

Addendum

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 W. Larpenteur Ave.

AGENDA
August 8, 2001

- A. CALL TO ORDER: 7 p.m.
- B. ROLL CALL: GEHRZ ___ KUETTEL ___ LAMB ___
 LINDSTROM ___ TALBOT ___
 WORTHINGTON ___ PHILLIPS ___
 ATTORNEY ___ ENGINEER ___
- C. COMMUNITY FORUM:
- D. APPROVAL OF MINUTES: July 25, 2001
- E. PUBLIC HEARING: None
- F. INFORMATIONAL DISCUSSION
1. Storm Drain Stenciling
- G. CONSENT AGENDA:
1. General disbursements through 8/3/01, \$15,349.67
2. Licenses
3. Approval of the first partial pay estimate to Pearson Brothers, Inc. for the 2001 Seal Coat and Crack Seal Improvements
4. Approval of the second partial pay estimate to Hardrives, Inc. for the Northome Street Repairs and Alley Improvements Project
5. Approval of final payment for a new fire pumper to Custom Fire Apparatus
- H. POLICY AGENDA:
1. Adoption of Resolution 01-19 requesting MnDOT grant a variance to municipal state aid rules on construction requirements
2. Adoption of a credit card policy for city employees
3. Approval of amended preliminary development agreement with Sherman Associates, Inc. for the redevelopment of the Southeast corner of Snelling and Larpenteur Avenues, the Northome Shopping Center

Page 2
Council Agenda
August 8, 2001

- I.. REPORTS FROM COUNCILMEMBERS:
- J. INFORMATION AND ANNOUNCEMENTS:
- K. ADJOURN

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LINDSTROM ___ TALBOT ___
WORTHINGTON ___ PHILLIPS ___
ATTORNEY ___ ENGINEER ___
- C. COMMUNITY FORUM:
- D. APPROVAL OF MINUTES: July 25, 2001 **(Tab #1)**
- E. PUBLIC HEARING: None
- F. INFORMATIONAL DISCUSSION
1. Storm Drain Stenciling
- G. CONSENT AGENDA:
1. General disbursements through 8/3/01, \$15,349.67 **(Tab #2)**
2. Licenses **(Tab #3)**
3. Approval of the first partial pay estimate to Pearson Brothers, Inc. for the 2001 Seal Coat and Crack Seal Improvements **(Tab #4)**
4. Approval of the second partial pay estimate to Hardrives, Inc. for the Northome Street Repairs and Alley Improvements Project **(Tab #5)**

5. Approval of final payment for a new fire pumper to Custom Fire Apparatus

H. POLICY AGENDA:

1. Adoption of Resolution 01-19 requesting MnDOT grant a variance to municipal state aid rules on construction requirements **(Tab #6)**
2. Adoption of a credit card policy for city employees **(Tab #7)**
3. Approval of amended preliminary development agreement with Sherman Associates, Inc. for the redevelopment of the Southeast corner of Snelling and Larpenteur Avenues, the Northome Shopping Center

I. REPORTS FROM COUNCILMEMBERS:

J. INFORMATION AND ANNOUNCEMENTS:

K. ADJOURN

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- D. APPROVAL OF MINUTES: July 25, 2001
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- H. REPORTS FROM COUNCILMEMBERS:
- I. INFORMATION AND ANNOUNCEMENTS:
- J. ADJOURN

DRAFT

City of Falcon Heights
City Council Minutes
July 25, 2001

The meeting was called to order by Mayor Gehrz at 7 p.m.

PRESENT: Gehrz, Kuettel, Lamb, Lindstrom, Talbot. Also present was Heather Worthington, City Administrator, Pat Phillips, Deputy Clerk.

COMMUNITY FORUM: There was no one present wishing to speak.

APPROVAL OF MINUTES: The minutes of July 11, 2001 were approved.

CONSENT AGENDA:

Councilmember Kuettel moved to approve the following consent agenda. The motion passed unanimously.

1. General disbursements and payroll
2. Licenses
3. Adoption of Resolution 01-18 amending Chapter VI of the City Administrative Manual concerning personnel

POLICY AGENDA

Approval of a preliminary development agreement with Sherman Associates, Inc. for the redevelopment of the Southeast corner of Snelling and Larpenteur Avenues, the Northome Shopping Center

Administrator Worthington explained that council is now being asked to approve a preliminary development agreement with Sherman Associates that will be in effect for 10 months from the date of adoption. There were some minor changes made to the agreement and Jim Prosser, the city's financial consultant, said that the main purpose of the preliminary development agreement is to clarify the timeline of 10 months for the developer to complete a development agreement. Prosser said it is the development agreement that will provide a more detailed schedule of dates regarding land use approvals, financing, etc. After brief discussion, councilmember Lamb made a motion to approve the preliminary development agreement with changes discussed. The motion passed unanimously.

Resolution calling for a public hearing by the city council on the proposed establishment of a tax increment financing district

Administrator Worthington said a date needs to be set for a public hearing to discuss the possible establishment of a tax increment financing district for the redevelopment of the SE corner of Snelling and Larpenteur Avenues. Worthington said that while the developer has not asked for this type of assistance yet, it is prudent to begin the process for a hearing in order to stay on schedule with the redevelopment in the event that such assistance is needed. Resolution 01-17 establishes the date of the public hearing to be September 12, 2001 and is used as the time for the public to ask questions regarding establishment of a TIF district, etc. After detailed discussion and questions answered by Jim Prosser, councilmember Talbot moved to adopt Resolution 01-17 setting the public hearing date for September 12, 2001 on or about 7 p.m. The motion passed unanimously.

Update on website working group recommendations

Administrator Worthington reported on the first meeting of the working group comprising Deborah Jones, planning/zoning coordinator, councilmembers Robert Lamb and Richard Talbot and herself. The four areas it was felt the city should focus on were (1) capacity and vendor selection; (2) security and privacy; (3) the top 4 transactions residents use; and (5) a link policy. Deborah Jones said a decision would have to be made about what we want to have on the web, the impact on the city budget, and how the city wants to interact with residents and businesses. Jones spoke about the need for privacy, access and legal issues. Jones also said the website would have to be moved to an outside server. Councilmember Lamb spoke of being an electronically responsive government and what that entails. Mayor Gehrz said a Technology Task Force should be formed with experts from diverse backgrounds and from all age groups. She encouraged councilmembers to be thinking of persons they may know that would be interested in serving on the task force and email those names and addresses to the city. An article recruiting for the task force will be published in the next newsletter which will be coming out in late September. Councilmember Lamb said he would facilitate the discussion at the first meeting which is tentatively set for mid to late October.

Appointment of Patrick Ryan to the Planning Commission

Mayor Gehrz is recommending Patrick Ryan to replace Lyle Wray on the Planning Commission. Mr. Wray is unable to continue his term due to his international travel schedule. Gehrz said with the redevelopment of the SE corner, it would be well served to have another planning commissioner who lives in the Northome neighborhood.

Councilmember Kuettel moved to approve the appointment of Patrick Ryan to end of term or 12/31/01 at which time Mr. Ryan would have the option of serving another 3 years. The motion passed unanimously.

Consideration of a request for a two-foot variance in height for a privacy fence at 1720 St. Mary's Street.

Administrator Worthington said the residents of the above address are requesting a variance in the height requirement for a privacy fence at the rear of their property. The variance is requested due to the existence of a busy parking lot and shopping center at the rear of their lot. Three other neighbors on that block have received variances due to similar concerns about the noise, light and screening from adjacent commercial uses. The Planning Commission approved the request at their July 24th meeting. Councilmember Kuettel moved to approve the variance request. The motion passed unanimously.

INFORMATION AND ANNOUNCEMENTS

Councilmember Talbot thanked all those responsible for having the picnic earlier in the week at Gibbs Farm Museum. Councilmember Lindstrom thanked the people from the Bell Museum for their presentation last week and to the residents who came to the meeting. Councilmember Kuettel reminded everyone of the Ice Cream Social on July 26th. Mayor Gehrz mentioned that the city hosted a Ramsey County Board budget meeting at city hall on July 24th. Gehrz also urged people that if they call 911 from a cell phone about an incident in Falcon Heights, ask to be connected to Ramsey County Dispatch and the response time will be much quicker. Administrator Worthington reminded everyone of the community meetings on July 30 and 31, 7 p.m., city hall, with the developer of the SE corner of Snelling and Larpenteur.

