other action of Grantee with respect to this Franchise.
- b. Grantee shall indemnify, defend, and hold harmless City, its officers, boards, committees, commissions, elected officials, employees and agents, from and against all liability, damages, and penalties which they may legally be required to pay as a result of the City's exercise, administration, or enforcement of the Franchise.
- c. Nothing in this Franchise relieves a Person, except City, from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's facilities while performing work connected with grading, regarding, or changing the line of a Right-of-Way or public place or with the construction or reconstruction of a sewer or water system.
- d. Grantee shall contemporaneously with this Franchise execute an Indemnity Agreement in the form of **Exhibit A**, which shall indemnify, defend and hold the City and Commission harmless for any claim for injury, damage, loss, liability, cost or expense, including court and appeal costs and reasonable attorneys' fees or reasonable expenses arising out of the actions of the City and/or Commission in granting this Franchise. This obligation includes any claims by another

franchised cable operator against the City and/or Commission that the terms and conditions of this Franchise are less burdensome than another franchise granted by the City or that this Franchise does not satisfy the requirements of applicable state law(s).

4. Insurance.

- a. As a part of the indemnification provided in Section 8.3, but without limiting the foregoing, Grantee shall file with City at the time of its acceptance of this Franchise, and at all times thereafter maintain in full force and effect at its sole expense, a comprehensive general liability insurance policy, including broadcaster's/cablecaster's liability and contractual liability coverage, in protection of the Grantee, and the City, its officers, elected officials, boards, commissions, agents and employees for any and all damages and penalties which may arise as a result of this Franchise. The policy or policies shall name the City as an additional insured, and in their capacity as such, City officers, elected officials, boards, commissions, agents and employees.
- b. The policies of insurance shall be in the sum of not less than \$1,000,000.00 for personal injury or death of any one Person, and \$2,000,000.00 for personal injury or death of two or more Persons in any one occurrence, \$500,000.00 for property damage to any one person and \$2,000,000.00 for property damage resulting from any one act or occurrence.
- c. The policy or policies of insurance shall be maintained by Grantee in full force and effect during the entire term of the Franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, and whether at the request of Grantee or for other reasons, except after sixty (60) days advance written notice have been provided to City.

**SECTION 10. SALE, ABANDONMENT, TRANSFER AND REVOCATION OF
FRANCHISE**

1. City's Right to Revoke.

- a. In addition to all other rights which City has pursuant to law or equity, City reserves the right to commence proceedings to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, if it is determined by City that:
 - i. Grantee has violated material provisions(s) of this Franchise; or
 - ii. Grantee has attempted to evade any of the provisions of the Franchise; or
 - iii. Grantee has practiced fraud or deceit upon City.

City may revoke this Franchise without the hearing required by Section 10, Paragraph.2 herein if Grantee is adjudged a bankrupt.

2. Procedures for Revocation.

- a. City shall provide Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee thirty (30) days subsequent to receipt of the notice in which to correct the violation or to provide adequate assurance of performance in compliance with the Franchise. In the notice required herein, City shall provide Grantee with the basis of the revocation.
- b. Grantee shall be provided the right to a public hearing affording due process before the City Council prior to the effective date of revocation, which public hearing shall follow the thirty (30) day notice provided in subparagraph (a) above. City shall provide Grantee with written notice of its decision together with written findings of fact supplementing said decision.
- c. Only after the public hearing and upon written notice of the determination by City to revoke the Franchise may Grantee appeal said decision with an appropriate state or federal court or agency.
- d. During the appeal period, the Franchise shall remain in full force and effect unless the term thereof sooner expires or unless continuation of the Franchise would endanger the health, safety and welfare of any person or the public.

3. Abandonment of Service. Grantee may not abandon the System or any portion thereof without having first given three (3) months written notice to City. Grantee may not abandon the System or any portion thereof without compensating City for damages resulting from the abandonment, including all costs incident to removal of the System.

4. Removal After Abandonment, Termination or Forfeiture.

- a. In the event of termination or forfeiture of the Franchise or abandonment of the System, City shall have the right to require Grantee to remove all or any portion of the System from all Rights-of-Way and public property within City.
- b. If Grantee has failed to commence removal of System, or such part thereof as was designated by City, within thirty (30) days after written notice of City's demand for removal is given, or if Grantee has failed to complete such removal within twelve (12) months after written notice of City's demand for removal is given, City shall have the right to apply funds secured by the Letter of Credit and Performance Bond toward removal and/or declare all right, title, and interest to the System to be in City with all rights of ownership including, but not limited to, the right to operate the System or transfer the System to another for operation by it.

