

FILE

City of Lake Elmo  
City Council Workshop  
3800 Laverne Avenue North  
Lake Elmo, MN 55042  
July 19, 2011

5:30 p.m. – 6:30 p.m. (?)

Proposed Agenda\*

Agenda

1. Permanent Water Chlorination
2. Fire Department Issues
3. Adjourn

Future Workshop Ideas:

Establishing an EDA Solid Waste Collection

Home Occupation Ordinance

Environmental Issues – Council Member Emmons

Special Activities and Events Ordinance

Highway 36 Corridor Joint Discussion with Oak Park Heights City Council  
(Proposed August meeting)

**AMENDED AGENDA**

City of Lake Elmo  
3800 Laverne Avenue North  
Lake Elmo, Minnesota

**July 19, 2011**

7:00 p.m.

- A. CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE:
- C. ATTENDANCE: \_\_\_ Johnston \_\_\_ Emmons, \_\_\_ Park \_\_\_ Pearson \_\_\_ Smith
- D. APPROVAL OF AGENDA: (The approved agenda is the order in which the City Council will do its business.)
- E. ORDER OF BUSINESS: (This is the way that the City Council runs its meetings so everyone attending the meeting or watching the meeting understands how the City Council does its public business.)
- F. GROUND RULES: (These are the rules of behavior that the City Council adopted for doing its public business.)
- G. ACCEPT MINUTES:
  - 1. Accept July 5, 2011 City Council Minutes
- H. PUBLIC COMMENTS/INQUIRIES: In order to be sure that anyone wishing to speak to the City Council is treated the same way, meeting attendees wishing to address the City Council on any items NOT on the regular agenda may speak for up to three minutes.
- I. CONSENT AGENDA: (Items are placed on the consent agenda by City staff and the Mayor because they are not anticipated to generate discussion. Items may be removed at City Council's request.)
  - 2. Approve payment of disbursements and payroll
  - 3. 2011 Seal Coat Pay Request No. 1,
  - 4a. 2010 Street & Water Utility Improvements Final Payment
    - b. 2011 Street & Water Quality Improvements Pay Request No. 1
  - 5. Award Contract for the 2011 Rain Gardens (13 total)
  - 6. Ordinance No. 08-048 Relating to the State Building Code to Include the National Electrical Code
  - 7. Electrical Inspection Services Agreement
  - 8. 2011 Fee Schedule Amendment
  - 9. Approve Variance for 9940 59<sup>th</sup> Street Court to allow a 3,800 sq.ft. building to be internally flood-proofed
  - 10. Approve Engineering Services Agreement

J. REGULAR AGENDA:

11. Recognizing Jim Sachs Retiring from the Lake Elmo Fire Dept.
12. Accept Audit Report
13. HEARING: Appeal from Robert and Jodi Konop, 12418 Marquess Way North re:denial of a fence permit
14. Request for extension to file a Preliminary Development Plan related to a Senior-Living/Farm School Project at 9434 Stillwater Blvd.
15. Variance for 5761 Keats Avenue to allow the construction of a second agricultural farm building
16. Hotel/Motel Commercial Water Rates – Update/Discussion
17. Lake Elmo Library Services – Update/Discussion on Taxing District
18. Consider Ordinance to apply “No Wake” Zone

K. REPORTS AND ANNOUNCEMENTS:

(These are verbal updates and do not have to be formally added to the agenda.)

- Mayor and City Council
- Administrator – Update on Springsted
- City Engineer
- Planning Director

L. Adjourn

\*\*A social gathering may or may not be held at the Lake Elmo Inn following the meeting.\*\*

City of Lake Elmo  
City Council Meeting Minutes

July 5, 2011

Mayor Johnston called the meeting to order at 7:04 p.m.

PRESENT: Mayor Johnston and Council Members Emmons, Park, Pearson, and Smith

Also Present: Administrator Messelt, Attorney Sandstrom, and City Engineer Griffin, Planning Director Klatt, Finance Director T. Bouthilet, Parks and Public Works Superintendent M. Bouthilet, Recording Secretary Luczak

APPROVAL OF AGENDA:

Mayor Johnston suggested that the discussion on the commercial water rates be continued at the July 19, 2011, Council Workshop.

Council Member Smith requested that the Staff involved in the billing of the water bills be in attendance to answer any questions and concerns.

Council Member Park requested that this item should then be placed on the July 19, 2011, Council Workshop and then Council Agenda for final action.

*MOTION: Council Member Emmons moved to approve the July 5, 2011 City Council Agenda as amended by deleting Commercial Water Rates and Library Services. Council Member Pearson seconded the motion. The motion passed 5-0.*

ACCEPTED MINUTES:

*The June 21, 2011, City Council minutes were accepted as amended by consensus of the City Council.*

PUBLIC COMMENTS: None.

CONSENT AGENDA:

*MOTION: Council Member Pearson moved to approve Items 3 & 4 as presented on the Consent Agenda. Council Member Emmons seconded the motion. The motion passed 5-0.*

- Accepted Susan Dunn's Resignation from the Parks Commission and move John Ames to Full Voting Member and Steve DeLapp to First Alternate
- Authorized Purchase of Animal Control Equipment



## REGULAR AGENDA:

Approve Payment of Disbursements in the Amount of \$64,261.64

Council Member Smith updated the City Council regarding the Fire Equipment and Repair claims. She asked about City policy regarding prepayment of services not yet provided to FXL, Inc., the repair work at the VFW Field and the City Hall Annex.

Finance Director T. Bouthilet provided clarification regarding the claims.

*MOTION: Council Member Smith moved to approve Payment of Disbursements in the amount of \$64,261.64. Council Member Park seconded the motion. Motion passed 5-0.*

Huff n' Puff Proclamation

Council Member Pearson read the Lake Elmo Jaycees Proclamation proclaiming August 11-14, 2011, as Huff n' Puff Days in the City of Lake Elmo.

Consider Approval of a Temporary On-Sale Liquor License for Lake Elmo Jaycees Huff n' Puff Days and Waive the Fees for the Liquor License and Lions Park Ball Field Lights

City Administrator Messelt requested the City Council to consider its annual 1 to 4 day temporary On-Sale liquor license for the Lake Elmo Jaycees Huff n' Puff Days, and to also waive the liquor license fee and the fee for the Lions Park ball field lights.

The Lake Elmo Jaycees informed the City Council that this was their 35<sup>th</sup> Annual Huff n' Puff Days, and registration for the Softball Tournament had already begun. The Jaycees have also received National level awards for the adult flashlight Easter Egg Hunt for Relay for Life, and will again be participating in the Lake Elmo Fall Festival with a Cake Walk.

*MOTION: Council Member Smith moved to approve the temporary On-Sale liquor license for the Lake Elmo Jaycees Huff n' Puff Days, August 11-14, 2011, and waive the fees for the liquor license and Lions Park ball field lights. Council Member Pearson seconded the motion. The motion passed 5-0.*

Review of Code Interpretation Concerning a Proposed Covered Walkway as 7955 Hill Trail Court; Resolution No. 2011-024

Planning Director Klatt requested the City Council, acting as the Board of Appeals, conduct an Appeal Hearing regarding Staff's interpretation of the City Code related to the applicant's proposed construction at 7955 Hill Trail Court, and specifically, whether or not the proposed project is in conformance with the existing regulations as written. He explained to the City Council that the applicants' proposal to construct a modified entrance to their home is in conflict with City Code standards regarding allowable encroachments into the setback area. He further explained that historic street vacation

actions have resulted in an unusual situation that has created the issue with Staff's interpretation of "front yard".

Mayor Johnston stated he concurred with the applicants regarding the health and safety issue of the covered steps.

Council Member Smith inquired as to whether the applicants could proceed with a zoning variance application under the new variance standards recently adopted by the legislature and proposed for adoption by the City later on the Agenda.

Council Member Park suggested that the Council could define the proposed improvements as steps rather than a deck and therefore become an allowable encroachment.

Council Member Emmons commented that the proposed action may be better as a variance to overcome issues of precedent for the Staff.

Attorney Sandstrom stated that the issue before the Council appears to be more of a variance matter than a Staff interpretation.

Appeal Hearing opened at 7:49 p.m.

City Planner read into the record a letter from the adjoining neighbors, Veronica and Allen Siedle, in support of the applicants' proposal.

Property owner Jim Norton stated that they had a survey done and another improvement to their home in recent years and no mention was made of setback issues or yard definition.

Property owner Pam Beytien further advised that the proposal to cover the proposed entry steps was to overcome ice buildup on the steps.

Appeal Hearing closed at 7:58 p.m.

Council Member Smith stated that this situation was unique but that Staff interpretation was correct based on the City Code and prior similar interpretation by Staff. She said she would prefer that the City Council handle this as a variance.

City Attorney Sandstrom said he agreed that if the improvements were called steps rather than a deck, this issue could be handled without a variance.

The Council reviewed the current configuration of the lot and determined that, based on the historical platting of this area and the current location of the home, that the northern property line should continue to function as the front property line for purposes of determining building setbacks.

MOTION: Council Member Smith moved to approve Resolution No. 2011-024, stating Findings of Fact related to an Appeal and overturning the Staff determination that the western property line is in the front lot line and instead specifying that the northern property line is the front property line for this parcel. Council Member Park seconded the motion. Motion passed 5-0.

#### Variance Ordinance Amendments

Planning Director Klatt requested City Council approval of proposed changes to the Administrative Section of the Zoning Ordinance. The proposed update of the section of code reflects the recent changes the Minnesota State Legislature made to the City's statutory authority to grant variance.

*MOTION: Council Member Park moved to approve Ordinance No. 08-047 amending the "Administrative" section of the Zoning Ordinance concerning Variances as recommended by the Planning Commission and Resolution No. 2011-025 allowing summary publication of the Ordinance. Council Member Smith seconded the motion. The motion passed 5-0.*

#### City Engineering Services – Discussion of Discontinuation of Services

City Administrator Messelt requested the City Council provide direction regarding the recent notification by TKDA, effective immediately, of their intention to discontinue Engineering Services to the City, with a transition. He also presented options for City engineering services, including a scoring of the several options.

Mayor Johnston stated that there is a value with long term relationships with city consultants. He suggested that any new relationship entered into by the City for engineering services extend to the end of this year but include a City option for a 3 year extension.

*MOTION: Council Member Emmons moved to direct City Staff to initiate a transition and selection initiative for City Engineering Services, as agreed upon at the July 5, 2011, Council meeting. Mayor Johnston seconded the Motion. Motion passed 5-0.*

#### City Council Meeting Calendar For August 2011

City Administrator Messelt requested the City Council discuss the scheduled meeting dates for August 2011 due to recent changes by the Council relating to Workshops, the five Tuesdays in August, accommodating the summer activities and schedules. The City also received a request from the City of Oak Park Heights City Council to convene a joint meeting to discuss the Highway 36 Corridor.

City Council Smith stated she could have a potential conflict on August 9, 2011, proposed meeting date and would prefer August 3<sup>rd</sup> and 23<sup>rd</sup> as meeting dates.

*MOTION: Mayor Johnston moved to modify and approve the Lake Elmo City Council Calendar to schedule a Workshop and Regular Meeting for both August 9<sup>th</sup> and 23<sup>rd</sup> and to cancel the previously scheduled August 3<sup>rd</sup> Meeting. Council Member Park seconded the motion. Motion passed 5-0.*

The Council directed Administrator Messelt to contact the Oak Park Heights Administrator and provide them alternate dates adopted by the Council.

#### Replace and Upgrade Field Lighting at Lions Park

Public Works Director Bouthilet requested authorization to contract for replacement and upgrade to the ball field lighting at Lions Park. The equipment and lights are over 35 years old, and CIP funds are available.

Council Member Pearson asked if grants were available for this project.

Parks and Public Works Superintendent M. Bouthilet responded that there probably were but were for LED lights only, and LED lights are not suitable for recreation fields.

*MOTION: Council Member Park moved to authorize a contract with Weber Electric for \$14,900 to replace the lights and control junction boxes at Lions Park. Council Member Pearson seconded the Motion. Motion passed 5-0.*

#### City Council Reports:

Council Member Emmons reported that he had met with the Fire Dept.

Council Member Smith asked Parks and Public Works Superintendent M. Bouthilet about possible No Parking signs being posted by Carriage Station Park. She expressed safety concerns for residents leaving their private driveways.

Parks and Public Works Superintendent M. Bouthilet stated signs were available.

City Administrator Messelt said that this matter would be placed on a Consent Agenda at a future meeting.

Council Member Smith also requested a report on the total cost of the monument sign on Keats Avenue.

Administrator Messelt said a report would be prepared for the Council now that all the costs are known.

Council Member Pearson requested tracking information on responses to the Lake Elmo Park Reserve.

Council Member Park thanked the Administration regarding the library matters.

City Planner Klatt informed the Council that an Appeal Hearing and two variance applications had been received.

City Engineer Griffin updated the Council that the 2011 Street Project had the first level already down, and the Rain Gardens had received final plans from the Washington County Conservation District.

The City Council adjourned the meeting at 8:43 p.m.

Respectfully submitted by Carole Luczak, Recording Secretary



# MAYOR & COUNCIL COMMUNICATION

DATE: 07/19/2011  
CONSENT  
ITEM #: 2  
MOTION *as part of Consent Agenda*

**AGENDA ITEM:** Approve Disbursements in the Amount of \$ 225,848.80

**SUBMITTED BY:** Tom Bouthilet, Finance Director

**THROUGH:** Bruce Messelt, City Administrator *BAM*

**REVIEWED BY:** City Staff

---

**SUMMARY AND ACTION REQUESTED:** As part of its Consent Agenda, the City Council is asked to approve disbursements in the amount of \$225,848.80 No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**BACKGROUND INFORMATION:** The City of Lake Elmo has fiduciary authority and responsibility to conduct normal business operation. Below is a summary of current claims to be disbursed and paid in accordance with State law and City policies and procedures.

Claim #	Amount	Description
ACH	\$ 7,571.75	Payroll Taxes to IRS 07/14/2011
ACH	\$ 1,275.07	Payroll Taxes to MN Dept. of Revenue 07/14/2011
ACH	\$ 3,867.07	Payroll Retirement to PERA 07/14/2011
DD3425 – DD3461	\$ 25,203.23	Payroll Dated 07/14/2011 (Direct Deposit)
37257 – 37264	\$ 17,269.44	Payroll Dated 07/14/2011
37265 – 37314	\$ 170,662.24	Accounts Payable Dated 07/19/2011
<b>TOTAL</b>	<b>\$ 225,848.80</b>	

**STAFF REPORT:** City staff has complied and reviewed the attached set of claims. All appears to be in order and consistent with City budgetary and fiscal policies and Council direction

**RECOMMENDATION:** It is recommended that the City Council approve as part of the Consent Agenda proposed disbursements in the amount of \$225,848.80

Alternatively, the City Council does have the authority to remove this item from the Consent Agenda or a particular claim from this item and further discuss and deliberate prior to taking action. If done so, the appropriate action of the Council following such discussion would be:

**“Move to approve the July 19th, 2011, Disbursements, as presented [*and modified*] herein.”**

**ATTACHMENTS:**

1. Accounts Payable Dated 07/19/2011

**SUGGESTED ORDER OF BUSINESS (if removed from the Consent Agenda):**

- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

# Accounts Payable To Be Paid Proof List

User: joan z  
 Printed: 07/14/2011 - 12:36 PM  
 Batch: 002-07-2011

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
ALEXAIR Alex Air Apparatus, Inc 20116	07/13/2011	70.08	0.00	07/19/2011	Replacement parts for SCBA's		-			No 0000
101-420-2220-44040	Repairs/Maint Eqpt									
	20116 Total:	70.08								
	ALEXAIR Total:	70.08								
AMDAHL Amdahl Chris 8233	07/04/2011	83.40	0.00	07/19/2011	6 Primus Keys		-			No 0000
101-410-1940-44010	Repairs/Maint Contractual Bldg									
	8233 Total:	83.40								
	AMDAHL Total:	83.40								
ANCOM ANCOM COMMUNICATIONS, INC. 23311	06/30/2011	105.00	0.00	07/19/2011	Pager Repair		-			No 0000
101-420-2220-43230	Radio									
	23311 Total:	105.00								
	ANCOM Total:	105.00								
ARAM Aramark, Inc. 629-7274413	06/30/2011	21.29	0.00	07/19/2011	Uniforms		-			No 0000
101-430-3100-44170	Uniforms									
	629-7274413 Total:	21.29								
629-7276202	07/04/2011	115.38	0.00	07/19/2011	Linen City Hall		-			No 0000
101-410-1940-44010	Repairs/Maint Contractual Bldg									
	629-7276202 Total:	115.38								
629-7280913	07/11/2011	75.99	0.00	07/19/2011	Monthly rug service, station #2		-			No 0000
101-420-2220-44010	Repairs/Maint Bldg									
	629-7280913 Total:	75.99								
629-7280914	07/11/2011	75.31	0.00	07/19/2011	Monthly rug service, station #1		-			No 0000
101-420-2220-44010	Repairs/Maint Bldg									
	629-7280914 Total:	75.31								



Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
ARAM Total:		287.97								
ASPENMI Aspen Mills, Inc.										
105900	02/21/2011	42.59	0.00	07/19/2011	Collar Brass		-		No	0000
101-420-2220-44170	Uniforms									
105900 Total:		42.59								
ASPENMI Total:		42.59								
BIFFS Biffs Inc.										
Multiple	06/29/2011	612.89	0.00	07/19/2011	Portable Restrooms		-		No	0000
101-450-5200-44120	Rentals - Buildings									
Multiple Total:		612.89								
BIFFS Total:		612.89								
BURBBLAC Burberl Black Dirt, Inc.										
13610	07/06/2011	51.30	0.00	07/19/2011	Black Dirt VFW		-		No	0000
101-450-5200-42250	Landscaping Materials									
13610 Total:		51.30								
BURBBLAC Total:		51.30								
C&J CONS C & J Consulting Services, LLP										
06-2011	07/05/2011	4,887.50	0.00	07/19/2011	Monthly Acctg Services - June 2011		-		No	0000
101-410-1520-43150	Contract Services									
06-2011 Total:		4,887.50								
C&J CONS Total:		4,887.50								
CARQUEST Car Quest Auto Parts										
2055-226846	06/29/2011	17.40	0.00	07/19/2011	Cap & Stat S-10		-		No	0000
101-430-3120-42210	Equipment Parts									
2055-226846 Total:		17.40								
2055-227013	06/30/2011	125.81	0.00	07/19/2011	Equipment Parts		-		No	0000
101-430-3120-42210	Equipment Parts									
2055-227013 Total:		125.81								
2055-227344	07/05/2011	12.56	0.00	07/19/2011	Fuel Filter		-		No	0000
101-430-3120-42210	Equipment Parts									
2055-227344 Total:		12.56								
2055-227460	07/06/2011	340.65	0.00	07/19/2011	Fuel Pump		-		No	0000
101-430-3120-42210	Equipment Parts									
2055-227460 Total:		340.65								
2055-227661	07/07/2011	12.78	0.00	07/19/2011	Bulbs & Silicone		-		No	0000
101-430-3120-42210	Equipment Parts									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
2055-227661 Total:		12.78								
CARQUEST Total:		509.20								
<hr/>										
COMCAST COMCAST										
06/27/2011	06/27/2011	7.90	0.00	07/19/2011	Monthly Service		-			No 0000
101-420-2220-44300	Miscellaneous									
06/27/2011 Total:		7.90								
COMCAST Total:		7.90								
<hr/>										
COMPENSA Compensation Consultants, Ltd										
July 2011	07/07/2011	40.00	0.00	07/19/2011	Monthly Admin Fee - July 2011		-			No 0000
101-410-1320-44300	Miscellaneous									
July 2011 Total:		40.00								
COMPENSA Total:		40.00								
<hr/>										
COVERALL Coverall of The Twin Cities										
7070166952	07/01/2011	480.94	0.00	07/19/2011	Cleaning City Hall		-			No 0000
101-410-1940-44010	Repairs/Maint Contractual Bldg									
7070166952 Total:		480.94								
COVERALL Total:		480.94								
<hr/>										
CTYBLOOM City of Bloomington										
June 2011	06/29/2011	90.00	0.00	07/19/2011	Lab Bacteria Tests		-			No 0000
601-494-9400-42270	Utility System Maintenance									
June 2011 Total:		90.00								
CTYBLOOM Total:		90.00								
<hr/>										
CTYROSEV City of Roseville										
0214882	07/07/2011	1,551.58	0.00	07/19/2011	Monthly IT Services - July 2011		-			No 0000
101-410-1450-43180	Information Technology/Web									
0214882 Total:		1,551.58								
CTYROSEV Total:		1,551.58								
<hr/>										
EARLANDE Earl F. Andersen, Inc.										
0096016-IN	06/30/2011	62.37	0.00	07/19/2011	Tennis Court Straps		-			No 0000
101-430-3100-44030	Repairs/Maint Imp Not Bldgs									
0096016-IN Total:		62.37								
EARLANDE Total:		62.37								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
ECKBERG Eckberg Lamers Briggs Wolff										
06 2011	06/30/2011	3,760.04	0.00	07/19/2011	Legal Services - Prosecution June 2011		-			No 0000
101-420-2150-43045	Attorney Criminal									
	06 2011 Total:	3,760.04								
112774	06/30/2011	11,270.17	0.00	07/19/2011	Legal Services - Civil		-			No 0000
101-410-1320-43040	Legal Services									
112774	06/30/2011	643.50	0.00	07/19/2011	Legal Services - Development		-			No 0000
203-490-9070-43040	Legal Services									
112774	06/30/2011	78.00	0.00	07/19/2011	Legal Services - Infrastructure		-			No 0000
413-480-8000-43040	Legal Services									
	112774 Total:	11,991.67								
	ECKBERG Total:	15,751.71								
EMMONS A Emmons Alex										
07/11/2011	07/11/2011	55.00	0.00	07/19/2011	Planning Commission Mtg - July 11, 2011		-			No 0000
101-410-1450-43620	Cable Operations									
	07/11/2011 Total:	55.00								
	EMMONS A Total:	55.00								
ENVENTIS ENVENTIS										
737500	07/01/2011	455.80	0.00	07/19/2011	Telephone/Data Service - PW July 2011		-			No 0000
101-430-3100-43210	Telephone									
	737500 Total:	455.80								
738507	07/01/2011	569.24	0.00	07/19/2011	Telephone/Data Service CH - July 2011		-			No 0000
101-410-1940-43210	Telephone									
	738507 Total:	569.24								
	ENVENTIS Total:	1,025.04								
HAGBERGS Hagbergs Country Market										
06/30/2011	06/30/2011	14.90	0.00	07/19/2011	Rehab Supplies and FD/Council Wkshp		-			No 0000
101-420-2220-44300	Miscellaneous									
	06/30/2011 Total:	14.90								
	HAGBERGS Total:	14.90								
HAWKINS Hawkins, Inc.										
3236134	06/23/2011	215.50	0.00	07/19/2011	Chlorine		-			No 0000
601-494-9400-42160	Chemicals									
	3236134 Total:	215.50								
	HAWKINS Total:	215.50								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
HERITAGE Heritage Printing 20712	07/07/2011	82.08	0.00	07/19/2011	2 part paper for Bldg application forms		-			No 0000
101-420-2400-42000 Office Supplies										
	20712 Total:	82.08								
	HERITAGE Total:	82.08								
KDV Kern DeWenter Viere Ltd 130752	06/30/2011	1,093.50	0.00	07/19/2011	Financial Services - June 2011		-			No 0000
101-410-1520-43150 Contract Services										
	130752 Total:	1,093.50								
	KDV Total:	1,093.50								
LINNER Linner Electric Company, Inc. 21661	06/30/2011	104.00	0.00	07/19/2011	Well House II VFD failure		-			No 0000
601-494-9400-44030 Repairs/Maint Imp Not Bldgs										
	21661 Total:	104.00								
	LINNER Total:	104.00								
LOFF Loffler Companies, Inc. 1268224	07/05/2011	244.49	0.00	07/19/2011	Copy Machine Overage & Base - July 2011		-			No 0000
101-410-1940-44040 Repairs/Maint Contractial Eqpt										
	1268224 Total:	244.49								
	LOFF Total:	244.49								
MARONEYS Maroney's Sanitation, Inc 0000395114	06/30/2011	108.30	0.00	07/19/2011	Waste Removal - City Hall		-			No 0000
101-410-1940-43840 Refuse										
0000395114	06/30/2011	47.68	0.00	07/19/2011	Waste Removal - Fire		-			No 0000
101-420-2220-43840 Refuse										
0000395114	06/30/2011	207.82	0.00	07/19/2011	Waste Removal - Public Works		-			No 0000
101-420-2220-43840 Refuse										
0000395114	06/30/2011	207.82	0.00	07/19/2011	Waste Removal - Parks		-			No 0000
101-420-2220-43840 Refuse										
	0000395114 Total:	571.62								
	MARONEYS Total:	571.62								
MARVS Marv's Professional Tools 238901	06/30/2011	35.52	0.00	07/19/2011	Spill Free Funnel		-			No 0000
101-430-3100-42400 Small Tools & Minor Equipment										
	238901 Total:	35.52								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
MARVS Total:		35.52								
MENARDST Menards - Stillwater										
96795	07/09/2011	71.05	0.00	07/19/2011	Station Repairs and Cleaning Supplies		-		No	0000
101-420-2220-44010	Repairs/Maint Bldg									
96795	07/09/2011	20.91	0.00	07/19/2011	Vehicle creeper for Maint Inspections		-		No	0000
101-420-2220-42400	Small Tools & Equipment									
	96795 Total:	91.96								
MENARDST Total:		91.96								
METCOU Metropolitan Council										
964742	07/06/2011	1,282.98	0.00	07/19/2011	Monthly Wastewater Service - Aug 2011		-		No	0000
602-495-9450-43820	Sewer Utility - Met Council									
	964742 Total:	1,282.98								
METCOU Total:		1,282.98								
MILLEREX Miller Excavating, Inc.										
15570	06/30/2011	1,019.70	0.00	07/19/2011	Grading Gravel Roads		-		No	0000
101-430-3120-43150	Contract Services									
15570	06/30/2011	1,300.00	0.00	07/19/2011	Haul & Dispose Street Sweeping		-		No	0000
603-496-9500-44010	Street Sweeping									
	15570 Total:	2,319.70								
MILLEREX Total:		2,319.70								
MILLSCOL Mills Cole										
07/05/2011	07/05/2011	27.50	0.00	07/19/2011	7/5/11 CC Workshop		-		No	0000
101-410-1450-43620	Cable Operations									
	07/05/2011 Total:	27.50								
MILLSCOL Total:		27.50								
MNUNEMPL MN Dept Economic Security										
07973555	07/08/2011	510.57	0.00	07/19/2011	Unemployment Insurance		-		No	0000
101-410-1320-41420	Unemployment Benefits									
	07973555 Total:	510.57								
MNUNEMPL Total:		510.57								
MSFCB MN Fire Service Cert. Board										
974	07/05/2011	150.00	0.00	07/19/2011	FFII Test X 2		-		No	0000
101-420-2220-44330	Dues & Subscriptions									
	974 Total:	150.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
MSFCB Total:		150.00								
MTI MTI Distributing Inc.										
795626-00	06/23/2011	83.64	0.00	07/19/2011	Mower Blades		-		No	0000
101-450-5200-42210	Equipment Parts									
	795626-00 Total:	83.64								
	MTI Total:	83.64								
NORTHHL Northland Trust Services, Inc.										
ELMO04A	06/07/2011	64,633.75	0.00	07/19/2011	Interest - GO Cap Imprv Bond 2004A		-		No	0000
313-480-8000-46110	Bond Interest									
	ELMO04A Total:	64,633.75								
LKEL10A	06/07/2011	9,265.78	0.00	07/19/2011	Interest - GO Impr Bond Series 2009B		-		No	0000
317-470-7000-46110	Bond Interest									
	LKEL10A Total:	9,265.78								
	NORTHHL Total:	73,899.53								
ONECALL Gopher State One Call										
15023	07/01/2011	214.90	0.00	07/19/2011	Line Locates - June 2011		-		No	0000
101-430-3100-43150	Contract Services									
	15023 Total:	214.90								
	ONECALL Total:	214.90								
PITNEY Pitney Bowes										
397219	08/02/2011	211.83	0.00	07/19/2011	Postage Machine Rental		-		No	0000
101-410-1940-44010	Repairs/Maint Contractual Bldg									
	397219 Total:	211.83								
	PITNEY Total:	211.83								
PLANTH PLANT HEALTH ASSOCIATES, INC										
1051-11	07/13/2011	2,100.00	0.00	07/19/2011	Forester Services - June 2011		-		No	0000
101-430-3250-43150	Contract Services									
	1051-11 Total:	2,100.00								
	PLANTH Total:	2,100.00								
POMPS Pump's Tire Service, Inc.										
519197	06/30/2011	400.15	0.00	07/19/2011	Tires for toro 4000 D		-		No	0000
101-450-5200-44040	Repairs/Maint Eqpt									
	519197 Total:	400.15								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
POMPS Total:		400.15								
PRESSA Anastasia Press										
07/05/2011	07/05/2011	55.00	0.00	07/19/2011	City Council Mtg - 7/5/11		-			No 0000
101-410-1450-43620	Cable Operations									
07/05/2011 Total:		55.00								
PRESSA Total:		55.00								
RIVRCOOP River Country Cooperative										
06/30/2011	06/30/2011	1,143.02	0.00	07/19/2011	Fuel		-			No 0000
101-420-2220-42120	Fuel, Oil and Fluids									
06/30/2011 Total:		1,143.02								
RIVRCOOP Total:		1,143.02								
S&T S&T Office Products, Inc.										
01OR1287	06/30/2011	44.67	0.00	07/19/2011	Office Supplies		-			No 0000
101-410-1320-42000	Office Supplies									
01OR1287 Total:		44.67								
01OR1612	07/01/2011	21.36	0.00	07/19/2011	Ink Cartridge for printer/copier		-			No 0000
101-420-2220-42000	Office Supplies									
01OR1612 Total:		21.36								
S&T Total:		66.03								
SAMSCLUB Sam's Club										
07/01/2011	07/01/2011	19.80	0.00	07/19/2011	Supplies for Fire Dept		-			No 0000
101-420-2220-44010	Repairs/Maint Bldg									
07/01/2011 Total:		19.80								
07/12/2011	07/12/2011	37.86	0.00	07/19/2011	Rehab Supplies		-			No 0000
101-420-2220-44300	Miscellaneous									
07/12/2011 Total:		37.86								
SAMSCLUB Total:		57.66								
STCRTREE St. Croix Tree Service										
65624	06/30/2011	470.25	0.00	07/19/2011	Cut & Remove Poplar Lisbon Ave		-			No 0000
101-430-3250-43150	Contract Services									
65624 Total:		470.25								
STCRTREE Total:		470.25								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
SYmbol Symbol Arts										
0149901-IN	06/21/2011	82.50	0.00	07/19/2011	Replacement Badge		-			No 0000
101-420-2220-44170	Uniforms									
	0149901-IN Total:	82.50								
	SYmbol Total:	82.50								
TASCH T.A. Schifsky & Sons Inc										
51498	06/21/2011	510.86	0.00	07/19/2011	Asphalt		-			No 0000
101-430-3120-42240	Street Maintenance Materials									
	51498 Total:	510.86								
51547	06/27/2011	348.67	0.00	07/19/2011	Asphalt		-			No 0000
101-430-3120-42240	Street Maintenance Materials									
	51547 Total:	348.67								
51596	07/05/2011	886.35	0.00	07/19/2011	Asphalt		-			No 0000
101-430-3120-42240	Street Maintenance Materials									
	51596 Total:	886.35								
	TASCH Total:	1,745.88								
TDS TDS METROCOM - LLC										
651-779-8882	07/13/2011	157.20	0.00	07/19/2011	Analog Lines - Fire		-			No 0000
101-420-2220-43210	Telephone									
651-779-8882	07/13/2011	156.01	0.00	07/19/2011	Analog Lines - Public Works		-			No 0000
101-430-3100-43210	Telephone									
651-779-8882	07/13/2011	104.76	0.00	07/19/2011	Analog Lines - Lift Station Alarms		-			No 0000
602-495-9450-43210	Telephone									
651-779-8882	07/13/2011	42.24	0.00	07/19/2011	Alarm - Well House #2		-			No 0000
601-494-9400-43210	Telephone									
	651-779-8882 Total:	460.21								
	TDS Total:	460.21								
TKDA TKDA, Inc.										
002011001796	07/14/2011	1,363.55	0.00	07/19/2011	Development - Whistling Valley		-			No 0000
203-490-9070-43030	Engineering Services									
	002011001796 Total:	1,363.55								
002011001797	07/14/2011	414.73	0.00	07/19/2011	Development - Sanctuary		-			No 0000
203-490-9070-43030	Engineering Services									
	002011001797 Total:	414.73								
002011001798	07/14/2011	1,850.04	0.00	07/19/2011	I-94 to 30th Street + Village Sanitary		-			No 0000
413-480-8000-43030	Engineering Services									
	002011001798 Total:	1,850.04								
002011001799	07/14/2011	2,346.36	0.00	07/19/2011	Lake Elm 2010 Street & Water Quality		-			No 0000
417-480-8000-43030	Engineering Services									
	002011001799 Total:	2,346.36								