ADJOURN

The meeting adjourned at 8:30 p.m.

Respectfully submitted,

Pat Phillips
Deputy Clerk

- Information
8/8/01

ITEM: Update on storm drain stenciling from Alyssa Hawkins, Friends of the Mississippi River

SUBMITTED BY: Heather Worthington, City Administrator

EXPLANATION:

Summary: The St. Paul Neighborhood Energy Consortium has approached the City and requested that a volunteer group associated with the Friends of the Mississippi River be allowed to stencil our storm drains with a stencil which will inform residents not to dump liquids down the drains, as in some cases, they drain to Lake Como.

Ms. Hawkins will be available to answer questions you may have about this process, and how it would work.

ACTION REQUESTED:

Presentation

Discussion

CONSENT 1
Meeting Date: 8/8/01

ITEM DESCRIPTION: Disbursements

SUBMITTED BY: Roland Olson, City Accountant

EXPLANATION/SUMMARY:

1. General disbursements through August 3, 2001, \$15,349.67
2. Payroll, 7/16/01 to 7/31/01, \$13,956.08

ACTION REQUESTED: Approval

C H E C K R E G I S T E R

CHECK TYPE	CHECK DATE	EMPLOYEE NAME NUMBER	CHECK NUMBER	CHECK AMOUNT
COM	7 11 01	34 CLEMENT KURHAJETZ	31083	62.98
COM	7 11 01	35 LEO LINDIG	31084	25.85
COM	7 11 01	40 KEVIN ANDERSON	31085	27.07
COM	7 11 01	42 MICHAEL D. CLARKIN	31086	167.15
COM	7 11 01	66 ALFRED HERNANDEZ	31087	253.16
COM	7 11 01	74 MARK J. ALLEN	31088	112.21
COM	7 11 01	80 MARY K RIGNEY	31089	108.68
COM	7 11 01	81 LAUREL F SANDBERG	31090	6.47
COM	7 11 01	82 DUSTIN P THUNE	31091	125.31
COM	7 11 01	85 DANIEL S JOHNSON-POWERS	31092	117.29
COM	7 11 01	86 GREGORY R YOUNGS JR	31093	12.93
COM	7 11 01	87 MICHAEL A. MCKAY	31094	69.90
COM	7 11 01	89 RICKY REVERING	31095	89.70
COM	7 11 01	90 ANDREW P SCHIPPEL	31096	70.31
COM	7 11 01	91 RICHARD H. HINRICHS	31097	77.98
COM	7 11 01	1003 HEATHER WORTHINGTON	31084	1237.27
COM	7 11 01	1007 PATRICIA PHILLIPS	31085	1033.21
COM	7 11 01	1013 WILLIAM MAERTZ	31086	1382.30
COM	7 11 01	1033 DAVE TRETSEVEN	31087	1000.45
COM	7 11 01	1038 DEBORAH K JONES	31088	494.18
COM	7 11 01	1039 CRAIG A. STIER	31089	456.68
COM	7 11 01	1057 KRISTIN L. WOLVERTON	31090	388.27
COM	7 11 01	1089 KATHLEEN A. CIERNIA	31091	192.20
COM	7 11 01	1103 DIANE MEYER	31092	320.91
COM	7 11 01	1136 ROLAND O. OLSON	31093	1105.19
COM	7 11 01	1143 COLIN B. CALLAHAN	31094	534.25
COM	7 11 01	1165 MEGAN M. MURPHY	31095	343.68
COM	7 11 01	1166 WILLIAM C. STARR	31096	133.23
COM	7 11 01	1167 PHILLIP A LANG	31097	507.86
COM	7 11 01	1169 JAY PAUL KURTIS	31098	436.86
COM	7 11 01	1170 ERIC J BLOMQUIST	31099	391.76
COM	7 11 01	1173 ELIZABETH M. POSTIGO	31100	547.09
COM	7 11 01	1175 LAURA M SUPPES	42022	180.62
COM	7 11 01	1176 MICHAEL P ECKBERG	42023	331.93
COM	7 11 01	1177 AMIE M. MITCHELL	42024	175.44
COM	7 11 01	1178 PETER M. FISCHER	42025	166.03
COM	7 11 01	1185 BAUBAK L. AZAR	42026	170.90
COM	7 11 01	1190 COLLEEN SPANGENBERG	42027	1098.78

COMPUTER CHECKS	13956.08
MANUAL CHECKS	.00
NOTICES OF DEPOSIT	.00

****TOTALS**** 13956.08

APPROVAL OF BILLS
 PERIOD ENDING: 8-03-01

CHECK#	VENDOR NAME	DESCRIPTION	DEPT.	AMOUNT
	VERIZON WIRELESS	CELL PHONE CHRGS	CITY HAL	10.29
	ST. PAUL WATER UTILITY	H2O	CITY HAL	1,116.54
	ST. PAUL WATER UTILITY	SS	CITY HAL	11.69
	*** TOTAL FOR DEPT 31			2,647.08
	HOME DEPOT CRC/GEFC	BLACK TOP PATCH	STREETS	59.16
	XCEL ENERGY	ELECT TO 7/30	STREETS	9.25
	XCEL ENERGY	ELECT TO 7/30	STREETS	99.43
	XCEL ENERGY	ELECT TO 7/30	STREETS	7.06
	XCEL ENERGY	ELECT TO 7/30	STREETS	87.11
	SCHARBER & SONS	AIR FILTER JD 955	STREETS	68.92
	UNITED RENTALS	EAR PLUGS 200	STREETS	70.00
	UNITED RENTALS	IMPACT RENTAL	STREETS	71.88
	*** TOTAL FOR DEPT 32			472.81
	BREEZY POINT RESORT	PARKS SUPV CONF EXPS	PARK & R	559.12
	HOME DEPOT CRC/GEFC	GRASS SEED	PARK & R	79.13
	HOME DEPOT CRC/GEFC	SEED/FERTILIZERS/MISC	PARK & R	157.50
	XCEL ENERGY	ELECT TO 7/19	PARK & R	23.22
	XCEL ENERGY	ELECT TO 7/30	PARK & R	43.79
	SUPERAMERICA	FUEL	PARK & R	315.71
	UNITED RENTALS	WHITE STRIPPING PAINT	PARK & R	66.05
	QWEST	TELEPHONE TO AUG 21	PARK & R	50.97
	ST. PAUL WATER UTILITY	H2O	PARK & R	50.56
	ST. PAUL WATER UTILITY	SS	PARK & R	23.38
	*** TOTAL FOR DEPT 41			1,369.43
	MEGAN MURPHY	COOKING CLASS SUPPLIES	PARK PRO	17.05
	*** TOTAL FOR DEPT 50			17.05
	E-Z RECYCLING, INC.	JULY/01 RECYCLING	SOLID WA	2,559.40
	UPBEAT INC	RECYCLING CONTAINERS	SOLID WA	467.16
	*** TOTAL FOR DEPT 56			3,026.56
	VERIZON WIRELESS	2 CELL PHONES:REC SPORTS	PUBLIC W	259.76
	*** TOTAL FOR DEPT 65			259.76
	XCEL ENERGY	ELECT TO 7/30	SANITARY	15.54
	*** TOTAL FOR DEPT 75			15.54
	*** TOTAL FOR BANK 01			15,349.67
	*** GRAND TOTAL ***			15,349.67