5. Sale or Transfer of Franchise.
- a. No sale or transfer of the Franchise, or sale, transfer, or fundamental corporate change of or in Grantee, including, but not limited to, a fundamental corporate change in Grantee's parent corporation or any entity having a controlling interest in Grantee, the sale of a controlling interest in the Grantee's assets, a merger including the merger of a subsidiary and parent entity, consolidation, or the creation of a subsidiary or affiliate entity, shall take place until a written request has been filed with City requesting approval of the sale, transfer, or corporate change and such approval has been granted or deemed granted, provided, however, that said approval shall not be required where Grantee grants a security interest in its Franchise and/or assets to secure an indebtedness. The foregoing notwithstanding, Grantee must seek approval of any transaction constituting a transfer under state law.
 - b. Any sale, transfer, exchange or assignment of stock in Grantee, or Grantee's parent corporation or any other entity having a controlling interest in Grantee, so as to create a new controlling interest therein, shall be subject to the requirements of this Section 10, Paragraph 5. The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised. In any event, as used herein, a new "controlling interest" shall be deemed to be created upon the acquisition through any transaction or group of transactions of a legal or beneficial interest of fifteen percent (15%) or more by one Person. Acquisition by one Person of an interest of five percent (5%) or more in a single transaction shall require notice to City.
 - c. The Grantee shall file, in addition to all documents, forms and information required to be filed by applicable law, the following:
 1. All contracts, agreements or other documents that constitute the proposed transaction and all exhibits, attachments, or other documents referred to therein which are necessary in order to understand the terms thereof.
 2. A list detailing all documents filed with any state or federal agency related to the transaction including, but not limited to, the MPUC, the FCC, the FTC, the FEC, the SEC or MnDOT. Upon request, Grantee shall provide City with a complete copy of any such document; and
 3. Any other documents or information related to the transaction as may be specifically requested by the City.
 - d. City shall have such time as is permitted by federal law in which to review a transfer request.

- e. The Grantee shall reimburse City for all the legal, administrative, and consulting costs and fees associated with the City's review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its subscriber rates.
- f. In no event shall a sale, transfer, corporate change, or assignment of ownership or control pursuant to subparagraph (a) or (b) of this Section 10 Paragraph 5 be approved without the transferee becoming a signatory to this Franchise and assuming all rights and obligations thereunder, and assuming all other rights and obligations of the transferor to the City including, but not limited to, any adequate guarantees or other security instruments provided by the transferor.
- g. In the event of any proposed sale, transfer, corporate change, or assignment pursuant to subparagraph (a) or (b) of this Section 10, Paragraph 5, City shall have the right to purchase the System for the value of the consideration proposed in such transaction. City's right to purchase shall arise upon City's receipt of notice of the material terms of an offer or proposal for sale, transfer, corporate change, or assignment, which Grantee has accepted. Notice of such offer or proposal must be conveyed to City in writing and separate from any general announcement of the transaction.
- h. City shall be deemed to have waived its right to purchase the System pursuant to this Section only in the following circumstances:
 - i. If City does not indicate to Grantee in writing, within sixty (60) days of receipt of written notice of a proposed sale, transfer, corporate change, or assignment as contemplated in Section 10, Paragraph 5(g) above, its intention to exercise its right of purchase; or
 - ii. It approves the assignment or sale of the Franchise as provided within this Section.
- i. No Franchise may be transferred if City determines Grantee is in noncompliance of the Franchise unless an acceptable compliance program has been approved by City. The approval of any transfer of ownership pursuant to this Section shall not be deemed to waive any rights of City to subsequently enforce noncompliance issues relating to this Franchise even if such issues predated the approval, whether known or unknown to City.

SECTION 11. PROTECTION OF INDIVIDUAL RIGHTS

- 1. Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers (or group of potential subscribers) or general citizens on the basis of race, color, religion, national origin, sex, age, status as to public

assistance, affectional preference, or disability. Grantee shall comply at all times with all other applicable federal, state, and city laws, and all executive and administrative orders relating to nondiscrimination.

2. Subscriber Privacy.

- a. No signals may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever. Such permission shall be required for all channel activity planned for the purpose of monitoring individual viewing patterns or practices.
- b. No lists of the names and addresses of Subscribers or any lists that identify the viewing habits of Subscribers shall be sold or otherwise made available to any party other than to Grantee or its agents for Grantee's service business use or to City for the purpose of Franchise administration, and also to the Subscriber subject of that information, unless Grantee has received specific written authorization from the Subscriber to make such data available. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever.
- c. Written permission from the Subscriber shall not be required for the conducting of System wide or individually addressed electronic sweeps for the purpose of verifying System integrity or monitoring for the purpose of billing. Confidentiality of such information shall be subject to the provision set forth in subparagraph (b) of this Section.

SECTION 12. UNAUTHORIZED CONNECTIONS AND MODIFICATIONS

1. Unauthorized Connections or Modifications Prohibited. It shall be unlawful for any firm, Person, group, company, corporation, or governmental body or agency, without the express consent of the Grantee, to make or possess, or assist anybody in making or possessing, any unauthorized connection, extension, or division, whether physically, acoustically, inductively, electronically or otherwise, with or to any segment of the System or receive services of the System without Grantee's authorization.

2. Removal or Destruction Prohibited. It shall be unlawful for any firm, Person, group, company, or corporation to willfully interfere, tamper, remove, obstruct, or damage, or

assist thereof, any part or segment of the System for any purpose whatsoever, except for any rights City may have pursuant to this Franchise or its police powers.

3. Penalty. Any firm, Person, group, company, or corporation found guilty of violating this section may be fined not less than Twenty Dollars (\$20.00) and the costs of the action nor more than Five Hundred Dollars (\$500.00) and the costs of the action for each and every subsequent offense. Each continuing day of the violation shall be considered a separate occurrence.