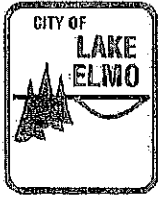


Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
002011001800	07/14/2011	1,426.74	0.00	07/19/2011	Lake Elmo Water Systems		-			No 0000
601-494-9400-43030	Engineering Services				Strategies/Fin					
	002011001800 Total:	1,426.74								
002011001801	07/14/2011	13,001.14	0.00	07/19/2011	2011 Street Improvements/Water		-			No 0000
418-480-8000-43030	Engineering Services				Quality					
	002011001801 Total:	13,001.14								
002011001802	07/14/2011	178.78	0.00	07/19/2011	General Engineering		-			No 0000
101-420-2400-43030	Engineering									
002011001802	07/14/2011	308.88	0.00	07/19/2011	General Engineering		-			No 0000
101-430-3100-43030	Engineering Services									
002011001802	07/14/2011	4,151.61	0.00	07/19/2011	General Engineering		-			No 0000
101-410-1930-43030	Engineering Services									
002011001802	07/14/2011	194.68	0.00	07/19/2011	General Engineering		-			No 0000
101-410-1910-43030	Engineering Services									
	002011001802 Total:	4,833.95								
002011001803	07/14/2011	1,295.73	0.00	07/19/2011	General Engineering - VRA		-			No 0000
101-420-2400-43030	Engineering									
002011001803	07/14/2011	1,872.30	0.00	07/19/2011	General Engineering - VRA		-			No 0000
101-410-1910-43030	Engineering Services									
002011001803	07/14/2011	2,842.42	0.00	07/19/2011	General Engineering - VRA		-			No 0000
101-410-1930-43030	Engineering Services									
002011001803	07/14/2011	937.62	0.00	07/19/2011	General Engineering - VRA		-			No 0000
409-480-8000-43030	Engineering Services									
002011001803	07/14/2011	446.00	0.00	07/19/2011	General Engineering - VRA		-			No 0000
404-480-8000-43030	Engineering Services									
002011001803	07/14/2011	791.10	0.00	07/19/2011	General Engineering - VRA		-			No 0000
703-430-3120-43030	Engineering Services									
002011001803	07/14/2011	1,408.96	0.00	07/19/2011	General Engineering - VRA		-			No 0000
601-494-9400-43030	Engineering Services									
002011001803	07/14/2011	320.02	0.00	07/19/2011	General Engineering - VRA		-			No 0000
602-495-9450-43030	Engineering Services									
002011001803	07/14/2011	2,994.79	0.00	07/19/2011	General Engineering - VRA		-			No 0000
603-496-9500-43030	Engineering Services									
	002011001803 Total:	12,908.94								
002011001804	07/14/2011	3,549.14	0.00	07/19/2011	2011 Seal Coat Project		-			No 0000
409-480-8000-43030	Engineering Services									
	002011001804 Total:	3,549.14								
002011001806	07/14/2011	562.62	0.00	07/19/2011	Lake Elmo District Sidewalk Maint		-			No 0000
409-480-8000-43030	Engineering Services									
	002011001806 Total:	562.62								
002011001814	07/14/2011	1,478.16	0.00	07/19/2011	Lake Elmo Crt Drainage Correction		-			No 0000
409-480-8000-43030	Engineering Services									
	002011001814 Total:	1,478.16								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
TKDA Total:		43,735.37								
VEOLIA Veolia Environmental Services										
G50001825694	06/25/2011	5,833.91	0.00	07/19/2011	Clean Up Day Waste Removal		-		No	0000
101-430-3100-44380	Clean-up Days									
	G50001825694 Total:	5,833.91								
	VEOLIA Total:	5,833.91								
VISALE40 VISA										
8040	05/30/2011	395.56	0.00	07/19/2011	Lodging - Fire Training		-		No	0000
101-420-2220-44370	Conferences & Training									
8040	05/30/2011	6.68	0.00	07/19/2011	League of MN Cities Conference		-		No	0000
101-410-1320-44370	Conferences & Training									
	8040 Total:	402.24								
	VISALE40 Total:	402.24								
XCEL Xcel Energy										
51-0117417-0	07/14/2011	30.69	0.00	07/19/2011	Welcome Sign - Keats Avenue		-		No	0000
101-430-3160-43810	Street Lighting									
	51-0117417-0 Total:	30.69								
51-4504807-7	07/14/2011	189.62	0.00	07/19/2011	Lights at Legion Park		-		No	0000
101-450-5200-43810	Electric Utility									
51-4504807-7	07/14/2011	86.61	0.00	07/19/2011	Lift Station		-		No	0000
602-495-9450-43810	Electric Utility									
51-4504807-7	07/14/2011	35.19	0.00	07/19/2011	Traffic Lights		-		No	0000
101-430-3160-43810	Street Lighting									
	51-4504807-7 Total:	311.42								
51-4572945-7	07/14/2011	28.03	0.00	07/19/2011	Street Lights		-		No	0000
101-430-3160-43810	Street Lighting									
	51-4572945-7 Total:	28.03								
51-4576456-3	07/14/2011	361.45	0.00	07/19/2011	Fire Station 2		-		No	0000
101-420-2220-43810	Electric Utility									
	51-4576456-3 Total:	361.45								
51-4580376-5	07/14/2011	330.25	0.00	07/19/2011	City Hall		-		No	0000
101-410-1940-43810	Electric Utility									
51-4580376-5	07/14/2011	33.98	0.00	07/19/2011	Traffic Lights		-		No	0000
101-430-3160-43810	Street Lighting									
51-4580376-5	07/14/2011	258.63	0.00	07/19/2011	City Hall		-		No	0000
101-410-1940-43810	Electric Utility									
	51-4580376-5 Total:	622.86								
51-4733556-8	07/14/2011	10.19	0.00	07/19/2011	Tennis Court		-		No	0000
101-450-5200-43810	Electric Utility									
	51-4733556-8 Total:	10.19								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
51-5044219-0	07/14/2011	49.16	0.00	07/19/2011	Parks Building		-			
101-450-5200-43810	Electric Utility									No 0000
	51-5044219-0 Total:	49.16								
51-5275289-3	07/14/2011	9.95	0.00	07/19/2011	Pebble Park		-			
101-450-5200-43810	Electric Utility									No 0000
	51-5275289-3 Total:	9.95								
51-5356323-8	07/14/2011	2,360.25	0.00	07/19/2011	Wells 1 & 2		-			
601-494-9400-43810	Electric Utility									No 0000
	51-5356323-8 Total:	2,360.25								
51-5522332-2	07/14/2011	44.21	0.00	07/19/2011	Traffic Lights		-			
101-430-3160-43810	Street Lighting									No 0000
	51-5522332-2 Total:	44.21								
51-5747685-4	07/14/2011	94.32	0.00	07/19/2011	Artis Center		-			
101-450-5200-43810	Electric Utility									No 0000
	51-5747685-4 Total:	94.32								
51-5916043-7	07/14/2011	18.95	0.00	07/19/2011	Lift Station		-			
602-495-9450-43810	Electric Utility									No 0000
	51-5916043-7 Total:	18.95								
51-6429583-8	07/14/2011	16.90	0.00	07/19/2011	Lift Station		-			
602-495-9450-43810	Electric Utility									No 0000
	51-6429583-8 Total:	16.90								
51-6433976-2	07/14/2011	287.81	0.00	07/19/2011	Fire Station #1		-			
101-420-2220-43810	Electric Utility									No 0000
	51-6433976-2 Total:	287.81								
51-6625457-1	07/14/2011	36.27	0.00	07/19/2011	Legion Park		-			
101-450-5200-43810	Electric Utility									No 0000
	51-6625457-1 Total:	36.27								
51-6736544-2	07/14/2011	1,859.81	0.00	07/19/2011	Street Lights		-			
101-430-3160-43810	Street Lighting									No 0000
	51-6736544-2 Total:	1,859.81								
51-6928283-3	07/14/2011	31.97	0.00	07/19/2011	Traffic Lights - Manning		-			
101-430-3160-43810	Street Lighting									No 0000
	51-6928283-3 Total:	31.97								
51-6956201-4	07/14/2011	530.22	0.00	07/19/2011	VFW Ballfield Lights		-			
101-450-5200-43810	Electric Utility									No 0000
	51-6956201-4 Total:	530.22								
51-7538112-1	07/14/2011	466.78	0.00	07/19/2011	Public Works		-			
101-430-3100-43810	Electric Utility									No 0000
	51-7538112-1 Total:	466.78								
51-8126093-5	07/14/2011	18.70	0.00	07/19/2011	Water Tower #2		-			
601-494-9400-43810	Electric Utility									No 0000
	51-8126093-5 Total:	18.70								
51-8711719-3	07/14/2011	11.39	0.00	07/19/2011	Speed Sign Hwy 5		-			
101-430-3160-43810	Street Lighting									No 0000
	51-8711719-3 Total:	11.39								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
	XCEL Total:	<u>7,201.33</u>								
	Report Total:	170,622.24								



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/21/11  
CONSENT  
ITEM #: 3  
MOTION as part of *Consent Agenda*

**AGENDA ITEM:** 2011 Seal Coat Project – Authorizing Payment No. 1

**SUBMITTED BY:** Larry Bohrer, P.E.

**THROUGH:** Bruce Messelt, City Administrator *BAUM*

**REVIEWED BY:** Mike Bouthilet, Public Works  
Tom Bouthilet, Finance Director

---

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully requested to approve partial payment to Pearson Bros., Inc., the Contractor for the 2011 Seal Coat project. The Contractor submitted Partial Payment Certificate No. 1 in the amount of \$69,076.00. This request has been reviewed and payment is recommended in the amount requested. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**ADDITIONAL INFORMATION:** The estimated cost to seal coat streets in Lake Elmo per the 2011 Seal Coat Project Contract was \$73,500. The actual cost was \$69,076, resulting in savings of \$4,424. This reduced amount includes savings due to management of quantity. A retainage of 5% has been withheld per the Contract documents.

**RECOMMENDATION:** Based upon the above background information, it is recommended that the City Council approve as part of tonight's *Consent Agenda*.

Alternatively, the City Council does have the authority to remove this item from the *Consent Agenda*, table this item for future consideration, or further discuss, deliberate and/or, if appropriate, amend the recommended motion prior to taking action. If the latter is done so, the appropriate action of the Council following such discussion would be:

**“Move to authorize Partial Payment No. 1 in the amount of \$69,076.00 to be paid from the Street Maintenance Fund for the 2011 Seal Coat Project. [and amended and/or modified at tonight’s meeting].”**

**ATTACHMENTS:** (1)

1. Payment Certificate No. 1 for the 2011 Seal Coat Project

**SUGGESTED ORDER OF BUSINESS** *(if removed from the Consent Agenda):*

- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

# TKDA

ENGINEERING • ARCHITECTURE • PLANNING

The right time. The right people. The right company.

444 Cedar Street, Suite 1500  
Saint Paul, MN 55101

(651) 292-4400  
(651) 292-0083 Fax  
www.tkda.com

Proj. No. 14816.003 Cert. No. 1 St. Paul, MN, July 14, 2011

To City of Lake Elmo, Minnesota Owner

This Certifies that Pearson Brothers, Contractor

For 2011 Seal Coat Project

Is entitled to Sixty-Five Thousand Six Hundred Twenty Two Dollars and 20/100 (\$ 65,622.20)

being 1st estimate for partial payment on contract with you dated May 19, 2011

Received payment in full of above Certificate. TKDA

Pearson Bros, Inc.  
\_\_\_\_\_, 2011

*Larry D. Bohrer*  
\_\_\_\_\_  
Larry D. Bohrer, P.E.

### RECAPITULATION OF ACCOUNT

	CONTRACT PLUS EXTRAS	PAYMENTS	CREDITS
Contract price plus extras	\$ 119,200.00		
All previous payments		\$ -	
All previous credits			
Extra No.			
" "			
" "			
" "			
Credit No.			\$ -
" "			
" "			
" "			
AMOUNT OF THIS CERTIFICATE		\$ 65,622.20	
Totals	\$ 119,200.00	\$ 65,622.20	\$ -
Credit Balance		\$ -	
There will remain unpaid on contract after payment of this Certificate		\$ 53,577.80	
	\$ 119,200.00	\$ 119,200.00	\$ -

TKDA  
Engineers-Architects-Planners Saint Paul, Minnesota 55101

**PERIODICAL ESTIMATE FOR PARTIAL PAYMENTS**

Estimate No. 1 Period Ending June 30, 20 11 Page 1 of 1 Proj. No. 14816.003  
Contractor Pearson Brothers Original Contract Amount \$119,200.00  
Project 2011 Seal Coat Project  
Location City of Lake Elmo, Minnesota

Total Contract Work Completed	\$	<u>69,076.00</u>
Total Approved Credits	\$	<u>0.00</u>
Total Approved Extra Work Completed	\$	<u>0.00</u>
Approved Extra Orders Amount Completed	\$	<u>0.00</u>
Total Amount Earned This Estimate	\$	<u>69,076.00</u>

Less Approved Credits	\$	<u>0.00</u>
Less <u>5</u> % Retained	\$	<u>3,453.80</u>
Less Previous Payments	\$	<u>0.00</u>
Total Deductions	\$	<u>3,453.80</u>

Amount Due This Estimate	\$	<u>65,622.20</u>
--------------------------	----	------------------

Contractor \_\_\_\_\_

Date \_\_\_\_\_

Engineer Larry D. Bohrer  
Larry D. Bohrer, P.E.

Date July 14, 2011



ESTIMATE NO. 1

PERIOD ENDING: June 30, 2011

2011 SEALCOAT PROJECT  
CITY OF LAKE ELMO AND WEST LAKELAND TWP, MINNESOTA  
PROJECT NO. 14816.003

ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	QUANTITY TO DATE	+/- DIFFERENCE	UNIT PRICE	AMOUNT TO DATE
1	CITY OF LAKE ELMO & WEST LAKELAND TOWNSHIP BITUMINOUS SEAL COAT WITH 1/8" DRESSER TRAP ROCK	SY	119,200.00	69,076.0	(50,124.00)	\$ 1.00	\$ 69,076.00
<b>TOTAL ESTIMATE NO. 1</b>							<b>\$ 69,076.00</b>



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/11

CONSENT

ITEM #: 4a

MOTION *as part of the Consent Agenda*

**AGENDA ITEM:** Resolution accepting work for the 2010 Street Improvement Project and authorize Payment No. 4(Final).

**SUBMITTED BY:** Larry Bohrer, P.E.

**THROUGH:** Bruce Messelt, City Administrator *BAM*

**REVIEWED BY:** Tom Bouthilet, Finance Director

---

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully requested to accept the work completed by T.A. Schifsky and Sons, Inc. under the contract for the 2010 Street and Water Quality Improvement Project. The work has been reviewed by staff and is fully completed in accordance with the contract, plans, and specifications. Please refer to the attachments for the Engineer's Letter of Final Acceptance for the project.

Additionally, the city council is respectfully requested to approve final payment to T.A. Schifsky and Sons, Inc. for the 2010 Street and Water Quality Improvement Project. T.A. Schifsky and Sons, Inc. has submitted Payment Certificate No. 4 (Final) in the amount of \$23,965.29 with all required documentation, including Change Order No. 4 and Compensating Change Order No. 5. This request has been reviewed and payment is recommended in the amount requested. All work has been completed per contract documents. The one-year warranty will begin July 19, 2011 and extend to July 18, 2012.

**ADDITIONAL INFORMATION:** The original construction contract for the 2010 Street and Water Quality Project was \$425,565.41. The actual cost to complete the work was \$435,164.12. The additional cost of \$9,598.71 was due to additional material required for proper sub-grade construction on Jane Road North, and the additional work and delay of work on 57<sup>th</sup> Street North due to unforeseen conditions of the road base.

**RECOMMENDATION:** Based upon the above background information, it is recommended that the City Council approve as part of tonight's *Consent Agenda* accepting the Work for the 2010 Street and Water Quality Improvement Project and authorize final payment.

Alternatively, the City Council does have the authority to table this item for future consideration, or further discuss and deliberation prior to taking action. If the latter is done so, the appropriate action of the Council following such discussion would be:

**“Move to accept the work for the 2010 Street and Water Quality Improvement Project and authorize payment No. 4(Final) in the amount of \$23,965.29 to be paid from the Project Fund for the 2010 Street and Water Quality Improvements project *[and amended and/or modified at tonight’s meeting].*”**

**ATTACHMENTS:** (3)

1. Engineer’s recommendation for final acceptance, dated July 19, 2011.
2. Payment Certificate No. 4(Final) for the 2010 Street and Water Quality Improvement Project.
3. Change Order No. 4
4. Compensating Change Order No. 5

**SUGGESTED ORDER OF BUSINESS** *(if removed from the Consent Agenda):*

- Questions from Council to Staff ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

# TKDA

ENGINEERING • ARCHITECTURE • PLANNING

The right time. The right people. The right company.

444 Cedar Street, Suite 1500  
Saint Paul, MN 55101

(651) 292-4400  
(651) 292-0083 Fax  
www.tkda.com

July 19, 2011

Honorable Mayor and City Council Members  
City of Lake Elmo  
3800 Laverne Avenue  
Lake Elmo, Minnesota 55042

Re: Engineer's Recommendation of Final Acceptance  
2010 Street and Water Quality Improvement Project  
City of Lake Elmo, Minnesota  
TKDA Project No. 14504.001

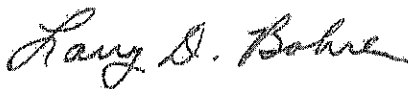
Dear Mayor and City Council Members:

We have reviewed the work under Contract for the 2010 Street and Water Quality Improvement Project, and find that all of the project has been fully completed in all respects according to the Contract, Plans and Specifications as prepared by TKDA.

The Improvements for Jane Road, Isle Avenue, and 53<sup>rd</sup> Street were previously accepted on February 1, 2011. The one-year Warranty Period for Jane Road, Isle Avenue, and 53<sup>rd</sup> Street began on November 1, 2010, and will end on October 31, 2011.

The Improvements for 57<sup>th</sup> Street are hereby declared to be complete and acceptance of the Contractor's work (T.A. Schifsky and Sons, Inc.) is recommended. The one year Warranty Period for 57<sup>th</sup> Street will begin July 19, 2011 and will end on July 18, 2011.

Sincerely,



Larry Bohrer, P.E.

cc: Bruce Messelt, City Administrator

# TKDA

ENGINEERING • ARCHITECTURE • PLANNING

The right time. The right people. The right company.

*Owner*

444 Cedar Street, Suite 1500  
Saint Paul, MN 55101-2140

(651) 292-4400  
(651) 292-0083 Fax  
www.tkda.com

Proj. No. 14504.001 Cert. No. 4F St. Paul, MN, July 13, 2011

To City of Lake Elmo, Minnesota Owner

This Certifies that T.A. Schifsky and Sons, Inc., Contractor

For 2010 Street and Water Quality Improvements

Is entitled to Twenty Three Thousand Nine Hundred Sixty Five Dollars and 29/100 (\$23,965.29)  
FINAL

being 4th estimate for partial payment on contract with you dated June 4, 2010

Received payment in full of above Certificate. **TKDA**

T.A. Schifsky and Sons, Inc., 2011 Larry D. Bohrer  
Larry D. Bohrer, P.E.

### RECAPITULATION OF ACCOUNT

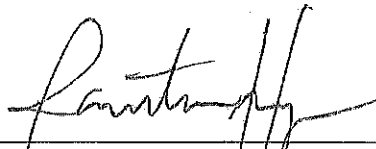
	CONTRACT PLUS EXTRAS	PAYMENTS	CREDITS
Contract price plus extras	\$ 425,565.41		
All previous payments		\$ 411,198.83	
All previous credits			
Extra No.			
Change Order No. 1	\$ 8,805.00		
Change Order No. 3	\$ 3,099.55		
Change Order No. 4	\$ 892.45		
Compensating Change Order No 5	\$ (3,198.29)		
			\$ -
AMOUNT OF THIS CERTIFICATE		\$ 23,965.29	
Totals	\$ 435,164.12	\$ 435,164.12	\$ -
Credit Balance		\$ -	
There will remain unpaid on contract after payment of this Certificate		\$ -	
	\$ 435,164.12	\$ 435,164.12	\$ -

TKDA  
Engineers-Architects-Planners Saint Paul, Minnesota 55101

**PERIODICAL ESTIMATE FOR PARTIAL PAYMENTS**

Estimate No. 4F Period Ending July 13, 20 11 Page 1 of 1 Proj. No. 14504.001  
Contractor T.A. Schifsky and Sons, Inc. Original Contract Amount 425,565.41  
Project 2010 Street and Water Quality Improvements  
Location City of Lake Elmo, Minnesota

Total Contract Work Completed		\$	<u>435,164.12</u>
Total Approved Credits		\$	<u>0.00</u>
Total Approved Extra Work Completed	\$	<u>0.00</u>	
Approved Extra Orders Amount Completed		\$	<u>0.00</u>
Total Amount Earned This Estimate		\$	<u>435,164.12</u>
Less Approved Credits	\$	<u>0.00</u>	
Less <u>0</u> % Retained	\$	<u>0.00</u>	
Less Previous Payments	\$	<u>411,198.83</u>	
Total Deductions		\$	<u>411,198.83</u>
Amount Due This Estimate		\$	<u>23,965.29</u>

Contractor   
T.A. Schifsky and Sons, Inc.