APPROVAL OF BILLS
 PERIOD ENDING: 8-03-01

CHECK#	VENDOR NAME	DESCRIPTION	DEPT.	AMOUNT
	MINNESOTA STATE TREASURER	2ND QTR BLDG SURCHARGES	-----	273.77
	***	TOTAL FOR DEPT 00		273.77
	RAMSEY CTY HISTORICAL SOC	HISTORICAL SOCIETY EVENT	LEGISLAT	40.00
	LILLIE SUBURBAN NEWSPAPER	ANNUAL FINANCIAL REPORT	LEGISLAT	206.83
	***	TOTAL FOR DEPT 11		246.83
	AMERICAN OFFICE PRODUCTS	2 INKJET CARTRIDGES	ADMINIST	57.38
	WILLIAM MAERTZ	MILEAGE TO MPSA CONF	ADMINIST	96.60
	OFFICE MAX CREDIT PLAN	OFFICE SUPPLIES	ADMINIST	126.18
40265	PERA	JULY 31 PERA WITHHOLDNGS	ADMINIST	1,112.58
40264	U.S. POSTMASTER	20 ROLLS OF 34CENT STMPs	ADMINIST	680.00
	WORTHINGTON, HEATHER	STAFF MEETING EXPS	ADMINIST	7.78
	WORTHINGTON, HEATHER	H2O UTILITY MEETING EXPS	ADMINIST	5.50
	***	TOTAL FOR DEPT 12		2,086.02
	CRAIG STIER	MILEAGE/PARKNG GFOA CONF	FINANCE	14.76
	***	TOTAL FOR DEPT 13		14.76
	AMERICAN PLANNING ASSOC.	APA DUES FOR DEB JONES	COMMUNIC	157.00
	CASH	ICE FOR ICE CREAM SOCIAL	COMMUNIC	21.06
	FBN, INC	DEB'S PC ISSUES	COMMUNIC	510.00
	MCI WORLDCOM RES SVC	LONG DISTANCE CHRGS	COMMUNIC	29.63
	NOVELL MLA ORDER MGMT	SALEX TAX ON MAINT AGREE	COMMUNIC	24.64
	OXYGEN SERVICE COMPANY	HELIUM FOR BALLOONS	COMMUNIC	44.06
	SPECIALTY OUTFITTERS LTD	BALLONS:ICE CREAM SOCIAL	COMMUNIC	26.12
40266	E. JAMES TOROK	BAND FOR ICE CREAMS SOCIAL	COMMUNIC	400.00
	U.S. POSTMASTER	BULK MAIL POSTAGE	COMMUNIC	1,500.00
	DAVID L. WASSON GRAPHIC	NEWSLETTER	COMMUNIC	1,278.63
	***	TOTAL FOR DEPT 16		3,991.14
	CASH	POSTAGE	PLANNING	11.82
	***	TOTAL FOR DEPT 17		11.82
	XCEL ENERGY	ELECT TO 7/19	EMERGENC	6.28
	***	TOTAL FOR DEPT 21		6.28
	AMERIPRIDE LINEN&APPAREL	LINEN CLEANING FIRE HALL	FIRE FIG	43.93
	BEARCOM	RADIO REPAIR	FIRE FIG	350.00
	MDS MATRX	CLOTHING	FIRE FIG	31.92
	MDS MATRX	CLOTHING	FIRE FIG	252.38
	SUPERAMERICA	FUEL	FIRE FIG	46.18
	VERIZON WIRELESS	CELL PHONE CHRGS	FIRE FIG	20.82
	NEW PIG CORPORATION	ABSORB BOOM/SPILL PAD	FIRE FIG	165.59
	***	TOTAL FOR DEPT 24		910.82
	ALBRECHT	POLYPIPE/ HOSS	CITY HAL	80.46
	ALBRECHT	POLY PIPE FITTING	CITY HAL	0.63
	ALBRECHT	IRRIGATION PARTS	CITY HAL	118.21
	ALBRECHT	IRRIGATION PARTS	CITY HAL	1.95
	LINDERS GARDEN CENTER	PLANTS FOR LOBBY	CITY HAL	18.93
	XCEL ENERGY	ELECT TO 7/31	CITY HAL	1,241.67
	XCEL ENERGY	ELECT TO 7/30	CITY HAL	46.71

CONSENT 2
Meeting Date: 8/7/01

ITEM DESCRIPTION: Licenses

SUBMITTED BY: Pat Phillips, Licensing Coordinator

REVIEWED BY: Heather Worthington, City Administrator

EXPLANATION/SUMMARY:

RESTAURANT

MiTierra Mexican Restaurant (Lic.#01-705)
(formerly Chinatown)

GENERAL CONTRACTOR

Roto Rooter, Inc. (Lic. #01-908)

ACTION REQUESTED: Approval

Consent 3
DATE: 8/8/01

ITEM: Approval of the first partial pay estimate to Pearson Brothers, Inc. for the 2001 Seal Coat & Crack Seal Improvements (U. Grove)

SUBMITTED BY: Heather Worthington, City Administrator

REVIEWED BY: John Anderson, P.E., H.R. Green Company

EXPLANATION:

Summary: The Council is being asked to approve the Pay Estimate 1 (Final) for the 2001 Seal Coat & Crack Seal Improvements. The pay estimate is in the amount of \$19,810.35. This amount includes \$20,853.00 earned minus \$1,042.65 in retainage.

The major pay items include bituminous material for seal coat, seal coat aggregate, and routing and sealing of cracks. The quantities shown in this pay estimate are final quantities for this project. The engineering firm is recommending the retainage be held until the final sweeping of the excess aggregate. Due to the abnormally hot weather in the last few weeks, the aggregate may need to be in place slightly longer than the seven days that were originally estimated. The engineers will continue to monitor the project area, and schedule the contractor for a final sweep as soon as the bituminous emulsion has cured sufficiently.

ATTACHMENTS:

Letter from John Anderson, H.R. Green Co.
Payment Estimate No. 1 (Final)

ACTION REQUESTED:

Approval of the pay estimate no. 1 to Pearson Brothers, Inc. for the 2001 Seal Coat & Crack Seal Improvements project in the amount of \$19,810.35.



Howard R. Green Company

August 1, 2001
File: 814430J-0325

Ms. Heather Worthington
City Administrator
City of Falcon Heights
2077 Larpenteur Avenue West
Falcon Heights, Minnesota 55113

RE: 2001 SEAL COAT AND CRACK SEAL IMPROVEMENTS
PAY ESTIMATE NO. 1 (FINAL)

Dear Ms. Worthington:

Enclosed please find three copies of Pay Estimate No. 1 (Final) for Pearson Brothers Inc. who is the Contractor for the 2001 Seal Coat & Crack Seal Improvements. This pay estimate is in the amount of \$19,810.35. This amount includes \$20,853.00 earned minus \$1,042.65 in retainage. The major pay items include bituminous material for seal coat, seal coat aggregate, and routing and sealing of cracks. The quantities shown in this pay estimate are final quantities for the project. We are recommending the retainage be held until the excess aggregate has been swept. Due to the abnormally hot weather, the aggregate may need to be in place slightly longer than the seven (7) days that were originally estimated. We will continue to monitor the situation and schedule the Contractor to sweep as soon as the bituminous emulsion has cured sufficiently.

We have inspected the work performed by Pearson Brothers Inc. and recommend payment of Pay Estimate No. 1 (Final).

This is the first year the City has incorporated crack sealing into the annual seal coating contract. We feel the crack sealing portion of the project went well and will provide for added service life of these streets. Much of the credit for incorporating the crack sealing into this year's project should go to Bill Maertz, Public Works Director, who felt strongly about the advantages of crack sealing and had the foresight to request incorporating crack sealing into the annual street maintenance program. With the success of this year's project, and with the recommendations of the Pavement Management Plan, we encourage the City to consider incorporating crack sealing into future annual street maintenance projects.

Sincerely,

Howard R. Green Company

John M. Anderson, P.E.
Project Engineer

JMA:mw

PAYMENT ESTIMATE

NO. 1 (FINAL)

FROM: July 1, 2001
TO: July 31, 2001

CONTRACTOR: PEARSON BROTHERS, INC.
ADDRESS: 240 ST. JOHN'S STREET
OWNER: CITY OF FALCON HEIGHTS, MINNESOTA
PROJECT: 2001 SEAL COAT AND CRACK SEAL IMPROVEMENTS

COMPLETION DATE
ORIGINAL: August 25, 2001
REVISED:

AMOUNT OF CONTRACT
ORIGINAL: \$ 20,967.50
REVISED:

ITEM NO.	DESCRIPTION	CONTRACT ITEMS			THIS PERIOD		TOTAL TO DATE	
		UNIT	QTY.	UNIT PRICE	QTY.	AMOUNT	QTY.	AMOUNT
	SCHEDULE 1.0 - SEAL COAT AND CRACK SEAL							
1	BITUMINOUS MATERIAL FOR SEAL COAT, CRS-2	GAL	5550	\$1.50	5450	\$8,175.00	5450	\$8,175.00
2	SEAL COAT AGGREGATE, FA-2	TON	310	\$17.75	312	\$5,538.00	312	\$5,538.00
3	ROUT & SEAL CRACKS	LB	4200	\$1.70	4200	\$7,140.00	4200	\$7,140.00
						\$20,853.00		\$20,853.00
T	SCHEDULE 1.0 - SEAL COAT AND CRACK SEAL-TOTAL							
						\$20,853.00		\$20,853.00
T	TOTAL BID SUMMARY THIS PERIOD							\$20,853.00
T	TOTAL BID SUMMARY TO DATE							\$20,853.00

	TOTAL THIS PERIOD:	TOTAL TO DATE:
AMOUNT EARNED	\$20,853.00	\$20,853.00
AMOUNT RETAINED	\$1,042.65	\$1,042.65
MATERIAL ON SITE	\$0.00	\$0.00
MATERIAL DEDUCT.	\$0.00	\$0.00
PREVIOUS PAYMENTS	-----	\$0.00
AMOUNT DUE	\$19,810.35	\$19,810.35

I hereby certify that all items and amounts shown by this pay estimate are correct for the work completed to date.