SECTION 13. MISCELLANEOUS PROVISIONS

1. Franchise Renewal. Any renewal of this Franchise shall be performed in accordance with applicable federal, state and local laws and regulations. The term of any renewed Franchise shall be limited to a period not to exceed fifteen (15) years.

2. Work Performed by Others. All applicable obligations of this Franchise shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise, however, in no event shall any such subcontractor or other performing work obtain any rights to maintain and operate a System or provide Cable Service. Grantee shall provide notice to City of the name(s) and address(es) of any entity, other than Grantee, which performs substantial services pursuant to this Franchise.

3. Amendment of Franchise Ordinance. Grantee and City may agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to a review session pursuant to Section 7.5 or at any other time if City and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, state or local laws. Provided, however, nothing herein shall restrict City's exercise of its police powers or City's authority to unilaterally amend Franchise provisions to the extent permitted by law.

4. Compliance with Federal, State and Local Laws.

- a. If any federal or state law or regulation shall require or permit City or Grantee to perform any service or act or shall prohibit City or Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, either party shall notify the other of the point in conflict believed to exist between such law or regulation. Grantee and City shall conform to state laws and rules regarding cable communications not later than one year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective.
- b. If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all

the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and City.

5. Nonenforcement by City. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure or delay of City to enforce prompt compliance. City may only waive its rights hereunder by expressly so stating in writing. Any such written waiver by City of a breach or violation of any provision of this Franchise shall not operate as or be construed to be a waiver of any subsequent breach or violation.

6. Rights Cumulative. All rights and remedies given to City by this Franchise or retained by City herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by City and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

7. Grantee Acknowledgment of Validity of Franchise. Grantee acknowledges that it has had an opportunity to review the terms and conditions of this Franchise and that under current law Grantee believes that said terms and conditions are not unreasonable or arbitrary, and that Grantee believes City has the power to make the terms and conditions contained in this Franchise.

8. Force Majeure. The Grantee shall not be deemed in default of provisions of this Franchise or the City Code where performance was rendered impossible by war or riots, labor strikes or civil disturbances, floods or other causes beyond the Grantee's control, and the Franchise shall not be revoked or the Grantee penalized for such noncompliance, provided that the Grantee, when possible, takes immediate and diligent steps to bring itself back into compliance and to comply as soon as possible, under the circumstances, with the Franchise without unduly endangering the health, safety and integrity of the Grantee's employees or property, or the health, safety and integrity of the public, the Rights-of-Way, public property or private property.

SECTION 14. PUBLICATION EFFECTIVE DATE; ACCEPTANCE AND EXHIBITS

1. Publication: Effective Date. This Franchise shall be published in accordance with applicable local and Minnesota law. The Effective Date of this Franchise shall be the date of acceptance by Grantee in accordance with the provisions of Section 14, Paragraph 2.

2. Acceptance.

- a. Grantee shall accept this Franchise within sixty (60) of its enactment by the City Council, unless the time for acceptance is extended by City. Such acceptance by the Grantee shall be deemed the grant of this Franchise for all purposes provided, however, this Franchise shall not be effective until all City ordinance adoption procedures are complied with and all applicable timelines have run for the adoption of a City ordinance. In the event acceptance does not take place, or should all ordinance adoption procedures and timelines not be completed, this Franchise and any and all rights granted hereunder to Grantee shall be null and void.
- b. Upon acceptance of this Franchise, Grantee and City shall be bound by all the terms and conditions contained herein.
- c. Grantee shall accept this Franchise in the following manner:
 - i. This Franchise will be properly executed and acknowledged by Grantee and delivered to City.
 - ii. With its acceptance, Grantee shall also deliver any grant payments, performance bond and insurance certificates required herein that have not previously been delivered.

Passed and adopted this 9th day of December, 2015.

ATTEST:

CITY OF FALCON HEIGHTS

By: _____
Its: City Administrator

By: _____
Its: Mayor

ACCEPTED: This Franchise is accepted and we agree to be bound by its terms and conditions.

Dated: December 9th, 2015

By: _____
Its: City Administrator

EXHIBIT A - INDEMNITY AGREEMENT

INDEMNITY AGREEMENT made this ____ day of _____, 2015, by and between Qwest Broadband Services, Inc., a Delaware Corporation, party of the first part, hereinafter called "CenturyLink," and the City of Falcon Heights, a Minnesota Municipal Corporation, party of the second part, hereinafter called "City" and the North Suburban Communications Commission, a Minnesota Municipal Joint Powers entity, hereinafter called "Commission."

WITNESSETH:

WHEREAS, the City of Falcon Heights has awarded to Qwest Broadband Services, Inc. a franchise for the operation of a cable communications system in the City; and

WHEREAS, the City has required, as a condition of its award of a cable communications franchise, that it and the Commission be indemnified with respect to all claims and actions arising from the award of said franchise.