Date 7/13/11

Engineer   
Larry D. Bohrer, P.E.

Date 7-13-11

PAY ESTIMATE NO. 4F		PERIOD ENDING:				June 21, 2011
2010 STREET & WATER QUALITY IMPROVEMENTS						
CITY OF LAKE ELMO, MINNESOTA						
TKDA PROJECT NO. 14604.001						
ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	QUANTITY TO DATE	UNIT PRICE	AMOUNT TO DATE
JANE NORTH ROAD						
1	MOBILIZATION	LS	1	1.0	\$ 3,500.00	\$ 3,500.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 309.00	\$ 309.00
3	SILT FENCE	LF	485	934.0	\$ 2.06	\$ 1,924.04
4	INLET PROTECTION	EA	2	5.0	\$ 82.40	\$ 412.00
5	SALVAGE & REINSTALL MAILBOX	EA	11	11.0	\$ 66.95	\$ 736.45
6	CLEAR & GRUB TREE	EA	2	7.0	\$ 206.00	\$ 1,442.00
7	SALVAGE & REINSTALL SIGN	EA	3	-	\$ 123.60	\$ -
8	SAWCUT PAVEMENT (ALL TYPES)	LF	318	297.0	\$ 1.03	\$ 305.91
9	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	195	348.0	\$ 1.55	\$ 539.40
10	REMOVE & DISPOSE OF EXIST. PAVEMENT (STREETS)	SY	2487	2,487.0	\$ 1.13	\$ 2,810.31
11	REMOVE & DISPOSE OF EXIST. STORM SEWER MANHOLE	EA	2	2.0	\$ 618.00	\$ 1,236.00
12	REMOVE & DISPOSE OF EXIST. STORM SEWER (ALL TYPES & S)	LF	22	22.0	\$ 18.54	\$ 407.88
13	COMMON EXCAVATION (P)	CY	1370	1,370.0	\$ 7.73	\$ 10,590.10
14	SUBGRADE PREPARATION	RS	10	10.0	\$ 169.95	\$ 1,699.50
15	PLACE & COMPACT RECLAIMED MATERIAL (FROM OTHER SITES)	CY	1046	611.0	\$ 4.12	\$ 2,517.32
16	2380 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	210	203.0	\$ 57.57	\$ 11,686.71
17	2360 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	210	210.0	\$ 57.57	\$ 12,089.70
18	BITUMINOUS MATERIAL FOR TACK COAT	GAL	117	115.0	\$ 2.06	\$ 236.90
19	2"- 2360 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	195	348.0	\$ 10.61	\$ 3,692.28
20	SAW & SEAL STREET (40' INTERVALS)	LF	497	475.0	\$ 1.67	\$ 793.25
21	D412 CONCRETE CURB & GUTTER	LF	2140	2,130.0	\$ 7.93	\$ 16,890.90
22	12" RCP CL. 5 STORM SEWER PIPE	LF	22	22.0	\$ 30.90	\$ 679.80
23	48" DIAMETER MANHOLE, TYPE 406S (0'-10' DEPTH)	EA	1	1.0	\$ 2,266.00	\$ 2,266.00
24	CATCH BASIN, TYPE 404S	EA	1	1.0	\$ 1,957.00	\$ 1,957.00
25	4" PERFORATED PVC EDGE DRAIN W/BACKFILL & WRAP	LF	24	24.0	\$ 9.27	\$ 222.48
26	EROSION STABILIZATION MAT, CL. 2	SY	49	49.0	\$ 5.15	\$ 252.55
27	DITCH CHECK	EA	3	3.0	\$ 412.00	\$ 1,236.00
28	INFILTRATION DITCH	LF	126	125.0	\$ 20.60	\$ 2,575.00
28	RAIN GARDEN	EA	1	1.0	\$ 927.00	\$ 927.00
30	RAIN GARDEN W/SUMP	EA	2	2.0	\$ 1,442.00	\$ 2,884.00
31	MnDOT SEED MIX 328 W/ FERTILIZER & WOOD FIBER BLANKET SHORT GRASS WOODS EDGE SAVANNA W/ENHANCEMENT	SY	175	116.0	\$ 3.61	\$ 418.76
32	AND WOOD FIBER BLANKET	SY	432	205.0	\$ 4.64	\$ 951.20
33	SODDING	SY	663	1,048.0	\$ 2.58	\$ 2,703.84
SUBTOTAL JANE NORTH ROAD						\$ 90,893.08
ISLE AVENUE NORTH						
1	MOBILIZATION	LS	1	1.0	\$ 4,444.00	\$ 4,444.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 306.00	\$ 306.00
3	SILT FENCE	LF	195	202.0	\$ 1.02	\$ 206.04
4	INLET PROTECTION	EA	3	3.0	\$ 81.60	\$ 244.80
5	SALVAGE & REINSTALL MAILBOX	EA	14	14.0	\$ 88.70	\$ 1,241.80
6	SAWCUT PAVEMENT (ALL TYPES)	LF	341	252.0	\$ 1.15	\$ 289.80
7	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	134	155.0	\$ 1.53	\$ 237.15
8	REMOVE & DISPOSE OF EXIST. CONCRETE PAVEMENT (DRIVE)	SY	50	7.0	\$ 3.06	\$ 21.42
9	SUBGRADE CORRECTION	SY	1440	1,528.0	\$ 3.06	\$ 4,675.68
10	LOAD & HAUL RECLAIMED MATERIAL (LV)	CY	414	260.0	\$ 5.97	\$ 1,562.20
11	RECLAIM EX. BIT. AND BASE MATERIALS	SY	6520	6,747.0	\$ 0.87	\$ 5,869.89
12	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	16	16.0	\$ 102.00	\$ 1,632.00
13	2360 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	517	544.0	\$ 56.50	\$ 30,736.00
14	2380 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	517	525.7	\$ 56.50	\$ 29,704.31
15	BITUMINOUS MATERIAL FOR TACK COAT	GAL	289	210.0	\$ 2.04	\$ 428.40
16	2"- 2360 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	156	155.0	\$ 10.51	\$ 1,629.06
17	6" CONCRETE DRIVE	SY	50	3.0	\$ 31.62	\$ 94.86
18	SAW & SEAL STREET (40' INTERVALS)	LF	1121	1,120.0	\$ 1.65	\$ 1,848.00
19	D412 CONCRETE CURB & GUTTER	LF	3304	3,285.0	\$ 7.65	\$ 25,130.25
20	SAWCUT INLET	EA	3	-	\$ 25.60	\$ -
21	CL. 3 RIPRAP W/ GEOTEXTILE FILTER FABRIC	CY	4	4.0	\$ 112.20	\$ 448.80
22	EROSION STABILIZATION MAT, CL. 2	SY	6	6.0	\$ 10.20	\$ 61.20
23	DITCH GRADING	LF	35	35.0	\$ 9.18	\$ 321.30
24	RAIN GARDEN	EA	1	1.0	\$ 918.00	\$ 918.00
25	MnDOT SEED MIX 250 W/ FERTILIZER & WOOD FIBER BLANKET	SY	78	650.0	\$ 3.57	\$ 2,320.50
26	SODDING	SY	1080	1,707.0	\$ 3.06	\$ 5,223.42
SUBTOTAL ISLE AVENUE NORTH						\$ 119,555.87

PAY ESTIMATE NO. 4F		PERIOD ENDING:		June 21, 2011		
2010 STREET & WATER QUALITY IMPROVEMENTS						
CITY OF LAKE ELMO, MINNESOTA						
TKDA PROJECT NO. 14604.001						
ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	QUANTITY TO DATE	UNIT PRICE	AMOUNT TO DATE
63RD STREET NORTH						
1	MOBILIZATION	LS	1	1.0	\$ -4,000.00	\$ 4,000.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 308.00	\$ 308.00
3	SILT FENCE	LF	106	136.0	\$ 2.04	\$ 277.44
4	INLET PROTECTION	EA	8	7.0	\$ 81.60	\$ 671.20
5	SAWCUT PAVEMENT (ALL TYPES)	LF	446	351.0	\$ 1.02	\$ 358.02
6	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	197	196.0	\$ 1.53	\$ 299.88
7	REMOVE & DISPOSE OF EXIST. CONCRETE PAVEMENT (DRIVE)	SY	35	-	\$ 3.06	\$ -
8	REMOVE & DISPOSE OF EXIST. STORM SEWER MANHOLE	EA	2	2.0	\$ 714.00	\$ 1,428.00
9	REMOVE & DISPOSE OF EXIST. STORM SEWER (ALL TYPES & SI)	LF	30	30.0	\$ 7.14	\$ 214.20
10	SUBGRADE CORRECTION	SY	2520	44.0	\$ 3.06	\$ 134.64
11	LOAD & HAUL RECLAIMED MATERIAL (LV)	CY	411	411.0	\$ 6.12	\$ 2,515.32
12	RECLAIM EX. BIT. AND BASE MATERIALS	SY	10500	10,700.0	\$ 0.77	\$ 8,239.00
13	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	32	32.0	\$ 85.00	\$ 2,720.00
14	2380 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	1,064	1,042.7	\$ 56.00	\$ 58,380.64
15	2380 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	876	890.0	\$ 56.00	\$ 49,040.00
16	BITUMINOUS MATERIAL FOR TACK COAT	GAL	490	380.0	\$ 2.04	\$ 775.20
17	2"- 2380 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	217	189.0	\$ 10.51	\$ 1,986.39
18	6" CONCRETE DRIVE	SY	35	-	\$ 33.66	\$ -
19	REMOVE & REPLACE BITUMINOUS FLUME	EA	2	2.0	\$ 102.00	\$ 204.00
20	SAW & SEAL STREET (40' INTERVALS)	LF	2205	2,356.0	\$ 1.55	\$ 3,687.40
21	CONNECT DRAINTILE TO EXISTING STORM SEWER	EA	1	1.0	\$ 308.00	\$ 308.00
22	ADJUST CATCH BASIN CASTING & INSTALL CONCRETE WINGS	EA	6	6.0	\$ 153.00	\$ 918.00
23	12" RCP CL. 5 STORM SEWER PIPE	LF	30	30.0	\$ 27.54	\$ 826.20
24	48" DIAMETER MANHOLE, TYPE 406S (0'-10' DEPTH)	EA	1	1.0	\$ 2,244.00	\$ 2,244.00
25	CATCH BASIN, TYPE 404S	EA	1	1.0	\$ 1,734.00	\$ 1,734.00
26	4" PERFORATED PVC EDGE DRAIN W/BACKFILL & WRAP	LF	16	20.0	\$ 15.30	\$ 306.00
27	EROSION STABILIZATION MAT, CL. 2	SY	12	7.0	\$ 6.12	\$ 42.84
28	RAIN GARDEN	EA	2	1.0	\$ 918.00	\$ 918.00
29	SODDING	SY	2,270	3,435.0	\$ 2.55	\$ 8,759.25
SUBTOTAL 63RD STREET NORTH						\$ 152,201.62
67TH STREET NORTH						
1	MOBILIZATION	LS	1	1.0	\$ 2,000.00	\$ 2,000.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 308.00	\$ 308.00
3	SILT FENCE	LF	80	37.0	\$ 2.04	\$ 76.48
4	INLET PROTECTION	EA	2	2.0	\$ 81.60	\$ 163.20
5	SAWCUT PAVEMENT (ALL TYPES)	LF	196	187.0	\$ 1.02	\$ 190.74
6	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	89	89.0	\$ 2.04	\$ 181.56
7	SUBGRADE CORRECTION	SY	683	683.0	\$ 3.06	\$ 2,089.98
8	LOAD & HAUL RECLAIMED MATERIAL (LV)	CY	233	233.0	\$ 5.97	\$ 1,391.01
9	RECLAIM EX. BIT. AND BASE MATERIALS	SY	3,787	3,787.0	\$ 0.77	\$ 2,900.59
10	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	11	11.0	\$ 81.80	\$ 897.80
11	2380 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	382	371.0	\$ 57.57	\$ 21,368.47
12	2380 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	314	328.0	\$ 57.57	\$ 18,882.96
13	BITUMINOUS MATERIAL FOR TACK COAT	GAL	176	200.0	\$ 2.04	\$ 408.00
14	2"- 2380 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	89	76.0	\$ 10.51	\$ 798.76
15	SAW & SEAL STREET (40' INTERVALS)	LF	791	766.0	\$ 1.85	\$ 1,424.40
16	CONNECT DRAINTILE TO EXISTING STORM SEWER	EA	4	2.0	\$ 255.00	\$ 510.00
17	ADJUST CATCH BASIN CASTING & INSTALL CONCRETE WINGS	EA	2	2.0	\$ 153.00	\$ 306.00
18	4" PERFORATED PVC EDGE DRAIN W/BACKFILL & WRAP	LF	380	422.0	\$ 10.20	\$ 4,304.40
19	SODDING	SY	763	666.0	\$ 2.55	\$ 1,703.40
SUBTOTAL 67TH STREET NORTH						\$ 69,715.66
CHANGE ORDER NO. 1						
1	CL. 5 AGGREGATE BASE	TN	587	587.0	\$ 15.00	\$ 8,805.00
SUBTOTAL CHANGE ORDER NO. 1						\$ 8,805.00
CHANGE ORDER NO. 3						
1	BITUMINOUS RAMPING OF C.B.'S ON 67TH STREET	LS	1	1.0	\$ 3,099.55	\$ 3,099.55
SUBTOTAL CHANGE ORDER NO. 3						\$ 3,099.55
CHANGE ORDER NO. 4						
1	MOBILIZATION	LS	1	1.0	\$ 350.00	\$ 350.00
2	HYDROSEEDING (SEED MIX 32B)	SY	20	20.0	\$ 3.28	\$ 65.60
3	TOPSOIL BORROW	CY	4	\$ 4.00	\$ 18.00	\$ 72.00
4	DEDUCT FOR RAINGARDEN CORRECTION	LS	1	1.0	\$ (945.15)	\$ (945.15)
5	MILLING OF ADDITIONAL BITUMINOUS RAMPING ON 67TH ST	LF	800	\$ 900.00	\$ 1.50	\$ 1,350.00
SUBTOTAL CHANGE ORDER NO. 4						\$ 882.45
TOTAL PAY ESTIMATE NO. 4F						\$ 435,164.12



*Owner*

CHANGE ORDER

TKDA  
Engineers-Architects-Planners

Saint Paul, MN June 21 20 11 Proj. No. 14504.001 Change Order No. 4

To T.A. Schifsky & Sons, Inc., 2370 Highway 36 East, North St. Paul, Minnesota 55109

for 2010 Street & Water Quality Improvements

for City of Lake Elmo, Minnesota

You are hereby directed to make the following change to your contract dated June 4, 20 10. The change and the work affected thereby is subject to all contract stipulations and covenants. This Change Order will (increase) (decrease) (~~not change~~) the contract sum by Eight Hundred Ninety Two Dollars and 45/100 (\$ 892.45)

CHANGE ORDER

This change order shows the actual quantities installed at the unit price bid amounts (see attached itemization). Additional re-seeding topsoil necessary to correct locations where others damaged restoration/milling.

NET CHANGE = \$ 892.45

Amount of Original Contract	\$ 425,565.41
Additions approved to date (Nos. 1, 3)	\$ 11,904.55
Deductions approved to date (Nos. )	\$ -
Contract amount to date	\$ 437,469.96
Amount of this Change Order (Add) ( <del>Deduct</del> ) (No Change)	\$ 892.45
Revised Contract Amount	\$ 438,362.41

Approved \_\_\_\_\_  
City of Lake Elmo, Minnesota

TKDA

By \_\_\_\_\_

By Larry D. Bohrer  
Larry D. Bohrer, P.E.

Approved [Signature]  
T.A. Schifsky and Sons, Inc.

White - Owner  
Pink - Contractor  
Blue - TKDA

By 7/13/11

CHANGE ORDER NO. 4

Period Ending: June 21, 2011

2010 STREET & WATER QUALITY IMPROVEMENTS  
CITY OF LAKE ELMO, MINNESOTA  
TKDA PROJECT NO. 14504.001

ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	QUANTITY TO DATE	UNIT PRICE	AMOUNT TO DATE
1	MOBILIZATION	LS	1.0	1.0	\$ 350.00	\$ 350.00
2	HYDROSEEDING (SEED MIX 328)	SY	20.0	20.0	\$ 3.28	\$ 65.60
3	TOPSOIL BORROW	CY	4.0	4.0	\$ 18.00	\$ 72.00
4	DEDUCT FOR RAINGARDEN CORRECTION	LS	(1.0)	(1.0)	\$ 945.15	\$ (945.15)
5	MILLING OF ADDITIONAL BITUMINOUS REAMPING ON 57TH ST	LF	900.0	900.0	\$ 1.50	\$ 1,350.00
SUBTOTAL						\$ 882.45
TOTAL CHANGE ORDER NO. 4						\$ 892.45

C.O. #4

T. A. Schifsky & Sons, Inc.  
2370 Highway 36 East  
North St. Paul, MN 55109  
Phone (651) 777-1313  
Fax (651) 777-7843



Work Order Request #6 for the City of Lake Elmo  
Project # 10-06  
Date: 16.17.11



The following changes were made to contract documents: Additional restoration items that were caused by residents.