CONTRACTOR: PEARSON BROTHERS, INC.
BY: JE Pearson
TITLE: PRESIDENT
DATE: 8-1-01

Based on the ENGINEER'S on-site inspections as an experienced and qualified design professional and on review of application for payment and the accompanying data and schedules, the ENGINEER has determined, to the best of his knowledge and belief, that the quantities shown by this estimate are correct and that, based on such inspections and review, that the work has progressed to the point indicated (subject to an evaluation of such work as a functioning Project upon Substantial Completion, to the results of any subsequent tests required by the Contract Documents, and to any qualifications stated in his recommendation), and that payment of the amount recommended is due Contractor's; but by recommending any payment, the ENGINEER will not thereby be deemed to have reviewed the means, methods, sequences, techniques, or procedures of construction or safety precautions or programs incident thereto or that the ENGINEER has made any examination to ascertain how or for what purpose any Contractor has used the monies paid on account of the Contract Price, or that title to any of the work, materials, or equipment has passed to the Owner free and clear of any lien, claims, security interests or encumbrances, or that the Contractor's) have completed their work exactly in accordance with the Contract Documents.

ENGINEER: HOWARD R. GREEN COMPANY
BY: John Orler
TITLE: Project Engineer
DATE: 8-1-01

Approved by Owner/Commission

CITY OF FALCON HEIGHTS, MINNESOTA
BY: _____
TITLE: _____
DATE: _____

Consent 4
DATE: 8/8/01

ITEM: Approval of the second partial pay estimate to Hardrives, Inc. for the Northome Street Repairs and Alley Improvements Project

SUBMITTED BY: Heather Worthington, City Administrator

REVIEWED BY: John Anderson, P.E., H.R. Green Company

EXPLANATION:

Summary: The Council is being asked to approve the second partial pay estimate for the 2001 Northome Street Repair and Alley Improvements Project. The total amount budgeted for this project is \$625,213.82.

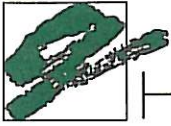
The total for this pay estimate is \$154,641.79. This includes \$162,780.83 earned, minus a retainage of \$8,139.04. The major pay items included in this pay estimate are the base course patching, curb and gutter, concrete sidewalk, and storm sewer construction.

ATTACHMENTS:

Letter from John Anderson, H.R. Green Co.
Second Partial Payment Estimate

ACTION REQUESTED:

Approval of the second partial pay estimate to Hardrives, Inc. for the Northome Street Repairs and Alley Improvements Project in the amount of \$154,641.79.



Howard R. Green Company

August 2, 2001

File: 810690j-0071 & 812700j-0071

Ms. Heather Worthington
City Administrator
City of Falcon Heights
2077 Larpenteur Avenue West
Falcon Heights, MN 55113-5594

RE: 2001 STREET REPAIRS AND ALLEY IMPROVEMENTS
PARTIAL PAY ESTIMATE NO. 2

Dear Ms. Worthington:

Enclosed are three copies of Partial Pay Estimate No. 2 for Hardrives, Inc. who is the Contractor for the 2001 Street Repairs and Alley Improvements project. This pay estimate is in the amount of \$154,641.79. This amount includes \$162,780.83 earned minus retainage of \$8,139.04. The major pay items included in this pay estimate are the base course patching, curb and gutter, concrete sidewalk, and storm sewer construction.

We have inspected the work performed by Hardrives, Inc. and recommend payment of Partial Pay Estimate No. 2.

Please call with any questions you may have concerning this pay request.

Sincerely,

Howard R. Green Company

John M. Anderson, P.E.
Project Engineer

JMA:mw

Enclosures

Cc: Dave Pribnow, Hardrives, Inc.

PARTIAL PAYMENT ESTIMATE

NO. 2

FROM: July 3, 2001
TO: July 31, 2001

CONTRACTOR: HARDRIVES, INC.
ADDRESS: 14475 QUIRAM DRIVE, ROGERS, MN 55374
OWNER: CITY OF FALCON HEIGHTS, MINNESOTA
PROJECT: 2001 STREET REPAIRS AND ALLEY IMPROVEMENTS

COMPLETION DATE ORIGINAL: August 10, 2001
REVISD: AMOUNT OF CONTRACT: ORIGINAL: \$449,385.80
REVISD:

ITEM NO.	SPEC. REF.	DESCRIPTION	UNIT	CONTRACT ITEMS		THIS PERIOD		TOTAL TO DATE		
				QTY.	UNIT PRICE	QTY.	AMOUNT	QTY.	AMOUNT	
SCHEDULE 1.0 - STREET REPAIRS										
1	2104.5	REMOVE CONCRETE CURB AND GUTTER	LF	5000	2.70	19.1	\$51.57	3323.1	\$8,972.37	
2	2104.5	REMOVE CONCRETE WALK	SF	3300	0.87	0	\$0.00	2392	\$2,081.04	
3	2104.5	REMOVE BITUMINOUS PAVEMENT (FULL DEPTH)	SY	3200	2.36	0	\$0.00	1796.1	\$4,238.80	
4	2104.5	REMOVE CONCRETE PAVEMENT (FULL DEPTH)	SY	300	9.20	0	\$0.00	234.3	\$2,155.56	
5	2104.5	SAWING CONCRETE PAVEMENT (FULL DEPTH)	LF	300	5.12	4.3	\$22.02	4.3	\$22.02	
6	2104.5	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LF	8500	1.25	0	\$0.00	60	\$75.00	
7	2105.5	TOPSOIL BORROW (CV)	CY	850	13.20	0	\$0.00	0	\$0.00	
8	2211.5	AGGREGATE BASE CLASS 5	TON	1450	10.90	58.4	\$636.56	1439.72	\$15,692.95	
9	2231.5	MILL BITUMINOUS SURFACE (0-2" DEEP)	SY	12000	1.40	0	\$0.00	0	\$0.00	
10	2331.5	TYPE 41 WEARING COURSE MIXTURE	TON	1150	34.50	0	\$0.00	0	\$0.00	
11	2331.5	TYPE 41 WEARING COURSE MIXTURE (PATCHING)	TON	300	59.26	0	\$0.00	0	\$0.00	
12	2331.5	TYPE 31 BASE COURSE MIXTURE (PATCHING)	TON	350	47.99	349.1	\$16,753.31	349.1	\$16,753.31	
13	2521.5	4" CONCRETE WALK	SF	3300	3.85	3156.4	\$12,152.14	3156.4	\$12,152.14	
14	2531.5	CONCRETE CURB AND GUTTER DESIGN B618	LF	8000	8.75	7303.1	\$63,902.13	7303.1	\$63,902.13	
15	2531.5	6" CONCRETE DRIVEWAY PAVEMENT	SY	175	34.10	0	\$0.00	0	\$0.00	
16	2531.6	7" CONCRETE VALLEY GUTTER	SY	50	39.00	38.4	\$1,497.60	38.4	\$1,497.60	
17	2531.6	6" CONCRETE APRON	SY	150	34.00	352.8	\$11,995.20	352.8	\$11,995.20	
18	2537.5	BITUMINOUS MATERIAL FOR TACK COAT	GAL	700	1.12	365	\$408.80	365	\$408.80	
19	2563.6	TRAFFIC CONTROL	LS	1	5,000.00	0	\$0.00	0.5	\$2,500.00	
20	2575.5	SODDING TYPE LAWN	SY	7500	1.95	0	\$0.00	0	\$0.00	
21	SPEC	ADJUST CATCH BASIN FRAME AND CASTING	EA	4	275.00	2	\$550.00	2	\$550.00	
22	SPEC	RECONSTRUCT CURB INLET	EA	4	850.00	4	\$3,400.00	4	\$3,400.00	
23	SPEC	SUBGRADE STAND. PROCTOR TEST	EA	2	112.00	0	\$0.00	0	\$0.00	
24	SPEC	SUBGRADE DENSITY TEST, IN PLACE	EA	6	94.60	0	\$0.00	0	\$0.00	
25	SPEC	CLASS 5 GRADATION TEST	EA	2	83.40	0	\$0.00	0	\$0.00	
26	SPEC	CLASS 5 STAND. PROCTOR TEST	EA	2	112.00	-1	-\$112.00	0	\$0.00	
27	SPEC	CLASS 5 DENSITY TEST, IN PLACE	EA	6	83.50	-3	-\$250.50	0	\$0.00	
28	SPEC	CONCRETE TESTING	EA	4	222.50	4	\$890.00	4	\$890.00	
29	SPEC	BITUMINOUS NUCLEAR DENSITY TESTING	EA	6	105.65	0	\$0.00	0	\$0.00	
T	SCHEDULE 1.0 - STREET REPAIRS -- TOTAL							\$111,896.83		\$147,286.92