NOW THEREFORE, in consideration of the foregoing promises and the mutual promises contained in this agreement and in consideration of entering into a cable television franchise agreement and other good and valuable consideration, receipt of which is hereby acknowledged, CenturyLink hereby agrees, at its sole cost and expense, to fully indemnify, defend and hold harmless the City and the Commission, its officers, boards, commissions, employees and agents against any and all claims, suits, actions, liabilities and judgments for damages, cost or expense (including, but not limited to, court and appeal costs and reasonable attorneys' fees and disbursements assumed or incurred by the City in connection therewith) arising out of the actions of the City and Commission in granting a franchise to CenturyLink. This includes any claims by another franchised cable operator against the City that the terms and conditions of the CenturyLink franchise are less burdensome than another franchise granted by the City or that the CenturyLink Franchise does not satisfy the requirements of applicable federal, state, or local law(s). The indemnification provided for herein shall not extend or apply to any acts of the City or Commission constituting a violation or breach by the City or Commission of the contractual provisions of the franchise ordinance, unless such acts are the result of a change in applicable law, the order of a court or administrative agency, or are caused by the acts of CenturyLink.

The City or Commission shall give CenturyLink reasonable notice of the making of any claim or the commencement of any action, suit or other proceeding covered by this agreement. The City and Commission shall cooperate with CenturyLink in the defense of any such action, suit or other proceeding at the request of CenturyLink. The City and Commission may participate in the defense of a claim, but if CenturyLink provides a defense at CenturyLink's expense then CenturyLink shall not be liable for any attorneys' fees, expenses or other costs that City or Commission may incur if it chooses to participate in the defense of a claim, unless and until separate representation is required. If separate representation to fully protect the interests of both parties is or becomes necessary, such as a conflict of interest, in accordance with the Minnesota Rules of Professional Conduct, between the City or the Commission and the counsel selected by CenturyLink to represent the City and/or the Commission, Century Link shall pay, from the date

such separate representation is required forward, all reasonable expenses incurred by the City or the Commission in defending itself with regard to any action, suit or proceeding indemnified by CenturyLink. Provided, however, that in the event that such separate representation is or becomes necessary, and City or the Commission desires to hire a counselor any other outside experts or consultants and desires CenturyLink to pay those expenses, then City and/or the Commission shall be required to obtain CenturyLink's consent to the engagement of such counsel, experts or consultants, such consent not to be unreasonably withheld. Notwithstanding the foregoing, the parties agree that the City or Commission may utilize at any time, at its own cost and expense, its own attorney or outside counsel with respect to any claim brought by another franchised cable operator as described in this agreement.

The provisions of this agreement shall not be construed to constitute an amendment of the cable communications franchise ordinance or any portion thereof but shall be in addition to and independent of any other similar provisions contained in the cable communications franchise ordinance or any other agreement of the parties hereto. The provisions of this agreement shall not be dependent or conditioned upon the validity of the cable communications franchise ordinance or the validity of any of the procedures or agreements involved in the award or acceptance of the franchise, but shall be and remain a binding obligation of the parties hereto even if the cable communications franchise ordinance or the grant of the franchise is declared null and void in a legal or administrative proceeding.

It is the purpose of this agreement to provide maximum indemnification to the City and the Commission under the terms set out herein and, in the event of a dispute as to the meaning of this Indemnity Agreement, it shall be construed, to the greatest extent permitted by law, to provide for the indemnification of the City and the Commission by CenturyLink. This agreement shall be a binding obligation of and shall inure to the benefit of, the parties hereto and their successor's and assigns, if any.

QWEST BROADBAND SERVICES, INC.

Dated: _____, 2015

By: _____

Its: _____

STATE OF LOUISIANA

PARISH OF OUACHITA

The foregoing instrument was acknowledged before me this ____ day of 2015, by _____, the _____ of Qwest Broadband Services, Inc., a Delaware Corporation, on behalf of the corporation.

NOTARY PUBLIC

Print Name: _____
Bar Roll #/Notary ID #: _____
My Commission Expires: _____

CITY OF FALCON HEIGHTS

By _____
Its: City Administrator

Department Head Responsible
For Monitoring Contract

Approved as to form:

Assistant City Attorney

**NORTH SUBURBAN COMMUNICATIONS
COMMISSION**

By: _____
Its: _____

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CITY OF FALCON HEIGHTS, MINNESOTA

In Re: CenturyLink Cable Franchise
Application

FINDINGS OF FACT

The City is one of nine member cities of the North Suburban Communications Commission (the “NSCC”). Following the submission of an application for a cable television franchise for each member city of the NSCC, the above-entitled matter initially came before the NSCC for a public hearing on Thursday, March 5, 2015, at the NSCC’s Office located at 2670 Arthur Street, Roseville, MN 55113. Said public hearing was held open through Friday, March 13, 2015, for the purpose of allowing additional written public comments. Following the public hearing, the NSCC’s Executive Director prepared a detailed report entitled “Staff Report on CenturyLink Cable Franchise Application” (the “Staff Report”). The NSCC received and filed the Staff Report and directed NSCC staff to negotiate a cable television franchise with CenturyLink.

The City, in furtherance of its obligations as a steward on behalf of consumers in the City, desires to promote competition in the delivery of cable services and to encourage the deployment of state-of-the-art broadband networks in the hope that true and effective competition between cable service providers will increase the availability and quality of cable services, spur the development of new technologies, improve customer service, minimize rate increases and generally benefit consumers of the City.