Description		Unforeseen Additional Work			
Item	Unit	Quantity	Unit Price	Amount	
Mobilization	LS	1	\$350.00	\$350.00	
<del>Sod Replacement</del>	<del>SY</del>	<del>40</del>	<del>\$3.06</del>	<del>\$122.40</del>	
Hydroseeding (Seed Mix 328)	SY	20	\$3.28	\$65.60	
<del>Savannah</del>	<del>SY</del>	<del>6</del>	<del>\$4.64</del>	<del>\$27.84</del>	
Topsoil Borrow	CY	4	\$18.00	\$72.00	

Total ~~=\$696.88~~

Prepared by:

Accepted by: 487.60

Jonathan Hager

Name

Date

Date

T. A. Schifsky & Sons, Inc.  
2370 Highway 36 East  
North St. Paul, MN 55109  
Phone (651) 777-1313  
Fax (651) 777-7843



Work Order Request #4 for the City of Lake Elmo  
Project # 10-06  
Date: 6.17.11

The following changes were made to contract documents: Milling off Pavement Wedge.

Description	Unforeseen Additional Work				
	Item	Unit	Quantity	Unit Price	Amount
Milling Machine (Based on 36" Mill)		LF	900	\$1.50	\$1,350.00 ✓
				Total =	\$1,350.00

Prepared by:

Accepted by:

Jonathan Hager

Name

Date

Date

T. A. Schifsky & Sons, Inc.  
2370 Highway 36 East  
North St. Paul, MN 55109  
Phone (651) 777-1313  
Fax (651) 777-7843



Work Order Request #5 for the City of Lake Elmo  
Project # 10-06  
Date: 6.17.11

The following changes were made to contract documents: Deduct for Rain Water Gardens

Description	Unforeseen Additional Work				
	Item	Unit	Quantity	Unit Price	Amount
Defective Rain Garden Correction		LS	1	\$945.15	\$945.15 ✓

Total Deduct = \$945.15

Prepared by:

Accepted by:

Jonathan Hager

Name

Date

Date

owner

CHANGE ORDER

TKDA  
Engineers-Architects-Planners

Saint Paul, MN June 21 20 11 Proj. No. 14504.001 Compensating Change Order No. 5

To T.A. Schifsky & Sons, Inc., 2370 Highway 36 East, North St. Paul, Minnesota 55109

for 2010 Street & Water Quality Improvements

for City of Lake Elmo, Minnesota

You are hereby directed to make the following change to your contract dated June 4, 2010. The change and the work affected thereby is subject to all contract stipulations and covenants. This Change Order will (increase) (decrease) (not change) the contract sum by Three Thousand One Hundred Ninety Eight Dollars and 29/100 (\$3,198.29)

COMPENSATING CHANGE ORDER

This change order shows the actual quantities installed at the unit price bid amounts (see attached itemization):

NET CHANGE = \$ (3,198.29)

Amount of Original Contract	\$ 425,565.41
Additions approved to date (Nos. 1, 3, 4)	\$ 12,797.00
Deductions approved to date (Nos. )	\$ -
Contract amount to date	\$ 438,362.41
Amount of this Change Order (Add) (Deduct) (No-Change)	\$ (3,198.29)
Revised Contract Amount	\$ 435,164.12

Approved \_\_\_\_\_  
City of Lake Elmo, Minnesota

TKDA

By \_\_\_\_\_

By Larry D. Bohrer  
Larry D. Bohrer, P.E.

Approved [Signature]  
T.A. Schifsky and Sons, Inc.

White - Owner  
Pink - Contractor  
Blue - TKDA

By JONATHAN HARTER

COMPENSATING CHANGE ORDER NO. 6			PERIOD ENDING:		June 21, 2011			
2010 STREET & WATER QUALITY IMPROVEMENTS								
CITY OF LAKE ELMO, MINNESOTA								
TKDA PROJECT NO. 14504.001								
ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	QUANTITY TO DATE	UNIT PRICE	AMOUNT TO DATE	NET CHANGE	CONTRACT AMOUNT
<b>JANE NORTH ROAD</b>								
1	MOBILIZATION	LS	1	1.0	\$ 3,500.00	\$ 3,500.00	\$ -	\$ 3,500.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 309.00	\$ 309.00	\$ -	\$ 309.00
3	SILT FENCE	LF	465	934.0	\$ 2.06	\$ 1,924.04	\$ 966.14	\$ 957.90
4	INLET PROTECTION	EA	2	5.0	\$ 82.40	\$ 412.00	\$ 247.20	\$ 184.80
5	SALVAGE & REINSTALL MAILBOX	EA	11	11.0	\$ 66.95	\$ 736.45	\$ -	\$ 736.45
6	CLEAR & GRUB TREE	EA	2	7.0	\$ 206.00	\$ 1,442.00	\$ 1,030.00	\$ 412.00
7	SALVAGE & REINSTALL SIGN	EA	3	-	\$ 123.60	\$ -	\$ (370.80)	\$ 370.80
8	SAWCUT PAVEMENT (ALL TYPES)	LF	318	297.0	\$ 1.03	\$ 305.91	\$ (21.63)	\$ 327.54
9	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	195	348.0	\$ 1.55	\$ 539.40	\$ 237.16	\$ 302.25
10	REMOVE & DISPOSE OF EXIST. PAVEMENT (STREETS)	SY	2487	2,467.0	\$ 1.13	\$ 2,810.31	\$ -	\$ 2,810.31
11	REMOVE & DISPOSE OF EXIST. STORM SEWER MANHOLE	EA	2	2.0	\$ 618.00	\$ 1,236.00	\$ -	\$ 1,236.00
12	REMOVE & DISPOSE OF EXIST. STORM SEWER (ALL TYPES & SI	LF	22	22.0	\$ 18.54	\$ 407.88	\$ -	\$ 407.88
13	COMMON EXCAVATION (P)	CY	1370	1,370.0	\$ 7.73	\$ 10,590.10	\$ -	\$ 10,590.10
14	SUBGRADE PREPARATION	RS	10	10.0	\$ 169.95	\$ 1,699.50	\$ -	\$ 1,699.50
15	PLACE & COMPACT RECLAIMED MATERIAL (FROM OTHER SITES)	CY	1046	611.0	\$ 4.12	\$ 2,517.32	\$ (1,792.20)	\$ 4,309.52
16	2360 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	210	203.0	\$ 57.57	\$ 11,686.71	\$ (402.99)	\$ 12,089.70
17	2360 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	210	210.0	\$ 57.57	\$ 12,089.70	\$ -	\$ 12,089.70
18	BITUMINOUS MATERIAL FOR TACK COAT	GAL	117	115.0	\$ 2.06	\$ 236.90	\$ (4.12)	\$ 241.02
19	2"- 2360 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	195	348.0	\$ 10.61	\$ 3,692.28	\$ 1,623.33	\$ 2,068.95
20	SAW & SEAL STREET (40' INTERVALS)	LF	497	475.0	\$ 1.67	\$ 793.25	\$ (36.74)	\$ 829.99
21	D412 CONCRETE CURB & GUTTER	LF	2140	2,130.0	\$ 7.93	\$ 16,890.90	\$ (79.30)	\$ 16,970.20
22	12" RCP CL. 5 STORM SEWER PIPE	LF	22	22.0	\$ 30.90	\$ 679.80	\$ -	\$ 679.80
23	48" DIAMETER MANHOLE, TYPE 406S (0'-10" DEPTH)	EA	1	1.0	\$ 2,266.00	\$ 2,266.00	\$ -	\$ 2,266.00
24	CATCH BASIN, TYPE 404S	EA	1	1.0	\$ 1,957.00	\$ 1,957.00	\$ -	\$ 1,957.00
25	4" PERFORATED PVC EDGE DRAIN W/BACKFILL & WRAP	LF	24	24.0	\$ 9.27	\$ 222.48	\$ -	\$ 222.48
26	EROSION STABILIZATION MAT, CL. 2	SY	49	49.0	\$ 5.15	\$ 252.35	\$ -	\$ 252.35
27	DITCH CHECK	EA	3	3.0	\$ 412.00	\$ 1,236.00	\$ -	\$ 1,236.00
28	INFILTRATION DITCH	LF	125	125.0	\$ 20.60	\$ 2,575.00	\$ -	\$ 2,575.00
29	RAIN GARDEN	EA	1	1.0	\$ 927.00	\$ 927.00	\$ -	\$ 927.00
30	RAIN GARDEN W/SUMP	EA	2	2.0	\$ 1,442.00	\$ 2,884.00	\$ -	\$ 2,884.00
31	MnDOT SEED MIX 328 W/ FERTILIZER & WOOD FIBER BLANKET SHORT GRASS WOODS EDGE SAVANNA WENHANCEMENT	SY	175	116.0	\$ 3.61	\$ 418.76	\$ (212.96)	\$ 631.75
32	AND WOOD FIBER BLANKET	SY	432	205.0	\$ 4.64	\$ 951.20	\$ (1,053.28)	\$ 2,004.48
33	SODDING	SY	663	1,048.0	\$ 2.58	\$ 2,703.84	\$ 983.30	\$ 1,710.54
<b>SUBTOTAL JANE NORTH ROAD</b>						\$ 90,893.08	\$ 1,123.07	\$ 89,770.01
<b>ISLE AVENUE NORTH</b>								
1	MOBILIZATION	LS	1	1.0	\$ 4,444.00	\$ 4,444.00	\$ -	\$ 4,444.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 306.00	\$ 306.00	\$ -	\$ 306.00
3	SILT FENCE	LF	195	202.0	\$ 1.02	\$ 206.04	\$ 7.14	\$ 198.90
4	INLET PROTECTION	EA	3	3.0	\$ 81.60	\$ 244.80	\$ -	\$ 244.80
5	SALVAGE & REINSTALL MAILBOX	EA	14	14.0	\$ 86.70	\$ 1,213.80	\$ -	\$ 1,213.80
6	SAWCUT PAVEMENT (ALL TYPES)	LF	341	252.0	\$ 1.15	\$ 289.80	\$ (102.35)	\$ 392.15
7	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	134	155.0	\$ 1.53	\$ 237.15	\$ 32.13	\$ 205.02
8	REMOVE & DISPOSE OF EXIST. CONCRETE PAVEMENT (DRIVE)	SY	50	7.0	\$ 3.06	\$ 21.42	\$ (131.58)	\$ 153.00
9	SUBGRADE CORRECTION	SY	1440	1,528.0	\$ 3.06	\$ 4,675.68	\$ 269.28	\$ 4,406.40
10	LOAD & HAUL RECLAIMED MATERIAL (LV)	CY	414	260.0	\$ 5.97	\$ 1,552.20	\$ (919.38)	\$ 2,471.58
11	RECLAIM EX. BIT. AND BASE MATERIALS	SY	6520	6,747.0	\$ 0.87	\$ 5,869.89	\$ 197.49	\$ 5,672.40
12	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	16	16.0	\$ 102.00	\$ 1,632.00	\$ -	\$ 1,632.00
13	2360 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	617	644.0	\$ 56.50	\$ 30,736.00	\$ 1,525.50	\$ 29,210.50
14	2360 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	517	525.7	\$ 56.50	\$ 29,704.31	\$ 493.81	\$ 29,210.50
15	BITUMINOUS MATERIAL FOR TACK COAT	GAL	289	210.0	\$ 2.04	\$ 428.40	\$ (161.16)	\$ 589.56
16	2"- 2360 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	158	155.0	\$ 10.61	\$ 1,629.05	\$ (10.61)	\$ 1,639.56
17	6" CONCRETE DRIVE	SY	50	3.0	\$ 31.62	\$ 94.86	\$ (1,486.14)	\$ 1,581.00
18	SAW & SEAL STREET (40' INTERVALS)	LF	1121	1,120.0	\$ 1.65	\$ 1,848.00	\$ (1.65)	\$ 1,849.65
19	D412 CONCRETE CURB & GUTTER	LF	3304	3,295.0	\$ 7.65	\$ 25,190.25	\$ (145.35)	\$ 25,275.60
20	SAWCUT INLET	EA	3	-	\$ 26.50	\$ -	\$ (76.50)	\$ 76.50
21	CL. 3 RIPRAP W/ GEOTEXTILE FILTER FABRIC	CY	4	4.0	\$ 112.20	\$ 448.80	\$ -	\$ 448.80
22	EROSION STABILIZATION MAT, CL. 2	SY	6	6.0	\$ 10.20	\$ 61.20	\$ -	\$ 61.20
23	DITCH GRADING	LF	35	35.0	\$ 9.18	\$ 321.30	\$ -	\$ 321.30
24	RAIN GARDEN	EA	1	1.0	\$ 918.00	\$ 918.00	\$ -	\$ 918.00
25	MnDOT SEED MIX 260 W/ FERTILIZER & WOOD FIBER BLANKET	SY	78	650.0	\$ 3.67	\$ 2,320.50	\$ 2,042.04	\$ 278.46
26	SODDING	SY	1080	1,707.0	\$ 3.06	\$ 5,223.42	\$ 1,918.62	\$ 3,304.80
<b>SUBTOTAL ISLE AVENUE NORTH</b>						\$ 119,566.87	\$ 3,451.39	\$ 116,105.48