ITEM NO.	SPEC. REF.	DESCRIPTION	UNIT	CONTRACT ITEMS		THIS PERIOD		TOTAL TO DATE		
				QTY.	UNIT PRICE	QTY.	AMOUNT	QTY.	AMOUNT	
SCHEDULE 2.0 - ALLEY RECONSTRUCTION										
1	2101.5	CLEARING (36"<)	TREE	2	445.00	0	\$0.00	0	\$0.00	
2	2101.5	GRUBBING (36"<)	TREE	2	167.00	0	\$0.00	0	\$0.00	
3	2104.5	REMOVE CONCRETE CURB AND GUTTER	LF	100	19.35	0	\$0.00	295	\$5,708.25	
4	2104.5	REMOVE BITUMINOUS PAVEMENT (FULL DEPTH) (P)	SY	3500	2.45	1250	\$3,062.50	3500	\$8,575.00	
5	2104.5	REMOVE BITUMINOUS PAVEMENT (FULL DEPTH)	SY	750	3.50	55.8	\$195.30	417.2	\$1,460.20	
6	2104.5	REMOVE CONCRETE PAVEMENT (FULL DEPTH)	SY	175	11.90	0	\$0.00	66.3	\$788.97	
7	2104.5	SAWING CONCRETE PAVEMENT (FULL DEPTH)	LF	250	4.12	0	\$0.00	32	\$131.84	
8	2104.5	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LF	500	2.00	0	\$0.00	759	\$1,518.00	
9	2105.5	COMMON EXCAVATION (P)	CY	1675	13.15	7.8	\$102.57	1295.8	\$17,039.77	
10	2105.5	SUBGRADE EXCAVATION	CY	250	22.75	93.9	\$2,136.23	115.9	\$2,636.73	
11	2105.5	TOPSOIL BORROW (CV)	CY	300	19.70	0	\$0.00	0	\$0.00	
12	2105.6	SOIL STABILIZATION GEOGRID	SY	500	1.75	420.6	\$736.05	420.6	\$736.05	
13	2130.5	WATER FOR DUST CONTROL	M GAL	15	22.00	5	\$110.00	5	\$110.00	
14	2211.5	AGGREGATE BASE CLASS 5	TON	2200	13.45	707.1	\$9,510.50	925.12	\$12,442.86	
15	2211.6	AGGREGATE 2" CLEAR (100% CRUSHED)	TON	425	24.25	90.7	\$2,199.48	90.7	\$2,199.48	
16	2231.5	MILL BITUMINOUS SURFACE (1.5" DEEP)	SY	250	7.98	0	\$0.00	0	\$0.00	
17	2331.5	TYPE 41 WEARING COURSE MIXTURE	TON	410	40.70	0	\$0.00	0	\$0.00	
18	2331.5	TYPE 31 BASE COURSE MIXTURE	TON	385	37.00	315.45	\$11,671.65	315.45	\$11,671.65	
19	2503.5	12" RC PIPE SEWER DESIGN 3006 CLASS V	LF	330	32.00	336	\$10,752.00	336	\$10,752.00	
20	2503.6	CONNECT TO EXISTING MH (STORM)	EA	1	500.00	1	\$500.00	1	\$500.00	
21	2506.5	27" DIA CB - TYPE H	EA	1	2,450.00	2	\$4,900.00	2	\$4,900.00	
22	2531.5	CONCRETE CURB AND GUTTER DESIGN B616	LF	100	15.45	101.3	\$1,565.09	101.3	\$1,565.09	
23	2531.5	CONCRETE CURB AND GUTTER DESIGN SURMOUNTABLE	LF	100	15.45	61.4	\$948.63	61.4	\$948.63	
24	2531.5	6" CONCRETE DRIVEWAY PAVEMENT	SY	175	35.00	3.9	\$136.50	3.9	\$136.50	
25	2531.5	BITUMINOUS DRIVEWAY PAVEMENT	SY	450	14.80	0	\$0.00	0	\$0.00	
26	2531.6	7" CONCRETE VALLEY GUTTER	SY	15	40.00	0	\$0.00	0	\$0.00	
27	2531.6	6" CONCRETE APRON	SY	35	35.00	43.5	\$1,522.50	43.5	\$1,522.50	
28	2537.5	BITUMINOUS MATERIAL FOR TACK COAT	GAL	200	2.20	0	\$0.00	0	\$0.00	
29	2563.6	TRAFFIC CONTROL	LS	1	1,670.00	0.5	\$835.00	0.5	\$835.00	
30	2575.5	SODDING TYPE LAWN	SY	2000	2.50	0	\$0.00	0	\$0.00	
31	SPEC	SALVAGE AND REINSTALL ROCK GARDEN	SY	25	45.00	0	\$0.00	0	\$0.00	
32	SPEC	SUBGRADE STAND. PROCTOR TEST	EA	2	112.00	0	\$0.00	0	\$0.00	
33	SPEC	SUBGRADE DENSITY TEST, IN PLACE	EA	10	85.00	0	\$0.00	0	\$0.00	
34	SPEC	CLASS 5 GRADATION TEST	EA	2	85.00	0	\$0.00	0	\$0.00	
35	SPEC	CLASS 5 STAND. PROCTOR TEST	EA	2	112.00	0	\$0.00	0	\$0.00	
36	SPEC	CLASS 5 DENSITY TEST, IN PLACE	EA	6	85.00	0	\$0.00	0	\$0.00	
37	SPEC	CONCRETE TESTING	EA	2	223.00	0	\$0.00	0	\$0.00	
38	SPEC	BITUMINOUS NUCLEAR DENSITY TESTING	EA	6	106.00	0	\$0.00	0	\$0.00	
T	SCHEDULE 2.0 - ALLEY RECONSTRUCTION - TOTAL							\$50,864.00		\$86,178.52

ITEM NO.	SPEC. REF.	DESCRIPTION	UNIT	CONTRACT ITEMS		THIS PERIOD		TOTAL TO DATE	
				QTY.	UNIT PRICE	QTY.	AMOUNT	QTY.	AMOUNT

T	THIS AMOUNT THIS PERIOD-TOTAL						\$162,780.83		
T	TOTAL AMOUNT TO DATE-TOTAL								\$233,465.44

	TOTAL THIS PERIOD	TOTAL TO DATE
AMOUNT EARNED	\$162,780.83	\$233,465.44
AMOUNT RETAINED	\$8,139.04	\$11,673.27
MATERIAL ON SITE	\$0.00	\$0.00
MATERIAL DEDUCT.	\$0.00	\$0.00
PREVIOUS PAYMENTS		\$67,150.38
AMOUNT DUE	\$154,641.79	\$154,641.79

TOTAL P. 04

I hereby certify that all items and amounts shown by this pay estimate are correct for the work completed to date.

CONTRACTOR: HARDDRIVES, INC.

BY: [Signature]

TITLE: V.P.