The City also recognizes that any facilities based, second cable entrant is in a different position than the incumbent cable provider because the second entrant faces a significant, up front capital investment prior to having the opportunity to compete for its first customer. It is beneficial to attract and retain second entrants because of the investment made in the community

and the creation of new jobs, as well as the benefits to consumers by having a cable service competitor in the City. Adoption of this Franchise is, in the judgment of the City Council, in the best interests of the City and its residents.

Having held a public hearing on the cable franchise application (via the NSCC) and having reviewed the negotiated cable franchise with CenturyLink, the City now makes the following findings:

FINDINGS OF FACT

1. The City has the authority to grant cable television franchises to cable service providers, pursuant to applicable law. *See* Minn. Stat. § 238.08, Subd. 1(a); and Cable Office Report, § 4.
2. In January, 2015, the NSCC published a Notice of Intent to Franchise in a newspaper of general circulation of the City. *See* Staff Report, § 1.
3. CenturyLink submitted a cable franchise application (the “Application”) on February 20, 2015. *See* Staff Report, § 1.
4. The NSCC held a public hearing on the Application on March 5, 2015, and left the public hearing open until March 13, 2015, for the purpose of receiving additional written comments from the public. *See* Staff Report, Executive Summary and § 1.
5. Following the public hearing, the NSCC’s Executive Director prepared a “Staff Report on CenturyLink Cable Franchise Application” (the “Staff Report”) dated April 9, 2015. The Staff Report is incorporated herein by Reference.

6. The Staff Report was received and filed by the NSCC on or about April 10, 2015, and the NSCC directed NSCC staff to negotiate a cable television franchise with CenturyLink.
7. NSCC staff negotiated a cable television franchise with CenturyLink and presented it to the NSCC on October 7, 2015.
8. The NSCC adopted a Findings of Fact and Recommendation on October 7, 2015, which recommended approval of the negotiated cable television franchise with CenturyLink by each member city.
9. The City held a public hearing on the CenturyLink Cable Television Franchise Ordinance on November 18, 2015.
10. The impact of competition and the challenges to a new cable operator, like CenturyLink, are identified in the Staff Report. *See* Staff Report, § 2.
11. The applicable federal, state and local legal cable franchising requirements, including the application requirements, are identified in the Staff Report. *See* Staff Report, §§ 5 - 8.
12. The Staff Report identified the issues raised by the public, including the incumbent franchised cable operator, Comcast. *See* Staff Report, § 9.
13. The NSCC has substantially complied with the state and local cable franchise application requirements identified in the Staff Report.
14. CenturyLink's application substantially complied with state and local cable franchise application requirements identified in the Staff Report.
15. In the cable television franchise, CenturyLink agrees it has constructed a legacy communications system throughout the City that is capable of providing

telephone and internet services. CenturyLink represents that it desires to upgrade its existing legacy communications system and to install certain new facilities and equipment in the City and intends to operate a cable communications system in the City. *See* Staff Report, Exhibits 2 and 3.

16. CenturyLink further represents that upon completion of its cable service headend, it will be capable of providing cable communications service to a portion of the City over its existing facilities, but currently has no market penetration in the cable communications service market in the City. *See* Staff Report, Exhibits 2 and 3.
17. The NSCC reviewed CenturyLink’s franchise application, published a notice of intent to franchise and held a public hearing all in compliance with applicable law. *See* Staff Report, § 1.
18. Comcast of Minnesota, Inc. (“Comcast”), currently holds a non-exclusive franchise with the City, and, Comcast, through its predecessors in interest, has continuously held a franchise with the City since 1983. *See* Staff Report, § 3
19. CenturyLink will be the first facilities based franchised cable operator to compete against the incumbent provider in the City since the initial cable television franchise was granted in 1983. *See* Staff Report, § 3.
20. Section 621(a)(1) of the Cable Television Consumer Protection and Competition Act of 1992 was amended to provide that “. . .a franchising authority may not unreasonably refuse to award an additional competitive franchise.” In support of its mandate, the Conference Report noted that “[W]ithout the presence of another multichannel video programming distributor, a cable system faces no local

competition. The result is undue market power for the cable operator as compared to that of consumers” *See* H.R. Conf. Rep. No. 102-862, at 1231 (1992); and 621 Order at ¶ 8.

21. *In the Matter of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992*, Report and Order and Further Notice of Proposed Rulemaking, MB Docket No. 05-311 (Rel. March 5, 2007) (the “621 Order”), the FCC determined, based on Section 621(a)(1), that it is unlawful for a local franchising authority to refuse to grant a competitive franchise on the basis of unreasonable build-out mandates and that such mandates “can have the effect of granting de facto exclusive franchises, in direct contravention of Section 621(a)(1)’s prohibition of exclusive cable franchises.” *See* 621 Order, at ¶ 40; *see also*, Staff Report, § 7(E).
22. According to the FCC, “[b]ecause a second provider realistically cannot count on acquiring a share of the market similar to the incumbent’s share, the second entrant cannot justify a large initial deployment. Rather a new entrant must begin offering service within a smaller area to determine whether it can reasonably ensure a return on its investment before expanding.” *See* Staff Report, § 7(D).
23. In the 621 Order, the FCC found that “new cable competition reduced rates far more than competition from DBS [Direct Broadcast Satellite]. Specifically, the presence of a second cable operator in a market results in rates approximately 15 percent lower than in areas without competition.” *See also*, Staff Report, § 2.