COMPENSATING CHANGE ORDER NO. 5			PERIOD ENDING:		June 21, 2011			
2010 STREET & WATER QUALITY IMPROVEMENTS								
CITY OF LAKE ELMO, MINNESOTA								
TKDA PROJECT NO. 14504.001								
ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	QUANTITY TO DATE	UNIT PRICE	AMOUNT TO DATE	NET CHANGE	CONTRACT AMOUNT
<b>53RD STREET NORTH</b>								
1	MOBILIZATION	LS	1	1.0	\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 306.00	\$ 306.00	\$ -	\$ 306.00
3	SILT FENCE	LF	105	138.0	\$ 2.04	\$ 277.44	\$ 83.24	\$ 214.20
4	INLET PROTECTION	EA	8	7.0	\$ 81.60	\$ 571.20	\$ (81.60)	\$ 852.80
5	SAWCUT PAVEMENT (ALL TYPES)	LF	446	351.0	\$ 1.02	\$ 358.02	\$ (86.00)	\$ 454.92
6	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	197	188.0	\$ 1.53	\$ 288.88	\$ (1.53)	\$ 301.41
7	REMOVE & DISPOSE OF EXIST. CONCRETE PAVEMENT (DRIVE)	SY	35	-	\$ 3.06	\$ -	\$ (107.10)	\$ 107.10
8	REMOVE & DISPOSE OF EXIST. STORM SEWER MANHOLE	EA	2	2.0	\$ 714.00	\$ 1,428.00	\$ -	\$ 1,428.00
9	REMOVE & DISPOSE OF EXIST. STORM SEWER (ALL TYPES & SI)	LF	30	30.0	\$ 7.14	\$ 214.20	\$ -	\$ 214.20
10	SUBGRADE CORRECTION	SY	2520	44.0	\$ 3.06	\$ 134.64	\$ (7,576.56)	\$ 7,711.20
11	LOAD & HAUL RECLAIMED MATERIAL (LV)	CY	411	411.0	\$ 6.12	\$ 2,515.32	\$ -	\$ 2,515.32
12	RECLAIM EX. BIT. AND BASE MATERIALS	SY	10500	10,700.0	\$ 0.77	\$ 8,239.00	\$ 154.00	\$ 8,085.00
13	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	32	32.0	\$ 85.00	\$ 2,720.00	\$ -	\$ 2,720.00
14	2360 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	1,064	1,042.7	\$ 56.00	\$ 58,380.64	\$ (1,193.36)	\$ 59,584.00
15	2360 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	876	890.0	\$ 56.00	\$ 49,840.00	\$ 784.00	\$ 49,056.00
16	BITUMINOUS MATERIAL FOR TACK COAT	GAL	490	380.0	\$ 2.04	\$ 775.20	\$ (224.40)	\$ 999.60
17	2"- 2360 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	217	189.0	\$ 10.51	\$ 1,986.39	\$ (294.28)	\$ 2,280.67
18	6" CONCRETE DRIVE	SY	35	-	\$ 33.88	\$ -	\$ (1,178.10)	\$ 1,178.10
19	REMOVE & REPLACE BITUMINOUS FLUME	EA	2	2.0	\$ 102.00	\$ 204.00	\$ -	\$ 204.00
20	SAW & SEAL STREET (40' INTERVALS)	LF	2206	2,356.0	\$ 1.65	\$ 3,887.40	\$ 249.15	\$ 3,638.25
21	CONNECT DRAINTILE TO EXISTING STORM SEWER	EA	1	1.0	\$ 306.00	\$ 306.00	\$ -	\$ 306.00
22	ADJUST CATCH BASIN CASTING & INSTALL CONCRETE WINGS	EA	6	6.0	\$ 153.00	\$ 918.00	\$ -	\$ 918.00
23	12" RCP CL. 5 STORM SEWER PIPE	LF	30	30.0	\$ 27.54	\$ 826.20	\$ -	\$ 826.20
24	48" DIAMETER MANHOLE, TYPE 406S (0'-10' DEPTH)	EA	1	1.0	\$ 2,244.00	\$ 2,244.00	\$ -	\$ 2,244.00
25	CATCH BASIN, TYPE 404S	EA	1	1.0	\$ 1,734.00	\$ 1,734.00	\$ -	\$ 1,734.00
26	4" PERFORATED PVC EDGE DRAIN W/BACKFILL & WRAP	LF	15	20.0	\$ 15.30	\$ 306.00	\$ 76.50	\$ 229.50
27	EROSION STABILIZATION MAT, CL. 2	SY	12	7.0	\$ 6.12	\$ 42.84	\$ (30.50)	\$ 73.44
28	RAIN GARDEN	EA	2	1.0	\$ 918.00	\$ 918.00	\$ (918.00)	\$ 1,856.00
29	SODDING	SY	2,270	3,435.0	\$ 2.55	\$ 8,759.25	\$ 2,970.75	\$ 5,788.50
<b>SUBTOTAL 53RD STREET NORTH</b>						<b>\$ 162,201.62</b>	<b>\$ (7,404.79)</b>	<b>\$ 169,606.41</b>
<b>57TH STREET NORTH</b>								
1	MOBILIZATION	LS	1	1.0	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
2	TRAFFIC CONTROL	LS	1	1.0	\$ 306.00	\$ 306.00	\$ -	\$ 306.00
3	SILT FENCE	LF	80	87.0	\$ 2.04	\$ 175.48	\$ (87.72)	\$ 163.20
4	INLET PROTECTION	EA	2	2.0	\$ 81.60	\$ 163.20	\$ -	\$ 163.20
5	SAWCUT PAVEMENT (ALL TYPES)	LF	199	187.0	\$ 1.02	\$ 190.74	\$ (9.18)	\$ 199.92
6	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVE)	SY	89	89.0	\$ 2.04	\$ 181.56	\$ -	\$ 181.56
7	SUBGRADE CORRECTION	SY	683	683.0	\$ 3.06	\$ 2,089.98	\$ -	\$ 2,089.98
8	LOAD & HAUL RECLAIMED MATERIAL (LV)	CY	233	233.0	\$ 5.97	\$ 1,391.01	\$ -	\$ 1,391.01
9	RECLAIM EX. BIT. AND BASE MATERIALS	SY	3,767	3,767.0	\$ 0.77	\$ 2,900.59	\$ -	\$ 2,900.59
10	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	11	11.0	\$ 81.60	\$ 897.60	\$ -	\$ 897.60
11	2360 TYPE LV 3 BITUMINOUS NON-WEARING COURSE	TN	382	371.0	\$ 57.57	\$ 21,356.47	\$ (633.27)	\$ 21,991.74
12	2360 TYPE LV 4 BITUMINOUS WEARING COURSE	TN	314	329.0	\$ 57.57	\$ 18,882.98	\$ 805.98	\$ 18,076.96
13	BITUMINOUS MATERIAL FOR TACK COAT	GAL	176	200.0	\$ 2.04	\$ 408.00	\$ 48.96	\$ 359.04
14	2"- 2360 TYPE LV 4 BITUMINOUS WEARING COURSE, DRIVE	SY	89	76.0	\$ 10.51	\$ 798.76	\$ (136.63)	\$ 935.39
15	SAW & SEAL STREET (40' INTERVALS)	LF	791	753.0	\$ 1.65	\$ 1,247.40	\$ (67.75)	\$ 1,305.15
16	CONNECT DRAINTILE TO EXISTING STORM SEWER	EA	4	2.0	\$ 265.00	\$ 510.00	\$ (510.00)	\$ 1,020.00
17	ADJUST CATCH BASIN CASTING & INSTALL CONCRETE WINGS	EA	2	2.0	\$ 153.00	\$ 306.00	\$ -	\$ 306.00
18	4" PERFORATED PVC EDGE DRAIN W/BACKFILL & WRAP	LF	380	422.0	\$ 10.20	\$ 4,304.40	\$ 428.40	\$ 3,876.00
19	SODDING	SY	753	668.0	\$ 2.55	\$ 1,703.40	\$ (216.75)	\$ 1,920.15
<b>SUBTOTAL 57TH STREET NORTH</b>						<b>\$ 69,715.55</b>	<b>\$ (387.96)</b>	<b>\$ 80,083.61</b>
<b>CHANGE ORDER NO. 1</b>								
1	CL. 5 AGGREGATE BASE	TN	587	587.0	\$ 15.00	\$ 8,805.00	\$ -	\$ 8,805.00
<b>SUBTOTAL CHANGE ORDER NO. 1</b>						<b>\$ 8,805.00</b>	<b>\$ -</b>	<b>\$ 8,805.00</b>
<b>CHANGE ORDER NO. 3</b>								
1	BITUMINOUS RAMPING OF C.B.'S ON 57TH STREET	LS	1	1.0	\$ 3,099.55	\$ 3,099.55	\$ -	\$ 3,099.55
<b>SUBTOTAL CHANGE ORDER NO. 3</b>						<b>\$ 3,099.55</b>	<b>\$ -</b>	<b>\$ 3,099.55</b>
<b>CHANGE ORDER NO. 4</b>								
1	MOBILIZATION	LS	1	1.0	\$ 350.00	\$ 350.00	\$ -	\$ 350.00
2	HYDROSEEDING (SEED MIX 328)	SY	20	20.0	\$ 3.28	\$ 65.60	\$ -	\$ 65.60
3	TOPSOIL BORROW	CY	4	\$ 4.00	\$ 18.00	\$ 72.00	\$ -	\$ 72.00
4	DEDUCT FOR RAINGARDEN CORRECTION	LS	1	1.0	\$ (945.15)	\$ (945.15)	\$ -	\$ (945.15)
6	MILLING OF ADDITIONAL BITUMINOUS RAMPING ON 57TH ST	LF	900	\$ 900.00	\$ 1.50	\$ 1,350.00	\$ -	\$ 1,350.00
<b>SUBTOTAL CHANGE ORDER NO. 4</b>						<b>\$ 892.45</b>	<b>\$ -</b>	<b>\$ 892.45</b>
<b>TOTAL COMPENSATING CHANGE ORDER NO. 5</b>						<b>\$ 436,184.12</b>	<b>\$ (3,198.29)</b>	<b>\$ 438,362.41</b>





## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
CONSENT  
ITEM #: 4b  
MOTION *as part of the Consent Agenda*

**AGENDA ITEM:** 2011 Street and Water Quality Improvements – Partial Payment No. 1

**SUBMITTED BY:** Larry Bohrer, P.E

**THROUGH:** Bruce A Messelt, City Administrator

**REVIEWED BY:** Tom Bouthilet, Finance Director

---

**SUMMARY AND ACTION REQUESTED:** The City Council is asked to approve partial payment to Hardrives, Inc., the Contractor for the 2011 Street and Water Quality Improvements project. The Contractor submitted Partial Payment Certificate No. 1 in the amount of \$167,703.49. This request has been reviewed and payment is recommended in the amount requested. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**ADDITIONAL INFORMATION:** 5% of the work completed for Partial Payment Certificate No. 1 has been retained in the amount of \$8,385.17 in accordance with the Contract documents.

**RECOMMENDATION:** Based upon the above information, it is recommended that the City Council approve as part of tonight's *Consent Agenda* Partial Payment No. 1 in the amount of \$159,318.32.

Alternatively, the City Council does have the authority to table this item for future consideration, or further discuss and deliberation prior to taking action. If the latter is done so, the appropriate action of the Council following such discussion would be:

**“Move to authorize Partial Payment No. 1 in the amount of \$159,318.32 to be paid from the Project Fund for the 2011 Street and Water Quality Improvements project *[and amended and/or modified at tonight's meeting].*”**

**ATTACHMENTS:**

1. Payment Certificate No. 1

# TKDA

ENGINEERING • ARCHITECTURE • PLANNING

The right time. The right people. The right company.

444 Cedar Street, Suite 1500  
Saint Paul, MN 55101

(651) 292-4400  
(651) 292-0083 Fax  
www.tkda.com

Proj. No. 14732.001 Cert. No. 1 St. Paul, MN, July 13, 2011.

To City of Lake Elmo, Minnesota Owner

This Certifies that Hardrives, Inc. Contractor

For 2011 Street and Water Quality Improvements

Is entitled to One Hundred Fifty Nine Thousand Three Hundred Eighteen Dollars and 32/100 (\$159,318.32)

being 1st estimate for partial payment on contract with you dated April 19, 2011

Received payment in full of above Certificate. **TKDA**

Hardrives, Inc., 2011 Larry D. Bohrer  
Larry D. Bohrer, P.E.

### RECAPITULATION OF ACCOUNT

	CONTRACT PLUS EXTRAS	PAYMENTS	CREDITS
Contract price plus extras	\$ 469,524.99		
All previous payments		\$ -	
All previous credits			
Extra No.			
" "			
" "			
" "			
Credit No.			\$ -
" "			
" "			
" "			
AMOUNT OF THIS CERTIFICATE		\$ 159,318.32	
Totals	\$ 469,524.99	\$ 159,318.32	\$ -
Credit Balance		\$ -	
There will remain unpaid on contract after payment of this Certificate		\$ 310,206.67	
	\$ 469,524.99	\$ 469,524.99	\$ -



2011 STREET AND WATER QUALITY IMPROVEMENTS  
COLUMBUS, MINNESOTA  
TKDA PROJECT NO. 14732.001

ITEM NO.	DESCRIPTION	UNIT	UNIT PRICE	CONTRACT QUANTITY	QUANTITY TO DATE	CONTRACT AMOUNT	AMOUNT TO DATE
<b>TARTAN MEADOWS NEIGHBORHOOD</b>							
1	MOBILIZATION	LS	4,832.25	1	0.75	\$ 4,832.25	\$ 3,474.19
2	TRAFFIC CONTROL	LS	968.23	1	0.75	\$ 968.23	\$ 725.17
3	SILT FENCE	LF	2.69	285	0	\$ 766.65	\$ -
4	INLET PROTECTION	EA	96.82	14	0	\$ 1,355.48	\$ -
5	SAWCUT PAVEMENT (ALL TYPES)	LF	2.15	1,012	671	\$ 2,175.80	\$ 1,442.65
6	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVEWAYS)	SY	4.30	155	289	\$ 666.50	\$ 1,242.70
7	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (FLUME)	EA	80.69	2	0	\$ 161.38	\$ -
8	REMOVE & DISPOSE OF EXIST. CONCRETE PAVEMENT (DRIVEWAYS)	SY	5.38	101	4	\$ 543.38	\$ 21.52
9	SUBGRADE CORRECTION	SY	2.00	966	0	\$ 1,932.00	\$ -
10	RECLAIM EX. BIT. AND BASE MATERIALS, 8-INCH DEPTH	SY	0.80	19,294	19,294	\$ 15,435.20	\$ 15,435.20
11	HAUL OUT EXCESS MILLINGS (LV)	CY	6.00	1,084	978	\$ 6,504.00	\$ 5,868.00
12	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	220.93	49	49	\$ 10,781.47	\$ 10,781.47
13	2360 TYPE LV3 BITUMINOUS NON-WEARING COURSE	TN	46.95	1,797	1894	\$ 87,963.15	\$ 92,711.30
14	2360 TYPE LV4 BITUMINOUS WEARING COURSE	TN	51.08	1,597	0	\$ 78,479.22	\$ -
15	BITUMINOUS MATERIAL FOR TACK COAT	GAL	2.14	860	0	\$ 1,840.40	\$ -
16	2360 TYPE LV4 BITUMINOUS WEAR COURSE, DRIVES	SY	15.98	214	0	\$ 3,419.72	\$ -
17	SAW & SEAL STREET (40' INTERVALS)	LF	2.09	3,480	0	\$ 7,273.20	\$ -
18	ADJUST CATCH BASIN & INSTALL CONCRETE WINGS	EA	611.27	13	0	\$ 6,646.61	\$ -
19	REPAIR CASTING AND ADJUST CATCH BASIN & INSTALL CONCRETE WINGS	EA	809.81	1	0	\$ 809.81	\$ -
20	ADJUST MANHOLE	EA	458.24	1	0	\$ 458.24	\$ -
21	6" CONCRETE DRIVE	SY	46.20	134	0	\$ 6,198.84	\$ -
22	CONCRETE CURB CUT FOR RAIN GARDEN	EA	263.88	12	0	\$ 3,162.96	\$ -
23	CLASS 3 RIP RAP W/GEOTEXTILE FABRIC	CY	102.21	4	0	\$ 408.84	\$ -
24	DITCH GRADING	LF	2.37	210	0	\$ 487.70	\$ -
25	IMPORT AND PLACE TOPSOIL	CY	14.52	481	0	\$ 6,984.12	\$ -
26	SEEDING, FERTILIZER AND WOOD FIBER BLANKET	SY	2.15	145	0	\$ 311.75	\$ -
27	SODDING	SY	2.70	4,354	0	\$ 11,766.80	\$ -
	<b>SUBTOTAL TARTAN MEADOWS NEIGHBORHOOD</b>					\$ 262,132.40	\$ 131,703.20
<b>DAVID NELSON ESTATES NEIGHBORHOOD</b>							
1	MOBILIZATION	LS	1,639.88	1	0.75	\$ 1,639.88	\$ 1,229.91
2	TRAFFIC CONTROL	LS	268.95	1	0.75	\$ 268.95	\$ 201.71
3	SILT FENCE	LF	2.69	100	0	\$ 269.00	\$ -
4	INLET PROTECTION	EA	96.83	2	0	\$ 193.66	\$ -
5	SAWCUT PAVEMENT (ALL TYPES)	LF	2.15	163	89	\$ 350.45	\$ 191.35
6	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVEWAYS)	SY	4.30	17	28	\$ 73.10	\$ 120.40
7	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (FLUME)	EA	80.69	1	0	\$ 80.69	\$ -
8	REMOVE & DISPOSE OF EXIST. CONCRETE PAVEMENT (DRIVEWAYS)	SY	5.34	13	0	\$ 69.42	\$ -
9	SUBGRADE CORRECTION	SY	2.00	138	0	\$ 276.00	\$ -
10	RECLAIM EX. BIT. AND BASE MATERIALS, 8-INCH DEPTH	SY	0.80	2,750	2,750	\$ 2,200.00	\$ 2,200.00
11	HAUL OUT EXCESS MILLINGS (LV)	CY	1.00	101	0	\$ 101.00	\$ -
12	SUBGRADE PREPARATION OF RECLAIMED SURFACE	RS	378.11	6	6	\$ 2,268.66	\$ 2,268.66
13	2360 TYPE LV3 BITUMINOUS NON-WEARING COURSE	TN	50.78	246	272	\$ 12,485.96	\$ 13,806.72
14	2360 TYPE LV4 BITUMINOUS WEARING COURSE	TN	53.69	207	0	\$ 11,113.63	\$ -
15	BITUMINOUS MATERIAL FOR TACK COAT	GAL	2.14	116	0	\$ 248.24	\$ -
16	2360 TYPE LV4 BITUMINOUS WEAR COURSE, DRIVES	SY	16.05	82	0	\$ 513.60	\$ -
17	SAW & SEAL STREET (40' INTERVALS)	LF	2.09	360	0	\$ 752.40	\$ -
18	ADJUST CATCH BASIN & INSTALL CONCRETE WINGS	EA	560.43	1	0	\$ 560.43	\$ -
19	REPAIR CASTING AND ADJUST CATCH BASIN & INSTALL CONCRETE WINGS	EA	841.89	1	0	\$ 841.89	\$ -
20	6" CONCRETE DRIVE	SY	53.79	22	0	\$ 1,183.38	\$ -
21	CONCRETE CURB CUT FOR RAIN GARDEN	EA	295.86	2	0	\$ 591.72	\$ -
22	DITCH GRADING	LF	10.76	5	0	\$ 53.80	\$ -
23	IMPORT AND PLACE TOPSOIL	CY	34.68	62	0	\$ 2,150.16	\$ -
24	SEEDING, FERTILIZER AND WOOD FIBER BLANKET	SY	10.76	25	0	\$ 269.00	\$ -
25	SODDING	SY	2.70	531	0	\$ 1,433.70	\$ -
	<b>SUBTOTAL DAVID NELSON ESTATES NEIGHBORHOOD</b>					\$ 39,989.92	\$ 20,018.75
<b>60TH STREET AND KIMBRO AVENUE</b>							
1	MOBILIZATION	LS	3,075.56	1	0.5	\$ 3,075.56	\$ 1,537.76
2	TRAFFIC CONTROL	LS	699.30	1	0.5	\$ 699.30	\$ 349.65
3	SILT FENCE	LF	2.69	100	0	\$ 269.00	\$ -
4	CLEAR AND GRUB TREE	EA	236.69	20	20	\$ 4,733.80	\$ 4,733.80
5	SAWCUT PAVEMENT (ALL TYPES)	LF	2.15	100	0	\$ 215.00	\$ -
6	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT	SY	1.29	1,067	1,067	\$ 1,378.43	\$ 1,376.43
7	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVEWAYS)	SY	4.30	8	0	\$ 34.40	\$ -
8	COMMON EXCAVATION (CV) (P)	CY	7.42	289	289	\$ 2,144.38	\$ 2,144.38
9	SUBGRADE CORRECTION	SY	4.63	1,050	1,050	\$ 4,861.50	\$ 4,861.50
10	SUBGRADE PREPARATION OF GRAVEL SURFACE	RS	180.00	38	0	\$ 6,840.00	\$ -
11	PLACE & COMPACT RECLAIM MATERIAL (FROM OTHER SITES) (LV)	CY	1.00	1,239	978	\$ 1,239.00	\$ 978.00
12	2360 TYPE LV3 BITUMINOUS NON-WEARING COURSE	TN	49.88	1,201	0	\$ 59,905.88	\$ -
13	2360 TYPE LV4 BITUMINOUS WEARING COURSE	TN	50.74	1,201	0	\$ 60,938.74	\$ -
14	BITUMINOUS MATERIAL FOR TACK COAT	GAL	2.14	504	0	\$ 1,078.56	\$ -
15	2360 TYPE LV4 BITUMINOUS WEAR COURSE, DRIVES	SY	15.60	356	0	\$ 5,553.60	\$ -
16	GUARDRAIL, MN/DOT TYPE 8307 OR 8388	LF	35.50	210	0	\$ 7,465.00	\$ -
17	CLASS 5 AGGREGATE SHOULDERING - 100% CRUSHED LIMESTONE	TN	17.43	204	0	\$ 3,555.72	\$ -
18	DITCH GRADING	LF	10.76	20	0	\$ 215.20	\$ -
19	SEEDING, FERTILIZER AND WOOD FIBER BLANKET	SY	2.15	420	0	\$ 903.00	\$ -
20	STRIPING - 4" YELLOW STRIPING	LF	0.22	2,320	0	\$ 510.40	\$ -
21	STRIPING - 4" WHITE STRIPING	LF	0.22	7,440	0	\$ 1,636.80	\$ -
22	INSTALL SIGN PANEL	SF	32.28	5	0	\$ 161.40	\$ -
	<b>SUBTOTAL 60TH STREET AND KIMBRO AVENUE</b>					\$ 167,402.67	\$ 16,981.54
	<b>TOTAL ESTIMATE NO. 1</b>					\$ 469,524.99	\$ 167,703.49



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/11  
REGULAR  
ITEM #: # 5  
MOTION

**AGENDA ITEM:** 2011 Street Improvement Rain Garden Project – Accepting the Quotes and Awarding the Contract

**SUBMITTED BY:** Ryan Stempiski, Assistant City Engineer

**THROUGH:** Bruce Messelt, City Administrator *BAM*

**REVIEWED BY:** Jack Griffin, City Engineer  
Tom Bouthilet, Finance Director

---

**SUMMARY AND ACTION REQUESTED:** The City Council is asked to accept quotes and award a contract for the 2011 Street Improvement Rain Garden Project. Bids were received on July 8, 2011. Rusty Schmidt, Washington Conservation District, solicited quotes from five qualified contractors and has prepared the attached recommendation Memorandum dated July 14, 2011.