DATE: 8-3-01

Based on the ENGINEER'S on-site inspections as an experienced and qualified design professional and on review of application for payment and the accompanying data and schedules, the ENGINEER has determined, to the best of his knowledge and belief, that the quantities shown by this estimate are correct and that, based on such inspections and review, that the work has progressed to the point indicated (subject to an evaluation of such work as a functioning Project upon Substantial Completion, to the results of any subsequent tests required by the Contract Documents, and to any qualifications stated in his recommendation), and that payment of the amount recommended is due Contractor's); but by recommending any payment, the ENGINEER will not thereby be deemed to have reviewed the means, methods, sequences, techniques, or procedures of construction or safety precautions or programs incident thereto or that the ENGINEER has made any examination to ascertain how or for what purpose any Contractor has used the monies paid on account of the Contract Price, or that title to any of the work, materials, or equipment has passed to the Owner free and clear of any lien, claims, security interests or encumbrances, or that the Contractor's) have completed their work exactly in accordance with the Contract Documents.

ENGINEER: HOWARD R. GREEN COMPANY

BY: [Signature]

TITLE: Project Engineer

DATE: 8-3-01

Approved by Owner/Commission

CITY OF FALCON HEIGHTS, MINNESOTA

BY: _____

TITLE: _____

DATE: _____

Consent 5
8/8/01

ITEM: Approval of final payment for a new fire pumper to Custom Fire Apparatus, Inc.

SUBMITTED BY: Heather Worthington, City Administrator

REVIEWED BY: Clem Kurhajetz, Chief, Falcon Heights Fire Department
Leo Lindig, Chair, Truck Committee

EXPLANATION:

Summary: The council is being asked to approve final payment of \$146,359.00 for the new fire pumper which will be delivered this week to city hall. Payment is required upon delivery per our contract with Custom Fire Apparatus, Inc.

Goal 1: To protect the public health and safety
Strategy 1: Provide public safety services to citizens

Background Information:

The 2001 Capital Improvement Budget allocated \$200,000 for the purchase of a new fire pumper. The additional \$5,890 will be paid out of Public Safety Capital. The pumper truck we will be replacing is 30 years old and has failed its pump test. The new truck will be 30 feet long, and able to negotiate the tight alleys in Lauderdale and Falcon Heights better than our other trucks. Custom Fire Apparatus Inc. expects to deliver the new truck within 180 days of the city signing a contract with them for the purchase.

ACTION REQUESTED:

Approve final payment in the amount of \$146,359.00 to Custom Fire Apparatus, Inc. for a new fire pumper truck.

Policy 1
8/8/01

ITEM: Adoption of Resolution 01-19 requesting MnDOT grant a variance to municipal state aid rules on construction requirements

SUBMITTED BY: Terry Maurer, City Engineer

REVIEWED BY: Heather Worthington, City Administrator

EXPLANATION:

Background: Falcon Heights and Fridley are the only two cities in the State of Minnesota that have their Municipal State Aid Street System certified. As a result, the City of Falcon Heights is able to use Municipal State Aid Funds for local street repairs.

Summary: Early in the design phase of the project, H.R. Green contacted the Department of Transportation about the process to qualify for funding and asked specifically what is involved in the plan approval process. At that time, they were told that plans did not need to be approved and funding approval could take place with the submittal of the initial pay request. As this situation is relatively rare, the people H.R. Green spoke with at the state had not had experience with this process.

H.R. Green recently submitted a pay request to the State for funding of the 2001 Street Repair Project. The response received was that plan approval is required prior to awarding the project, and in order for the Department of Transportation to process the pay request for funds for the project, the plans need to be approved by the State Aid Engineer. Since this project had been bid and let prior to approval by the State Aid Engineer, we are now required to obtain a variance to this procedure. As part of the variance process, the Department of Transportation requires that the City request this variance in the form of a resolution. This variance is a required formality in order to comply with state law. H.R. Green will forward the required materials along with a certified copy of this resolution to the Variance Committee for their September meeting.

ATTACHMENT

Resolution 01-19

ACTION REQUESTED:

Adopt Resolution 01-19 requesting MnDOT grant a variance to municipal state aid rules on construction requirements

CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION

Date: August 8, 2001

RESOLUTION REQUESTING MN/DOT GRANT
A VARIANCE TO MUNICIPAL STATE AID RULES ON
CONSTRUCTION REQUIREMENTS

WHEREAS, the City of Falcon Heights wishes to use a portion of its state-aid allocation on local streets not on an approved state-aid system, as allowed for under Minnesota Rules 8820.1800 subpart 2; and

WHEREAS, staff with the Minnesota Department of Transportation, State Aid for Local Transportation Division have reviewed the state-aid street system in Falcon Heights; and

WHEREAS, the Minnesota Department of Transportation certified the City of Falcon Heights State Aid routes for a period of 2-years as being complete and functional, on April 18, 2000 and

WHEREAS, Minnesota Rules 8820.3300 provides an opportunity to request a variance to the standards;

NOW, THEREFORE, BE IT RESOLVED that the City of Falcon Heights requests a variance from the construction requirements, as specified in Minnesota Rules 8820.2800, subpart. 2, only those projects for which final plans are approved by the state-aid engineer before opening bids or approving a force account agreement are eligible for state-aid construction funds, except as provided in subpart 8.

FURTHERMORE, the City of Falcon Heights indemnifies, saves, and holds harmless the state of Minnesota and its agents and employees of and from claims, demands, actions, or causes of action arising out of or by reason of the granting of this variance.

Moved by: Lindstrom

GEHRZ
KUETTEL 5 In Favor
LAMB
LINDSTROM 0 Against
TALBOT

Approved by: *Duncan J. Gehring*
Mayor
August 8, 2001
Date

Attested by: *Heather M. Worthington*
City Clerk
August 8, 2001
Date

ITEM: Adoption of a credit card policy for city employees

SUBMITTED BY: Roger Knutson, City Attorney

REVIEWED BY: Heather Worthington, City Administrator

EXPLANATION:

Summary: Newly enacted legislation requires cities to restrict the use of credit cards for city purchases only. While this has been our informal policy for many years, it is prudent to adopt a formal policy regarding credit card use.

Currently, the City Administrator and the Deputy Clerk are the only credit card holders in the city. These cards are utilized for city purchases only, and are paid off at the end of the month. The city also utilizes store credit for Target Stores (primarily Parks and Recreation supplies), SuperAmerica (gas for Public Works vehicles), Kinkos (for large printing jobs), and Office Max (office supplies). These card balances are paid off each month. City employees are authorized signers on these cards, and department heads must review and sign off on each statement. Receipts are also required by the finance director for verification of purchases.

Attached you will find a memo from the Office of the State Auditor, outlining the requirements of Minnesota Statute 471.382, enacted by the Minnesota State Legislature in the 2001 session.

ATTACHMENTS:

Letter from Roger Knutson, City Attorney
Draft Policy
Memo from the OSA
Copy of Minnesota Statute 471.382 (SF 509)

ACTION REQUESTED:

Adopt the credit card policy, and incorporate it into the city's Administrative Manual, as paragraph K under Section IV, FINANCE.

CAMPBELL KNUTSON

Professional Association
Attorneys at Law

(651) 452-5000
Fax (651) 452-5550

Direct Dial: (651) 234-6215
E-mail Address: rknutson@ck-law.com

JUL 12 2001

Thomas J. Campbell
Roger N. Knutson
Thomas M. Scott
Elliott B. Knetsch
Joel J. Jamnik
Andrea McDowell Poehler
Matthew K. Brokl*

John F. Kelly
Matthew J. Foli
Soren M. Mattick
Marguerite M. McCarron
Gina M. Brandt

*Also licensed in Wisconsin

July 11, 2001

Ms. Heather Worthington
City of Falcon Heights
2077 W. Larpenteur Avenue
Falcon Heights, MN 55113-5594

RE: CREDIT CARD POLICY

Dear Heather:

Enclosed please find the credit card policy you requested. I suggest it be placed in the City's Administrative Manual as new paragraph K under Section IV, FINANCE. Also enclosed for you information is a memo from the State Auditor's Office and the Minnesota Session Law on the subject.