24. The FCC also found that “competition for delivery of bundled services will benefit consumers by driving down prices and improving the quality of service offerings.” *See* Staff Report, § 2.
25. The FCC has concluded in the 621 Order that “broadband deployment and video entry are ‘inextricably linked’ and that broadband deployment is not profitable without the ability to compete with the bundled services that cable companies provide.” *See* 621 Order at ¶ 51; *see also*, Staff Report, §§ 2 and 7.
26. The City must, pursuant to the Federal Cable Act, “allow the applicant’s cable system a reasonable period of time to become capable of providing service to all households in the franchise area.” *See* Staff Report, § 7(A).
27. Minnesota Statutes, Chapter 238, among other things, requires a level playing field with the incumbent relating to area served (Minn. Stat. § 238.08, Subd. 1(b)) and a mandatory build out requirement within five years in initial cable franchises (Minn. Stat. § 238.084 Subd. 1(m)(3)). *See* Staff Report, § 8(A)-(B), and 11(c). CenturyLink has demonstrated a good faith basis for its position that applicable federal law preempts these provisions of Chapter 238 because they constitute an unreasonable barrier to entry. *See* Staff Report, § 11(c), and Exhibit 3 at ¶¶ 19-23.
28. CenturyLink claims the fact that these two provisions of the Minnesota Statutes constitute an unreasonable barrier to entry in the City is evidenced in part by the fact that there has been no facilities-based competitor since the initial cable communications franchise was granted. *See* Staff Report, Exhibit 3 at ¶¶ 19-23. CenturyLink has agreed to fully defend, indemnify and hold the City and the

NSCC harmless in the event this cable television franchise agreement is legally challenged. *See* Staff Report, § 11(c).

29. The cable television franchise ordinance is substantially similar to the Comcast cable television franchise, but also addresses a reasonable build-out of the City, and economic redlining.
30. The reasonable build-out provisions in the cable television franchise satisfy the state franchise requirement of requiring the cable system to be substantially complete within five (5) years and the federal franchise requirement of allowing a new cable service provider a reasonable period of time to become capable of providing cable service to all households in the franchise area. *See* Minn. Stat. § 238.084, Subd. 1(m); 47 U.S.C. § 541(a)(4)(A); and Staff Report, §§ 7(A), 7(D)-7(E), 8(B), and 11(c).
31. The 5-year cable television franchise requires CenturyLink to initially construct its system to serve fifteen percent (15%) of the City over 2 years. CenturyLink is required to make its best efforts to complete its initial deployment in less than 2 years and is required to equitably serve households throughout the City, including a significant number of households below the minimum income of the City. Quarterly meetings will allow the City and the NSCC to monitor CenturyLink's progress and compliance with the cable franchise and, if CenturyLink has market success, the cable television franchise has provisions to accelerate the construction of the cable communications system with the goal being complete coverage of the City by the end of the franchise term.

32. The state's cable franchising level playing field statute is satisfied because the cable television franchise requires (1) CenturyLink to pay the same franchise fee as Comcast; (2) the same area of coverage as Comcast; and (3) similar, and in some instances greater, public educational and governmental access requirements. *See* Minn. Stat. § 238.08, subd. 1(b); Staff Report, §§ 7(G), 8(A), and 11(d).
33. CenturyLink submitted an application that included a design for a state-of-the-art cable system that is capable or reliably providing a panoply of cable services to subscribers as required by the NSCC's Competitive Franchising Policies and Procedures. *See* Staff Report, § 10(3)(b).
34. The City has considered the financial, technical, and legal qualifications of CenturyLink. *See, e.g.,* Staff Report, § 10(3).
35. CenturyLink has the financial, technical, and legal qualifications to operate a cable communication system in the City.
36. A CenturyLink cable television franchise will provide a meaningful, distinct alternative to existing multichannel video programming distributors (including existing cable, direct broadcast satellite and other companies), will result in greater consumer choice, is in the public interest for economic development in the City. *See* Staff Report, Exhibits 2 and 3. CenturyLink has also promised to provide additional enhancements to PEG offerings to the City. For example, it has agreed in the franchise to provide every PEG channel in HD and to allow the City to share live programming with other cities in the Twin Cities by providing a Twin Cities Metro PEG Interconnect Network.

37. Consumers and residents of the City will also benefit from CenturyLink's competitive presence because it will drive broader deployment of higher broadband speeds. *See* Staff Report, Exhibits 2 and 3
38. CenturyLink has agreed to an initial deployment area, and it will serve additional areas based upon its market success, as defined in the franchise agreement, which the FCC has deemed to be a reasonable deployment model. *See* Staff Report, § 7(E)(b).
39. The City and its citizens will benefit from facilities based competition in the cable television market. *See* Staff Report, § 2.
40. All prior actions of the NSCC related to the CenturyLink Cable Franchise Application are hereby ratified and approved.

Therefore, based on the foregoing, the City Council has determined that it is in the best interests of the City and its residents to enter in to a cable television franchise ordinance/agreement with CenturyLink, in the form negotiated by the NSCC and that these Findings be incorporated therewith.