The recommended motion to act on is as follows:

*“Move to Accept the Quotes and Award a Contract to All Weather Services in the amount of \$25,074.00 for the 2011 Street Improvement Rain Garden Project per the Washington County Conservation District Recommendation Memorandum dated July 14, 2011.”*

**BACKGROUND INFORMATION AND STAFF REPORT:** TKDA has coordinated with the Washington Conservation District (WCD) to prepare rain garden plans to improve water quality along the 2011 Street and Water Quality Improvement Project. Planting plans were prepared by WCD and approved by the City of Lake Elmo. The 2011 Street Improvement Rain Garden Project plan set is available for review by request.

A total of 13 rain gardens will result from the 2011 Street Improvement Rain Garden Project. These rain gardens will require the contractor to complete all tasks related to the gardens (grading, soil repair, draintile, concrete curb cuts, mulch, edging, rock retaining walls, planting and restoration).

Notice to proceed will be given if award of contract is given by the City Council. A Pre-Construction Meeting will be held prior to the Contractor commencing any work to coordinate the project with the contractor. The completion date for the project is August 12, 2011.

All rain gardens will have a residential maintenance agreement.

**FUNDING:** The contract for the 2011 Street Improvement Rain Garden Project is for an estimated amount of \$25,074.00. Actual quantities paid will be per the unit prices provided for each item. The City of Lake Elmo received a Valley Branch Watershed District (VBWD) Community Grant in January of 2011 for up to \$13,100.00 in matching funds for water quality improvements. The estimated post-bid total qualifying costs for water quality improvements on the 2011 Street Improvements is \$25,074.00, resulting in a \$12,537.00 VBWD grant amount. This would leave a remainder of \$12,537.00 for the City of Lake Elmo to be paid from the Storm Water Utility Fund.

**RECOMMENDATION:** Based upon the above background information and staff report, it is recommended that the City Council move to approve the motion by undertaking the following action:

*"Move to Accept the Quotes and Award a Contract to All Weather Services in the amount of \$25,074.00 for the 2011 Street Improvement Rain Garden Project per the Washington County Conservation District Recommendation Memorandum dated July 14, 2011."*

**ATTACHMENTS:**

1. Washington Conservation District Recommendation Memo dated July 14, 2011
2. Construction Contract



# WASHINGTON CONSERVATION DISTRICT

1380 W FRONTAGE RD  
HIGHWAY 36  
STILLWATER, MN 55082

651-275-1136 (PHONE)  
651-275-1254 (FAX)  
WWW.MNWCD.ORG

## MEMORANDUM

**TO:** City of Lake Elmo  
**FROM:** Rusty Schmidt, Washington Conservation District  
**DATE:** July 14, 2011  
**RE:** Recommended Lower Responsible Bidder for the Raingardens along the 2011 Roadway Improvement Projects

On June 28<sup>th</sup>, 2011 the WCD in cooperation with the City of Lake Elmo and Valley Branch Watershed District sent out a proposal for quotes and bids for the 2011 Raingarden Roadway Projects. This project is to place 13 gardens along the new roadways within the city limits. The raingardens are to be installed and planted by mid August 2011. Construction will include but not limited to grading, edging, mulch, plants, draintile and compost.

The bids were returned on July 8<sup>th</sup>, 2011 by 4 pm. Five bids were received with one bid significantly lower than the rest. Three bids were at the design estimate. And one bid was significantly higher than the rest and 25% higher than estimate. The low bidder is responsible and has done many projects of similar size and scope, including last years roadway raingardens. The previous projects have been done competently and successfully. The low bid contractor's low bid is due to the location to the project site.

The following are the bid totals:

All Weather Services	\$25,074.00
Outdoor Labs	\$28,343.90
Creative Services	\$28,952.70
St. Croix Valley Landscaping	\$29,996.00
Landscape Renovations	\$35,340.76

I, Rusty Schmidt, recommend giving the project to the lowest bidder who is All Weather Services of Stillwater.

Thank you,  
Rusty Schmidt

*Rusty W. Schmidt*  
Natural Resource Specialist

**2011 STREET IMPROVEMENT RAINGARDEN PROJECT  
CONSTRUCTION CONTRACT**

Washington County

This Contract, made this \_\_\_\_\_ day of \_\_\_\_\_ 2011, by the City of Lake Elmo, Minnesota (hereinafter called the "Owner") and All-Weather Services (hereinafter called the "Contractor").

WITNESSETH that the parties hereto agree as follows:

- (A) The Contractor shall provide all labor, services, materials, equipment and machinery, transportation, tools, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals, including profit and overhead, necessary for the performance, testing, start-up, and completion of the work as described herein:

**DESCRIPTION OF WORK:**

The scope of work under this contract includes the complete construction of 13 rain gardens in accordance with the 2011 Street Improvement Raingarden Project Plan Set issued by the City of Lake Elmo and dated June 21, 2011. The complete Plan Set consists of 30 sheets.

The complete construction of 13 rain gardens shall include the grading, soil repair, mulch, edging, retaining walls, planting and restoration in the locations shown on the plans and as staked in the field.

This Construction Contract is intended to provide for a fully completed project and shall be performed by the Contractor for the total estimated price of \$25,074.00, based upon the attached Quote Proposal Form. The quantities stated therein are approximate only. Payment will be made for the quantities of work ordered and actually installed complete. Any work items necessary to provide for a fully completed project and not listed as an itemized quantity on the Quote Proposal Form shall be considered incidental to the project work.

*However, no work shall be allowed to proceed that will result in additional quantities for payment without the prior written authorization of the City by Lake Elmo.*

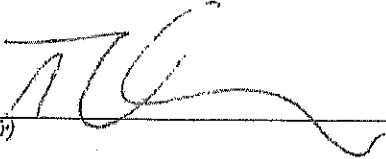
All work shall be completed within the specified time frame and under the terms and conditions provided within this Construction Contract, and in accordance with the "General Conditions" shown in this contract as follows:

Work will be performed concurrently with the City of Lake Elmo Street Project. The Contractor shall make every reasonable effort to complete the work prior to the paving of bituminous wear course. The Final Completion Date is August 12, 2011. Any damage done by the Contractor to the new bituminous street and/or curb shall be corrected at the Contractor's expense.

The Owner will make payment for the whole contract, upon acceptance by the Owner of all work required hereunder and compliance by Contractor with all the terms and conditions of this contract.



IN WITNESS WHEREOF, the parties hereto have executed this contract as of the date first above written.

  
\_\_\_\_\_  
(Contractor)

\_\_\_\_\_  
(City of Lake Elmo)

## GENERAL CONDITIONS

- I. **CHANGES IN WORK.** - The Owner may at any time, make changes in the drawings and specifications, within the general scope thereof. If such changes cause an increase or decrease in the amount due under this contract or in the time required for its performance, an equitable adjustment will be made, and this contract will be modified accordingly by a "Contract Change Order". No charge for any extra work or material will be allowed unless the same has been ordered on such contract change order by the Owner and the price therefore stated in the order.
- II. **INSPECTION OF WORK.** - All materials and workmanship will be subject to inspection, examination, and test, by the Owner, who will have the right to reject defective material and workmanship or require its correction.
- III. **COMPLETION OF WORK.** - If the Contractor refuses or fails to complete the work within the time specified in this contract, or any extension thereof, the Owner may terminate the Contractor's rights to proceed. In such event the Owner may take over the work and prosecute the same to completion by contract or otherwise, and the Contractor will be liable for any excess cost occasioned the Owner thereby; and the Owner may take possession of and utilize in completing the work such materials and equipment as may be on the site of the work and necessary therefore. If the Owner does not terminate the right of the Contractor to proceed, the Contractor will continue the work, in which event, actual damages for delay will be impossible to determine, and in lieu thereof, the Contractor may be required to pay to the Owner the sum of \$100 as liquidated damages for each calendar day of delay, and the Contractor will be liable for the amount thereof. Provided, however, that the right of the Contractor to proceed will not be terminated because of delays in the completion of the work due to unforeseeable causes beyond the Contractor's control and without Contractor's fault or negligence.
- IV. **RELEASES.** - Prior to final payment, the Contractor will submit evidence that all payrolls, material bills, and other indebtedness connected with the work have been paid as required by the Owner.
- V. **OBLIGATION TO DISCHARGE LIENS.** - Acceptance by the Owner of the completed work performed by the Contractor and payment therefore by the Owner will not relieve the Contractor of obligation to the Owner (which obligation is hereby acknowledged) to discharge any and all liens for the benefit of subcontractors, laborers, material-person, or any other persons performing labor upon the work or furnishing material or machinery for the work covered by this contract, which have attached to or may subsequently attach to the property, or interest of the Owner.
- VI. **NOTICES AND APPROVAL IN WRITING.** - Any notice, consent, or other act to be given or done hereunder will be valid only if in writing.
- VII. **CLEANING UP.** - The Contractor shall keep the premises free from accumulation of waste material and rubbish and at the completion of the work shall remove from the premises all rubbish, implements and surplus materials.
- VIII. **WARRANTY.** - Contractor warrants and guarantees that title to all work, materials, and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to Owner no later than the time of payment free and clear of all Liens. If within one year after completion of the work, any work is found to be defective, Contractor shall promptly, without cost to the Owner, correct such defective work as approved by the Owner.
- IX. **IDEMNIFICATION.** - Contractor shall defend and indemnify the city against claims brought or actions filed against the city or any of its officers, employees or agents for property damage, bodily injury or death to third persons, arising out of or relating to contractors work under the contract.
- X. **WORKERS' COMPENSATION INSURANCE.** - Contractor shall provide a certificate of insurance showing evidence of workers' compensation coverage or provide evidence of qualification as a self-insurer of workers' compensation.
- XI. **LIABILITY INSURANCE REQUIREMENTS.** - A certificate of insurance acceptable to the City shall be filed with the City prior to the commencement of the work. The certificate and the required insurance policies shall contain a

provision that the coverage afforded under the contract will not be canceled or allowed to expire until at least 30 days prior written notice has been given to the city.

Contractor shall maintain commercial general liability (CGL), and if necessary commercial umbrella insurance, with a limit of not less than \$1,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, the general aggregate limit shall be not less than \$2,000,000 and the aggregate limit shall apply on a per-project basis. The CGL insurance shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and contractually-assumed liability. The city shall be named as an additional insured under the CGL.

Contractor shall maintain automobile liability insurance, and if necessary, umbrella liability insurance with a limit of not less than \$1,000,000 each accident. If such insurance contains a general aggregate limit, the general aggregate limit shall be not less than \$2,000,000. The insurance shall cover liability arising out of any auto, including owned, hired, and non-owned autos.

2011 LAKE ELMO ROADWAY RAINGARDEN COST ESTIMATE

Material	QTY	Unit	Unit Cost	Amount	
<i>Anderson</i>					
Plants					
		plugs	\$4.00	\$0.00	
	19	#1 gal.	\$12.00	\$228.00	
	9	#2 gal.	\$22.00	\$198.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	40	Ln. Ft.	\$8.00	\$320.00	
Retaining Wall - Glacial Field Stone 12"-24"	2.5	TON	\$150.00	\$375.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,766.00
<i>Gergen</i>					
Plants					
	38	plugs	\$4.00	\$152.00	
	30	#1 gal.	\$12.00	\$360.00	
		#2 gal.	\$22.00	\$0.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	60	Ln. Ft.	\$8.00	\$480.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,637.00
<i>Gibson/ Pike</i>					
Plants					
	33	plugs	\$4.00	\$132.00	
	42	#1 gal.	\$12.00	\$504.00	
		#2 gal.	\$22.00	\$0.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	60	Ln. Ft.	\$8.00	\$480.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,761.00
<i>Hammerlund</i>					
Plants					
	32	plugs	\$4.00	\$128.00	

	42	#1 gal.	\$12.00	\$504.00	
		#2 gal.	\$22.00	\$0.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	60	Ln. Ft.	\$8.00	\$480.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,757.00

**Lee**  
Plants

	18	plugs	\$4.00	\$72.00	
	12	#1 gal.	\$12.00	\$144.00	
	7	#2 gal.	\$22.00	\$154.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	60	Ln. Ft.	\$8.00	\$480.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,495.00

**Linder**  
Plants

	35	plugs	\$4.00	\$140.00	
	42	#1 gal.	\$12.00	\$504.00	
		#2 gal.	\$22.00	\$0.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	60	Ln. Ft.	\$8.00	\$480.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,769.00

**Schauer**  
Plants

	65	plugs	\$4.00	\$260.00	
	86	#1 gal.	\$12.00	\$1,032.00	
	14	#2 gal.	\$22.00	\$308.00	
Mulch - double shredded hardwood	6	CY	\$30.00	\$180.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	100	Ln. Ft.	\$8.00	\$800.00	
Excavation	15	CY	\$11.00	\$165.00	

Sod	130	SF	\$3.00	\$390.00	\$3,195.00
<b>Schneider</b>					
Plants					
	39	plugs	\$4.00	\$156.00	
	39	#1 gal.	\$12.00	\$468.00	
		#2 gal.	\$22.00	\$0.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	78	Ln. Ft.	\$8.00	\$624.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,893.00
<b>Schumacher</b>					
Plants					
	8	plugs	\$4.00	\$0.00	
	14	#1 gal.	\$12.00	\$96.00	
		#2 gal.	\$22.00	\$308.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	40	Ln. Ft.	\$8.00	\$320.00	
Retaining Wall - Glacial Field Stone 12" -24"	2.5	TON	\$150.00	\$375.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,744.00
<b>Voeller</b>					
Plants					
	46	plugs	\$4.00	\$184.00	
	37	#1 gal.	\$12.00	\$444.00	
		#2 gal.	\$22.00	\$0.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	60	Ln. Ft.	\$8.00	\$480.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,753.00
<b>Wemeier</b>					
Plants					
	34	plugs	\$4.00	\$136.00	
	44	#1 gal.	\$12.00	\$528.00	

		#2 gal.	\$22.00	\$0.00	
Mulch - double shredded hardwood	2	CY	\$30.00	\$60.00	
Compost - MnDOT Grade 2	2	CY	\$30.00	\$60.00	
Bullet Edgers	70	Ln. Ft.	\$8.00	\$560.00	
Excavation	15	CY	\$11.00	\$165.00	
Sod	120	SF	\$3.00	\$360.00	\$1,869.00

**Whalen  
Plants**

	21	plugs	\$4.00	\$84.00	
	59	#1 gal.	\$12.00	\$708.00	
	17	#2 gal.	\$22.00	\$374.00	
Mulch - double shredded hardwood	5.5	CY	\$30.00	\$165.00	
Compost - MnDOT Grade 2	5.5	CY	\$30.00	\$165.00	
Bullet Edgers	126	Ln. Ft.	\$8.00	\$1,008.00	
Excavation	28	CY	\$11.00	\$308.00	
Sod	316	SF	\$3.00	\$948.00	
Retaining Wall - Glacial Field Stone 12" - 24"	2.5	TON	\$150.00	\$375.00	\$4,135.00

<b>Mobilization</b>		JOB	\$500.00	\$300.00	\$300.00
<b>Total Cost Estimate</b>				\$25,074.00	\$25,074.00



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011

**CONSENT**

ITEM #: 6

**MOTION**

**AGENDA ITEM:** Approve Temporary Authority for City Electrical Inspections

**SUBMITTED BY:** Sharon Lumby, City Clerk

**THROUGH:** Bruce A. Messelt, City Administrator *BAM*

**REVIEWED BY:** Karl Horning, Building Official  
David Snyder, City Attorney

---

**SUMMARY AND ACTION REQUESTED:** It is respectfully requested that the City Council receive and approve Ordinance No. 08-048, authorizing inspections of electrical installations within the City. A sample ordinance was provided by the League of Minnesota Cities. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**BACKGROUND INFORMATION:** Construction projects are being delayed by a lack of state-provided electrical inspections. Under state law, any new electrical installation in any construction, remodeling or repair must be inspected for compliance with accepted standards of construction for safety to life and property. While it's usually the State that performs these inspections the State isn't doing any electrical inspections during shutdown.

**STAFF REPORT:** A City can pass an ordinance authorizing inspections of electrical installations within its jurisdiction. Once the City conveys the adopted ordinance to the Department of Labor and Industry (DLI), the City can allow inspections to be performed within the City by individuals licensed by the State as master or journeyman electricians. The League of Minnesota Cities has learned that the DLI commissioner believes cities do indeed have the authority to pass such an ordinance for Cities to take over electrical inspections during state shutdown.

**RECOMMENDATION:** Based upon the above background information and staff report, it is recommended that the City Council approve Ordinance No. 08-048 as part of tonight's *Consent Agenda*.