Regards,

CAMPBELL KNUTSON
Professional Association

BY: _____

Roger N. Knutson

RNK:srn
Enclosures

K. CREDIT CARD POLICY

1. PURPOSE

The credit card policy provides the city with the convenience and flexibility of using a credit card as a method of payment while assuring the city has implemented the proper safeguards for utilizing a credit card as a payment option.

2. POLICY

Only employees in the following positions may use the city's credit card: City Administrator and Deputy Clerk. Employees that are authorized to use the city's credit card shall retain all receipts and invoices upon making a purchase and shall file them with the financial director within twenty (20) days.

The city's credit card shall not be used for personal purchases. The city's credit card shall only be used to pay for authorized public expenditures, including authorized travel expenditures.

The city will pay off the credit card charges in full on a monthly basis. The city council shall review all credit card statements.

3. IMPLEMENTATION

The city has obtained a credit card.

CREDIT CARD USE

by David Kenney and Brenda Trembl
Office of the State Auditor

During the 2001 regular session, the Minnesota Legislature passed a law authorizing cities to make purchases using credit cards. As cities decide whether to use this purchase/payment method, statutory restrictions should be considered minimum restrictions. A comprehensive credit card policy should be adopted that implements statutory requirements as well as good management practices and minimum internal controls.

Newly enacted Minn. Stat. § 471.382 authorizes and restricts the use of credit cards by cities. The use of a credit card is restricted to purchases for the city. Pursuant to the language of the statute, city credit cards should be used only by those employees and officers of the city otherwise authorized to make city purchases.

Since use of the credit card is restricted to purchases for the city, no personal use is permitted. The statute further provides that if officers and employees make purchases for the city that are not authorized by the city council, they become personally liable for the amount of the purchase.

Minnesota Statutes § 471.382 further requires that the use of a credit card must be consistent with other state law. For example, Minn. Stat. §§ 412.271, subd. 2 and 471.38 require that claims presented for payment be in writing and itemized. Bills received from a credit card company lack sufficient detail to comply with these statutory sections. Therefore, cities must also have the invoices and receipts needed to support the items charged in the bill from the credit card company.

Further, the use of credit cards would require the city to act in compliance with Minnesota chapter 475. This statutory chapter governs the issuance of debt by public entities and a number of restrictions attached to the issuance of any obligation. Newly enacted Minn. Stat. § 471.382 was not intended to be another method of creating debt for the city, but rather authorizes another type of payment method. Therefore, it is incumbent on cities to adopt a policy of paying off credit card charges on a monthly basis. This statute does not authorize the creation of a new form of debt for the city.

In addition to the statutory restrictions on the use of credit cards, the OSA strongly urges cities to develop a comprehensive credit card policy providing other safeguards for the city. A comprehensive policy should:

1. Identify the employees and officers who are authorized to make purchases on behalf of the city and are eligible to use the card;
2. Identify the particular purchases that are to be made with the credit card;
3. Set up a review process for all purchases made with the credit card;
4. Prohibit the use of a city credit card for personal purchases; and

5. Require supporting documentation.

In addition, the city may want to restrict the total amount of charges that can be made on city credit cards. This will help limit the city's exposure to theft or other improper use of the city credit card.

The ability to use a credit card for small purchases in the ordinary course of business may be advantageous to the city. However, the ability of a card holder to make the city liable for an improper or illegal purchase is an inherent risk associated with credit cards. Compliance with the requirements of the statute and the adoption of and adherence to a policy implementing further internal controls will greatly reduce the city's exposure to loss of public funds through theft or misuse of a city credit card.



Minnesota Session Laws

Minnesota Session Laws - 2001

NOTE: This document DOES NOT represent a copy of the official publication of 2001 Session Laws.

Key: ~~language to be deleted~~...new language Change language enhancement display.

Legislative history and Authors

CHAPTER 13-S.F.No. 509

An act relating to local government; authorizing the use of credit cards by city and town officers and employees; providing for payment of city and county obligations by electronic transfer or credit card; authorizing electronic approvals; amending Minnesota Statutes 2000, section 471.38, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 471.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2000, section 471.38, subdivision 1, is amended to read:

Subdivision 1. [ITEMIZATION; DECLARATION.] Except as provided in subdivision 2, where an account, claim or demand against any county, local social services agency, county board of education for unorganized territory, school district, town or home rule charter city of the second, third or fourth class, or any park district, for any property or services can be itemized in the ordinary course of business, the board or officer authorized by law to audit and allow claims shall not audit or allow the claim until the person claiming payment, or the person's agent, reduces it to writing or an electronic transaction record, in items and signs a declaration to the effect that such account, claim, or demand is just and correct and that no part of it has been paid. The board or officer may in its discretion allow a claim prepared by the clerk or secretary of such board or officer prior to such declaration by the claimant if the declaration is made on the check or order-check by which the claim is paid, as provided in section 471.391, subdivision 2.

Sec. 2. [471.381] [CITY AND COUNTY OBLIGATIONS AND PAYMENTS.]

Subdivision 1. [PAYMENT METHODS.] Payments of claims and obligations of a statutory or home rule charter city or county may be made by warrant, check, or all forms of electronic or wire funds transfer. If the city or county may make investments, it may make electronic or wire transfers of funds notwithstanding any other law to the contrary.

Subd. 2. [AUTHORITY TO ACCEPT PAYMENT BY CREDIT CARD OR OTHER METHODS.] A statutory or home rule charter city or a county may accept payment by use of a credit card, debit card, or all forms of electronic or wire funds transfer. Subject to any other law to the contrary, the city or county may add to the amount due a service charge for the acceptance of a payment method authorized in this subdivision. The city or county shall

adopt policies and procedures regarding the payments. The payment of property taxes by credit card is subject to section 276.02.

Subd. 3. [ELECTRONIC APPROVAL.] "Electronic approval" means any electronic identifier intended by the person making, executing, or adopting it to authenticate and validate a city or county administrative action. Notwithstanding any other general or special law to the contrary, a statutory or home rule charter city or a county may use electronic approvals, which have the same validity and consequences as an actual signature. The city or county must establish policies and procedures to ensure the validity of electronic approvals.

Sec. 3. [471.382] [CREDIT CARDS.]

A city council or town board may authorize the use of a credit card by any city or town officer or employee otherwise authorized to make a purchase on behalf of the city or town. If a city or town officer or employee makes or directs a purchase by credit card that is not approved by the city council or town board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or city or town policy applicable to city or town purchases.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment.

Presented to the governor April 4, 2001

Signed by the governor April 6, 2001, 10:14 a.m.

ITEM: Approval of amended preliminary development agreement with Sherman Associates, Inc. for the redevelopment of the Southeast corner of Snelling and Larpenteur Avenues, the Northome Shopping Center

SUBMITTED BY: Heather Worthington, City Administrator

**REVIEWED BY: Roger Knutson, City Attorney
Jim Prosser, Ehlers & Associates**

EXPLANATION:

Summary: The Council is being asked to approve an amended preliminary development agreement with Sherman Associates, Inc., for the redevelopment of the Southeast corner of Snelling and Larpenteur Avenues, also known as the Northome Shopping Center.

This agreement will be in effect for six months from the date of adoption. On page two of the agreement, there is a contemplated development schedule. The dates have yet to be decided on this schedule, however, the developer will submit the schedule to the city prior to final signatures being obtained from both parties.

The agreement was amended by Sherman Associates after initial approval by the City Council and the attached document shows the changes in boldface.

ATTACHMENT:

Preliminary development agreement--amended

ACTION REQUESTED:

Approve the amended preliminary development agreement with Sherman Associates, Inc., for the redevelopment of the Southeast corner of Snelling and Larpenteur Avenues, the Northome Shopping Center.

PRELIMINARY DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF FALCON HEIGHTS

AND

SHERMAN ASSOCIATES, INC.
(Northome Shopping Center Redevelopment Project)

This document drafted by:

BRIGGS AND MORGAN
Professional Association
2200 First National Bank Building
St. Paul, Minnesota 55101

PRELIMINARY DEVELOPMENT AGREEMENT

THIS AGREEMENT, made and entered into as of the 25th day of July, 2001, by and between THE CITY OF FALCON HEIGHTS, MINNESOTA, a Minnesota municipal corporation (the "City") and SHERMAN ASSOCIATES, INC. a Minnesota corporation (the "Developer").

BACKGROUND

The purpose of this Agreement is to set forth the preliminary understandings between the parties with respect to the development of certain property located in the City as depicted in Exhibit A attached hereto and legally described therein (the "Development Property").