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VIA ELECTRONIC MAIL

December 3, 2015

Mayor Peter Lindstrom
City of Falcon Heights
2077 Larpenteur Avenue West
Falcon Heights, MN 55113

Dear Mayor Lindstrom:

I am writing to provide Comcast's comments regarding the CenturyLink Cable TV Franchise Ordinance that was presented for a First Reading at the November 18, 2015, City Council Meeting ("Summary" and "Proposed Franchise"). Thank you in advance for considering this input. As we have stated previously and in the public record in front of the North Suburban Cable Communications Commission (see attached), Comcast welcomes robust competition and we do not oppose the granting of an equitable cable franchise to Qwest Broadband Services or its d/b/a, CenturyLink.

Comcast is however concerned with the competitive inequities created by some of the obligations in the proposed CenturyLink franchise that are materially different from the obligations in Comcast's current franchise with the City. As you are aware from the Summary, Minnesota Statute 238.08, subd. 1(b) requires that the City cannot grant an additional franchise with "terms and conditions more favorable or less burdensome than those in the existing franchise pertaining to (1) the area served..." Furthermore, the FCC expressly allows buildout requirements in franchise agreements so long as they are "reasonable."¹

Section 2(7) of CenturyLink's proposed franchise requires that CenturyLink build to only 15% of the City. The supporting documents, however, contains no discussion of what may be a reasonable requirement for [X] or why CenturyLink's proposal, that fails to address 85% of its citizens, meets this standard. "Less burdensome" certainly requires more than what CenturyLink has offered. And while Section 2(7) of the proposed franchise requires that "a significant number of households below the medium income of the city" it offers no instruction as where CenturyLink must build and no clear way to ensure CenturyLink meets that standard.

¹ *Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992, Order on Reconsideration, at para.7 (rel. Jan 21, 2015).*

At the very least, the City must impose actual binding and enforceable requirements to serve equitably throughout the community. This will protect competitive and consumer equity and prevent selective service deployment. It will equalize the investment that all providers will be required to make in return for access to the public rights of way. It will ensure that competition develops according to which provider can best serve subscribers and not according to which provider enjoys the most advantageous regulatory requirements. Finally, it will meet both state and federal requirements.

PEG funding will also be inequitable and more burdensome on Comcast, and all cable customers, if the CenturyLink franchise is adopted as proposed. Again, Minnesota statute is clear on this issue. Minnesota Statutes 238.08, subd. 1(b) requires that the City cannot grant an additional franchise with “terms and conditions more favorable or less burdensome than those in the existing franchise pertaining to (2) public, educational, or governmental access requirements...” Inequitable PEG funding is a clear example of creating more favorable franchise conditions to a new entrant, and in turn, a more advantageous regulatory environment.

Comcast is required to pay three significant up-front annual grants to the Commission: a \$50,000 annual equipment grant; a \$100,000 annual scholarship grant that increases annually and was \$109,693.66 in 2015; and an annual PEG grant (paid quarterly) that also increases annually and was \$1,347,166.47 in 2015. The amount of these grants, in total, is what the Commission has claimed is required to run its PEG operations. This total PEG funding amount, which was \$1,606,860.13 in 2015 and is growing every year, is paid to the Commission as up-front cash grants, regardless of how many subscribers Comcast has in the Commission area. Comcast subsequently recovers the total amount from subscribers as a per-month, pass through amount. This means that a lower numbers of Comcast subscribers in the Commission area results in a higher per-month pass-through for all Comcast customers.

Section 6(4) of CenturyLink’s proposed franchise does not require CenturyLink to participate in any of the current up-front grants that Comcast is required to provide the Commission but requires only that CenturyLink match our monthly per-subscriber PEG fee in which Comcast uses to recover the grants. It is absolutely more burdensome on Comcast to have to contribute its own capital as up-front cash grants as opposed to the collecting and remitting regime that is being offered to CenturyLink.

As important, not requiring CenturyLink to participate in the up-front grant funding means that instead of both cable operators and cable customers sharing the burden of the PEG funding, the Commission is expanding the burden on cable customers. The monthly per-subscriber PEG fee

Mayor Peter Lindstrom
December 1, 2015
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is determined solely on the number of customers that Comcast has, and could rise dramatically if Comcast loses customers. This means that the PEG fee burden on all cable customers also rises, and yet this rise has absolutely no relationship to the need of the Commission for increased PEG funding.

If the Commission continues to require significant up-front capital grants those grants must be shared by both cable operators. In the alternative, Comcast will also move to a per-month, per-subscriber PEG fee funding mechanism of \$4.15.

Comcast requests that the City Council require these issues be discussed now to ensure that the obligations on CenturyLink are not more favorable or less burdensome than those in Comcast's existing franchise. As always, please feel free to call me if you have any questions or would like to discuss these issues further.

Sincerely,

A handwritten signature in cursive script that reads "Emmett V. Coleman".