BASIC TERMS AND CONDITIONS

The following is a list of the terms and conditions under which the Developer will proceed on an exclusive basis for the term of this Agreement to structure and develop in coordination with the City a definitive development agreement for the Project (as defined in paragraph 3 below) and is intended to define the responsibilities and roles of the respective participants regarding the proposed development of the Development Property.

1. Development Property. The property to be developed is the property described in Exhibit A. The Development Property equals the land together with all improvements and structures located on the land and easements and rights benefiting or appurtenant to the land. The exact dimension and square footage of the Development Property shall be determined by survey. The parties agree that the Development Property may be enlarged to include other lands at the mutual agreement of the parties.

2. Undertaking and Exclusive Rights. In consideration of the time, effort and expenses to be incurred by the Developer in pursuing the undertakings set forth herein and in further consideration of the amount of \$20,000 \$15,000 to be paid to the City, the receipt of which is hereby acknowledged, the City hereby agrees that for the term of this agreement it will not: (i) provide or enter into an agreement for provision of financial assistance to any third party in connection with any proposed development of the Development Property; and (ii) condemn or agree to proceed with the condemnation of all or any part of the Development Property to assist or facilitate development within such area by a third party. During such period the Developer shall have the exclusive right to work with the City in establishing a definitive development agreement for the Development Property. Said exclusive rights shall continue, unless earlier terminated as provided herein, for a period of ~~six (6)~~ ten (10) months from the date hereof, or until such later date as the parties may otherwise mutually agree. The \$5,000 above-described application fee paid by the Developer under this Agreement is intended to defray the administrative costs incurred by the City in connection with the negotiation, drafting, and approval of the development agreement, including any consultant fees or expenses incurred by the City in establishing a tax increment financing district to assist the Project, and any unused portion will be refunded to the Developer within ninety (90) days from the termination of this Agreement.

3. The Project. The "Project" will consist of the development of the Development Property by the Developer and may include, but not be limited to, the development of 60 units senior rental, 120 units ~~marketing~~ market rental units, 20-25 town homes and 10,000 square feet of retail space.

4. Public Assistance. In order to achieve the foregoing multi-use Project, it is anticipated that the definitive development agreement will contain provisions addressing a variety of forms of public assistance, which may be necessary in order to accomplish the Project. No commitment is presently being made to provide any form of public assistance. Examples of public assistance that may ultimately be agreed upon in the development agreement include, but are not limited to, the following:

(a) **Site Assembly.** The City may consider acquiring some or all of the Development Property based upon terms and conditions contained in the development agreement. Acquisition may be through negotiated purchase, or condemnation or a combination of both. Acquisition by the City shall be considered only after the Developer has demonstrated good faith efforts to purchase the property, and these efforts have been unsuccessful;

(b) **Grant.** The City, as well as other outside sources may be requested to provide grant(s) in the form of cash at closing to permit the Developer to develop the Project. The City will cooperate with the Developer in any efforts to secure such grants or similar funding from parties other than the City;

(c) **Tax Increment Financing.** The City may initiate proceedings to create a tax increment financing district encompassing the Development Property for the purpose of providing tax increment assistance to the Project; and

(d) **Debt.** The City may be asked to provide certain loans to the Developer to support the Project. Any agreement by the City to make such loans will be subject to the absolute discretion of the City and will also depend upon a clearly available source of funding, and appropriate security.

5. Developer's Proposed Use, Minimum Improvements. The minimum improvements to the Development Property will be completed pursuant to design plans that are approved by the City in accordance with the development agreement.

6. Ownership. It is expected that the Development Property and the improvements to be constructed thereupon in accordance with the development agreement will **provide that the retail and rental housing portion of the Project will** be owned by the Developer or its successors and assigns **and that certain town homes will be sold by the Developer or its assigns to others.**

7. Contemplated Development Schedule. ~~The contemplated Development Schedule is as follows:~~

Preliminary Development Agreement: On or before _____, 20__ (Final)
Development Agreement. The development agreement shall be entered into within ten (10)

months from the date hereof and shall include a development schedule with dates for securing necessary land use approvals, site control, initiation and completion of construction and occupancy. On or before _____, 20__

Closing Date: On or before _____, 20__

Construction Commencement Date: On or before _____, 20__

Construction Completion Date: On or before _____, 20__

8. Contingencies. The development agreement shall provide that the Developer is not obligated undertake the Project described therein, unless and until all the following conditions are either satisfied, or waived in writing by the Developer:

(a) Creation of a tax increment financing district encompassing the Development Property and agreement between the City and the Developer as to the portion of tax increment to be generated by the Development Property that will be made available to the Developer;

(b) The acquisition of all or part of the Development Property by direct purchase or condemnation, on such terms and conditions as are agreed to in the development agreement. Developer understands and agrees that any obligation on the part of the City to acquire all or a part of the Development Property is contingent upon the City's prior approval and execution of an acceptable development agreement;

(c) Acceptance by the Developer of a Phase I and, if necessary, Phase II environmental assessment and all other environmental and wetland reports and surveys certified to the Developer and its lender, deemed necessary by the City and the Developer for all or a portion of the Development Property, which reports and surveys must be satisfactory to the City and the Developer;

(d) The City and the Developer shall have obtained all necessary governmental approvals for the Project, including but not limited to any necessary watershed district approvals;

(e) All zoning modifications, rezoning approvals and conditional use permits necessary to allow the Project to move forward shall have been granted;

(f) The title commitment for the Development Property shall have been found acceptable to the Developer in its sole discretion;

(g) Testing results are deemed satisfactory to the Developer in its sole discretion, including, but not limited to, soils, well, engineering, hazardous waste, and environmental reviews;

(h) Financing acceptable to the Developer is committed for the Project; and

(i) Agreement by the City to cooperate with the Developer's lender and HUD and to execute any and all reasonable documents including typical subordination documents with respect to said lenders or any replacement lenders.

9. Termination. This agreement may be terminated by the City or the Developer in the event the ~~Project is not proceeding in accordance with the Development Schedule~~ **development agreement is not entered into within the time period** set forth in paragraph 7 hereof.

10. Legislative Judgment. The Developer understands that many of the actions which the City may be called upon to take require its reasonable discretion, and in some instances, its legislative judgment. Such actions may only be made following established procedures, and the City cannot agree, in advance, to any specific decision in such matters.

11. Consultants to be Retained. The City intends to retain the services of Ehlers & Associates, Inc. upon the execution of this Agreement. Ehlers & Associates, Inc. is being retained to assist the City in the technical matters such as project management, financial feasibility, district creation, certification and sizing, tax increment calculations, "but-for" analysis, and other factors pertaining to any claim for economic assistance.

12. Notices. All communications shall be directed to the Developer at:

Sherman Associates, Inc.
1525 South Fourth Street, #200
Minneapolis, MN 55454
Attention: George Sherman

All communications shall be directed to the City at:

City of Falcon Heights
City Hall
2077 Larpenteur Avenue West
Falcon Heights, MN 55113-5551
Attention: Heather Worthington

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date and year first above written.

SHERMAN ASSOCIATES, INC.

THE CITY OF FALCON HEIGHTS

By: _____
Its: _____

By: _____
Its: _____

Signature Page for Preliminary Development Agreement (Northhome Shopping Center Redevelopment Project).

EXHIBIT A

Legal Description of Development Property

Parcel Numbers for Falcon Heights TIF District No. 1-3

22-29-23-22-0061

22-29-23-22-0060

22-29-23-22-0059

22-29-23-22-0051

22-29-23-22-0050

22-29-23-22-0049

22-29-23-22-0048

22-29-23-22-0047

22-29-23-22-0046

22-29-23-22-0045

22-29-23-22-0044

22-29-23-22-0043

22-29-23-22-0042

22-29-23-22-0041

22-29-23-22-0058

22-29-23-22-0057

22-29-23-22-0056

22-29-23-22-0055

22-29-23-22-0054

22-29-23-22-0053

22-29-23-22-0052[INSERT]

*City of Falcon Heights
Budget Meeting*

**THERE WILL BE A BUDGET MEETING AT 6:00 P.M.,
AUGUST 15, 2001 AT THE CITY HALL, 2077 W.
LARPEN TEUR AVE.**