Emmett V. Coleman
Vice President External Affairs

CC: Pamela Harris, Councilmember
Chuck Long, Councilmember
Beth Mercer-Taylor, Councilmember
Joe Brown Thunder, Councilmember
Sack Thongvanh, City Administrator

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Bradley

December 4, 2015

The Honorable Peter Lindstrom
Mayor, City of Falcon Heights
2077 Larpenteur Avenue West
Falcon Heights, MN 55113

Re: Comcast Letter Dated December 4, 2015

Dear Mayor Lindstrom:

As you know, I represent the North Suburban Communications Commission, in which the City of Falcon Heights is a member. Today, I received a copy of a letter that Comcast sent to you related to the proposed CenturyLink cable franchise. It's somewhat surprising and disappointing that Comcast would send such a letter claiming competitive inequities today even though there was a Commission meeting in October, where the proposed CenturyLink franchise was discussed, and another public hearing last month at the City. Of course that does not even include the other public meetings where other member cities of the NSCC took action to consider and approve the CenturyLink cable franchise.

Despite the 11th hour nature of the Comcast letter, I'd like to briefly address the concerns raised. The first issue raised relates to how the proposed CenturyLink cable franchise addresses the build out of the City. The exact concern is somewhat unclear from the letter as it refers to having "no discussion of what may be a reasonable requirement for [X]..." I don't know what "[X]" is referring to, so I can only conclude that this is some type of form letter being used to challenge CenturyLink cable franchises generally. As far as the proposed CenturyLink cable franchise is concerned, it would grant a franchise to CenturyLink to serve the entire corporate boundaries of the City, which is the same as Comcast's commitment.

The proposed franchise also acknowledges that CenturyLink has already constructed a legacy communications system throughout the City and will be upgrading its system to enable the company to provide cable television service. CenturyLink's build-out commitments are based on the market-based success of CenturyLink, which the FCC has deemed to be reasonable. That is addressed in the proposed franchise, the Staff Report and the Staff Memo that I believe were in the packet of the Council's last meeting.

The second concern raised by Comcast relates to Access Television funding. Comcast provides funding through grants, which it then recovers from subscribers in the form of a PEG Fee. CenturyLink will provide the same PEG Funding on a per subscriber basis. Subscribers in the City will be subject to the same PEG Fee by both companies, which we believe is fair and reasonable and is not more favorable or less burdensome to either company, particularly in light

Bradley Hagen & Gullikson, LLC

The Honorable Peter Lindstrom

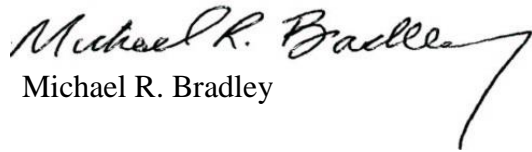
December 4, 2015

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of the fact that CenturyLink has zero cable subscribers. Access Television funding is also a topic of our on-going franchise renewal discussions with Comcast. We remain committed to discussing Access Television funding in those discussions.

Very Truly Yours,

BRADLEY HAGEN & GULLIKSON, LLC


Michael R. Bradley



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 9, 2015
Agenda Item	Policy G2
Attachment	Declaration of Intent
Submitted By	Sack Thongvanh, City Administrator

Item	Declaration of Official Intent for Reimbursement for 2015 Pavement Management Project
Description	The City from time to time will borrow from other funds to finance projects with the intent to reimburse those funds once the City issues a bond. The reasoning for this approach is to minimize the cost of issuing multiple bonds and to attract competitive bids for interest rates.
Budget Impact	The purpose is to allow the City to reimburse ourselves, minimize issuing bonds and attract better interest rates to reduce overall cost to the City.
Attachment(s)	<ul style="list-style-type: none"> • Declaration of Official Intent
Action(s) Requested	Staff would recommend approving the Declaration of Official Intent for Reimbursement for 2015 Pavement Management Project.

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Declaration of Official Intent

The undersigned, being the duly appointed and acting City Administrator of the City of Falcon Heights, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the City Council to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.

2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

2015 Pavement Management Project (PMP)

1. Roselawn Ave
2. Snelling Service Drives

3. The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$300,000 is the maximum principal amount of the Bonds which will be issued to finance the Project.

4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Regulations.

5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: December 9, 2015

City Administrator
City of Falcon Heights, Minnesota

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CERTIFICATION

The undersigned, being the duly qualified and acting City Administrator of the City of Falcon Heights, Minnesota, hereby certifies the following:

The foregoing is a true and correct copy of a Resolution on file and of official, publicly available record in the offices of the City, which Resolution relates to procedures of the City for compliance with certain IRS Regulations on reimbursement bonds. Said Resolution was duly adopted by the governing body of the City (the "Council") at a regular or special meeting of the Council held on _____, _____. Said meeting was duly called, regularly held, open to the public, and held at the place at which meetings of the Council are regularly held. Council Member _____ moved the adoption of the Resolution, which motion was seconded by Council Member _____. A vote being taken on the motion, the following members of the Council voted in favor of the motion to adopt the Resolution:

and the following voted against the same:

Whereupon said Resolution was declared duly passed and adopted. The Resolution is in full force and effect and no action has been taken by the Council which would in any way alter or amend the Resolution.

WITNESS MY HAND officially as the City Administrator of the City of Falcon Heights, Minnesota, this ____ day of _____, _____.

City Administrator
City of Falcon Heights, Minnesota