Alternatively, the City Council does have the authority to remove this item from the Consent Agenda further discuss and deliberate prior to taking action. If done so, the appropriate action of the Council following such discussion would be:

***“Move to Adopt Ordinance No. 08-48, An Ordinance amending Chapter 151 by adding the Minnesota Electrical Act to the Lake Elmo City Code”***

**ATTACHMENTS:** Ordinance No. 08-048

**SUGGESTED ORDER OF BUSINESS (if removed from the Consent Agenda):**

- Questions from Council to Staff .....Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion.....Mayor Facilitates
- Action on Motion..... Mayor & City Council

ORDINANCE NO. 08-048

CITY OF LAKE ELMO  
WASHINGTON COUNTY, STATE OF MINNESOTA

AN AMENDMENT TO CHAPTER 151 OF THE CITY CODE OF  
LAKE ELMO, MINNESOTA

AN ORDINANCE AMENDING CHAPTER 151 BY ADDING THE MINNESOTA  
ELECTRICAL ACT TO THE LAKE ELMO CITY CODE

The City of Lake Elmo ordains:

**SECTION 1: AMENDMENT:**

Chapter 151.002 of the Lake Elmo City Code is hereby amended with Ordinance No. 08- by adding the Minnesota Electrical Act to Chapter 151 of the City Code which shall read as follows:

- Section 1. **Authority to inspect.** The City of Lake Elmo hereby provides for the inspection of all electrical installations pursuant to Minn. Stat. 326B.36. Subd. 6.
- Section 2. **Adopted by reference.** The Minnesota Electrical Act, as adopted by the Commissioner of Labor and Industry pursuant to Minnesota Statutes Chapter 326B, Sections 326B.31 to 326B.399. The Minnesota Electrical Act is hereby incorporated into this ordinance as if fully set out herein. The Minnesota State Building Code incorporates by reference the National Electrical Code pursuant to Minn. R. 1315.0020. All such codes incorporate herein by reference constitute the electrical Code of the City of Lake Elmo.
- Section 3. **Compliance.** All electrical installations shall comply with the requirements of the electrical code of the City of Lake Elmo and this ordinance.
- Section 4. **Permits and fees.** The issuance of permits and the collection of fees shall be as authorized in Minnesota Statutes 326B.37. Any inspections or handling fees will be payable to the City of Lake Elmo.
- Section 5. **Notice and appeal.** All notices of violations and orders issued under this ordinance shall be in conformance with Minn. Stat. 326B.36, subd. 4.
- Section 6. **Violations and penalties.** A violation of the Minnesota Electrical Act is a misdemeanor. (M.S. 326B.082, sub. 16)

Section 7. **Sunset.** This ordinance shall be revoked without further action of the City Council once the Department of Labor and Industry is funded for the 2011 fiscal year by legislative enactment of a stare budget.

**SECTION 2. PURPOSE:**

The purpose of this amendment is to establish an electrical inspections program in the City of Lake Elmo that is administered and enforced by the City.

**SECTION 3. SUMMARY:**

The following official summary of Ordinance No. 08-48 has been approved by the City Council of the City of Lake Elmo as clearly informing the public of the intent and effect of the Ordinance.

It is the intent and effect of Ordinance No. 08-048 to establish an electrical inspections program in the City of Lake Elmo that is administered and enforced by the City, as permitted in Minn. Stat. 326B.36, subd 6.

**SECTION 4. EFFECTIVE DATE:**

**Adopted by the City Council of Lake Elmo the 19<sup>th</sup> day of July, 2011.**

\_\_\_\_\_  
Dean A. Johnston, Mayor

ATTEST:

\_\_\_\_\_  
Sharon Lumby, City Clerk



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011

**CONSENT**

ITEM #: 7

**MOTION**

**AGENDA ITEM:** Electrical Inspection Services Agreement

**SUBMITTED BY:** Sharon Lumby, City Clerk

**THROUGH:** Bruce A. Messelt, City Administrator

*BAW*

**REVIEWED BY:** Karl Horning, Building Official  
David Snyder, City Attorney

---

**SUMMARY AND ACTION REQUESTED:** It is respectfully requested that the City Council receive and approve an Electrical Inspection Services Agreement with Joseph Wheaton, Wheaton Inspections. Mr. Wheaton is the State Electrical Inspector for this area. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**BACKGROUND INFORMATION:** Once the City conveys the adopted ordinance to the Department of Labor and Industry (DLI), the City can allow inspections to be performed within the City by individuals licensed by the State as Master or Journeyman Electricians. The League of Minnesota Cities has learned that the DLI commissioner believes cities do indeed have the authority to pass such an ordinance for Cities to take over electrical inspections during the State shutdown.

**STAFF REPORT:** Currently Joe Wheaton works as a contract employee with the State of Minnesota to conduct electrical inspection, as required by the National Electrical Code. The City keeps 25% of the permit fee and passes 75% onto the inspector, which is included in the draft agreement. The Building Official is pleased with the work performed by Mr. Wheaton, who provides timely inspection and good customer service, and would like to retain his services on behalf of the City.

**RECOMMENDATION:** Based upon the above background information and staff report, it is recommended that the City Council approve an Electrical Inspection Services Agreement with Joseph Wheaton, Wheaton Inspections as part of tonight's Consent Agenda.

Alternatively, the City Council does have the authority to remove this item from the Consent Agenda further discuss and deliberate prior to taking action. If done so, the appropriate action of the Council following such discussion would be:

**“Move to Adopt Electrical Inspection Services Agreement with Joseph Wheaton, Wheaton Inspection, as presented [*and modified*] herein.”**

**ATTACHMENTS:** Electrical Inspection Services Agreement

**SUGGESTED ORDER OF BUSINESS (if removed from the Consent Agenda):**

- Questions from Council to Staff .....Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion.....Mayor Facilitates
- Action on Motion..... Mayor & City Council

City of Lake Elmo  
Electrical Inspection Services Agreement

This contract is made and entered into between the City of Lake Elmo, hereinafter identified as "City" and Joseph Wheaton, Wheaton Inspections, hereinafter identified as "Contractor".

WHEREAS, the City requires services to be provided for electrical inspections for electrical permits issued in the City; and

WHEREAS, the Contractor desires to and is capable of providing the necessary services according to the terms and conditions stated herein.

**1. TERMS**

The Terms of this Contract shall run from July 20, 2011 to

**2. CONTRACTOR'S OBLIGATIONS:**

General Description. The Contractor shall provide the following services:

- a. Provide qualified personnel to perform electrical inspections within two work days of notification by the electrical installer.
- b. Enforce the Minnesota Electrical Act and Rules as adopted and amended by the City and current National Electrical Code.
- c. Submit a report of complete inspections, invoice for completed electrical inspections with the completed permits.
- d. Cooperate with the City Building Official to resolve non-complying or incomplete electrical installations when the installers fail to comply with acceptable standards.
- e. Notify the electrical utility for connection or re-connection of all electrical services installed, replaced or repaired for which an electrical permit is required. Contractors may call in for hook-ups on residential installations.

### **3. CITY'S OBLIGATIONS:**

General Description. The City shall:

- a. Receive and process electrical permits and fees in accordance to its fee schedule.
- b. Assign a permit number.
- c. Forward a copy of the permit to the Contractor.
- d. Receive and process orders for payments and fees collected for fee shortages and extra or special inspections.
- e. Adopt the most recent version of the Minnesota Electrical Act.
- f. Adopt Minnesota Rules.

### **4. PAYMENT:**

- a. Compensation. The City shall pay the Contractor 75% of the permit fees collected for completed inspections.
- b. Invoices. The Contractor shall submit an invoice and request for payment on an invoice form acceptable to the City.
- c. Time of Payment. The City shall make payments to the Contractor within thirty days (30) from the date of which the invoice is received. If the invoice is incorrect, or otherwise improper, the City shall notify the Contractor within ten days (10) of receiving the incorrect invoice. Upon receiving the corrected invoice from the Contractor, the City will make payment within thirty days (30).
- d. Payment for Unauthorized Claims. The City may refuse to pay any claim, which is not specifically authorized by the Contract. Payment of the claim shall not preclude the City from questioning the propriety of the claim.

### **5. COMPLIANCE WITH LAWS AND STANDARDS:**

- a. General. The Contractor shall abide by all federal, state, and local laws, statutes, ordinances, rules and regulations now in effect or hereafter adopted pertaining to this Contract.
- b. Licenses. The Contractor shall procure, at his own expense, all licenses or other certifications required for the provision of services contemplated by this Contract. The Contractor shall inform the City of any changes in the above-stated laws, standards, requirements, rules, etc., within five (5) days of occurrence.

- c. Minnesota Law to Govern. This Contract shall be governed and construed in accordance with the substantive and procedural laws of the State of Minnesota, without giving effect to the principles of conflict of laws. All proceedings related to this Contract shall be venued in the State of Minnesota.
6. **INDEPENDENT CONTRACTOR STATUS:** The Contractor is an independent contractor and nothing herein contained shall be construed as to create the relationship of employer and employee between the City and the Contractor. The Contractor shall at all times be free to exercise initiative, judgment and discretion as to how to best perform to provide services. The Contractor acknowledges and agrees that the Contractor is not entitled to receive any benefits received by City employees and is not eligible for worker's or unemployment compensation benefits. The Contractor also acknowledges and agrees that no withholding or deduction for State or Federal income taxes FICA, FUTA or otherwise, will be made from payments due the Contractor and that it is the Contractor's sole obligation to comply with the applicable provisions of all Federal and State tax laws.
7. **INDEMNIFICATION:** The Contractor shall indemnify, hold harmless and defend the City, its officers and employees against any and all liability, loss, costs, damages expenses, claims and actions, including attorney's fees which the City, its officers or employees may hereafter sustain, incur or be required to pay arising out of or by reason of any negligent or willful act or adequately perform the Contractor's obligations pursuant to this Contract.
8. **INSURANCE:**
- a. Professional Liability Insurance – The Contractor must provide professional liability insurance with limits of at least \$500,000 per occurrence \$1,000,000 aggregate for each person performing inspections under this Contract and with the City as additional insured.
- b. Automobile Liability. The Contractor must provide a certificate of automobile insurance meeting the minimal requirements of the State for each person performing inspections under this Contract.
- c. Worker's Compensation. If applicable, the Contractor shall procure and maintain a policy that at last meets the statutory minimum.
- d. Certificates. Prior to concurrent with execution of this Contract, the Contractor shall file copies with the City.
- e. Failure to Provide Proof of Insurance. The City may withhold payments or immediately terminate this Contract for failure of the Contractor to furnish proof of insurance coverage or to comply with the insurance requirements as stated above.



f. Non-Waiver. Nothing in this Contract shall constitute a waiver by the City of any statutory limits or exceptions on liability.

9. **SUBCONTRACTING:** The Contractor shall not enter into any subcontract for the performance of the services contemplated under this Contract of the City and subject to such conditions and provisions as are deemed necessary. The Contractor may have another inspector fill in for him from time to time or in the case of sickness or while on vacation.

10. **TERMINATION:**

a. With or Without Cause. This Contract may be terminated with or without cause by either party upon thirty (30) days written notice.

11. **CONTRACT RIGHTS/REMEDIES:**

a. Rights Cumulative. All remedies available to either party under the terms of this Contract or by law are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

b. Waiver. Waiver for any default shall not be deemed to be a waiver of any subsequent default. Waiver of Breach of any provision of this Contract shall not be construed to be modification for the terms of this Contract, unless stated to be such in writing and signed by authorized representative of the City and the Contractor.

The PARTIES hereto executed this Contract as of the year and date listed below.

City of Lake Elmo, MN

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Contractor: Joseph Wheaton, Wheaton Inspections

Dated: \_\_\_\_\_

By: \_\_\_\_\_



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
CONSENT  
ITEM #: 8  
MOTION Ordinance No. 08-049

**AGENDA ITEM:** Consider Amended 2011 Fee Schedule

**SUBMITTED BY:** Tom Bouthilet, Finance Director  
Karl Horning, Building Official

**THROUGH:** Bruce Messelt, City Administrator

BAW

**REVIEWED BY:** Sharon Lumby, City Clerk

---

**SUMMARY AND ACTION REQUESTED:** The Council is respectfully requested to consider adopting Ordinance No. 08-049 approving an Amended 2011 Fee Schedule to include City support fees for electrical inspections. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**BACKGROUND INFORMATION & STAFF REPORT:** City staff prepared an ordinance revision and, if adopted, would allow the City to contract with Joe Wheaton, Wheaton Inspections, a private license master electrician, to perform the necessary electrical inspections.

The code amendment involves adoption of the National Electrical Code and allows the City to administer the code by issuing permits, collecting fees and requiring inspections. Staff has created the proper form and will integrate the process into the City's computer permit issuing software.

The City needs a mechanism to determine and collect appropriate fees for electrical services, which are provided in Appendix B. The staff felt it was a good idea for residents/contractors to have a "one-stop shop" for building permits during the State shutdown.

**RECOMMENDATION:** Based upon the above background information and staff report, it is recommended that the City Council consider adopting Ordinance No. 08-049 approving an Amended 2011 Fee Schedule to include City support fees for electrical inspections. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

Alternatively, the City Council does have the authority to remove this item from the Consent Agenda further discuss and deliberate prior to taking action. If done so, the appropriate action of the Council following such discussion would be:

***“Move to adopt Ordinance No. 08-048 approving Appendix B – Electrical Inspections Fees amending the 2011 Fee Schedule, as presented herein.”***

**ATTACHMENTS:**

1. Ordinance No. 08-048
2. Appendix B – Electrical Inspection Fees

**SUGGESTED ORDER OF BUSINESS (if removed from the Consent Agenda):**

- Questions from Council to Staff ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor Facilitates
- Action on Motion ..... Mayor & City Council

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**ORDINANCE NO. 08-049**

**AN ORDINANCE AMENDING MUNICIPAL FEES FOR CALENDAR YEAR 2011**

The Lake Elmo City Council hereby adopts the following fee schedule for calendar year 2011, applicable as services outlined in Appendix B, and directs that it be added to the Lake Elmo Municipal Code as Appendix B.

Appendix B- 2011 Fee Schedule – Electrical Inspection Fees

**ADOPTION DATE:** Passed by the Lake Elmo City Council on the 19th day of July, 2011.

CITY OF LAKE ELMO


By: \_\_\_\_\_  
Dean A. Johnston  
Its: Mayor

ATTEST

\_\_\_\_\_  
Sharon Lumby  
City Clerk

**PUBLICATION DATE:** Published on the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

APPENDIX B

 <p>CITY OF <b>LAKE ELMO</b></p>	<p>3800 Laverne Avenue N. Lake Elmo, MN 55042 Electrical Inspector: (612) 866-3784 Building Official: (612) 233-5409 FAX: (651) 777-9615 www.lakeelmo.org</p>	<p><b>Request for Electrical Inspection (REI) (permit)</b></p> <p><b>Inspection Fee Worksheet</b></p>	
Item Description	Quantity	Fee	Total***
0 to 400 Amp Power Source		\$ 35/source	
401 - 800 Amp Power Source		\$ 60/source	
Over 800 Amp Power Source		\$ 100/source	
0 to 200 Amp Circuit or Feeder		\$ 6/feeder or circuit	
Over 200 Amp Circuit or Feeder		\$ 15/feeder or circuit	
New One- or Two-Family Dwelling (up to 30 circuits and feeders per unit)		\$ 100/dwelling unit	
New One- or Two-Family Dwelling (additional circuits over 30 per unit)		\$ 6/feeder or circuit	
Existing One- or Two-Family Dwelling (where 15 or more feeders or circuits are installed or extended per unit)		\$ 100/dwelling unit	
Existing One- or Two-Family Dwelling (where less than 15 feeders or circuits are installed or extended per unit)		\$ 6/feeder or circuit	
Reconnected Existing Circuit or Feeder (for panelboard replacements)		\$ 2/feeder or circuit	
Separate bonding inspection		\$ 35/inspection	
Inspection of concrete-encased grounding electrode		\$ 35/inspection	
Technology circuits & circuits less than 50 volts		75¢/device or apparatus	
Additional inspection trip(s)		\$ 35/inspection trip	
Investigative Fee (enter values in the Quantity and Fee columns)			
Other...			
Other...			
Other...			
Other...			
<p><b>TOTAL INSPECTION FEE is the fee calculated above, or \$35 multiplied by the number of required inspection trips, whichever is greater. Enter Inspection Fee Here &amp; on REI &gt;&gt;</b></p>			



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
**CONSENT**  
ITEM #: 9  
**RESOLUTION 2011-026**

**AGENDA ITEM:** Consideration of an application for a variance to allow the construction of an accessory building over 500 square feet in size and designed to internally flood within a Flood Fringe District.

**SUBMITTED BY:** Nick Johnson, Planning Intern

**THROUGH:** Bruce Messelt, City Administrator *BAM*

**REVIEWED BY:** Planning Commission  
Kyle Klatt, Planning Director

---

**SUMMARY AND ACTION REQUESTED:** The City Council is asked to consider a variance request from Mr. Douglas Lovett, 9940 59<sup>th</sup> Street Court North, to rebuild an accessory building, damaged during the last winter due to snow load, with a design intended to allow the structure to internally flood. Due to the fact that the barn is currently within a Flood Fringe District and would be considered nonconforming, the construction requires a variance.

In addition, the applicant has decided to utilize internal flood proofing techniques as opposed using fill or stilts to raise the structure, which would prove to costly for the applicant. The variance will allow for the new structure to be larger than the 500 square foot limit allowed for internal flood proofing. It is important to note that the accessory structure or the home have not flooded previously. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**BACKGROUND INFORMATION:** For variance applications, the burden is on the applicant to demonstrate why this situation is unique and necessitates flexibility to code requirements. To make this case, a variance can only be granted by the city when strict enforcement of the code would cause "practical difficulties" on a property owner. Therefore, the case must meet the following four findings:

- a. *A variance to the provision of this chapter may be granted by the Board of Adjustment upon the application by the owner of the affected property where the strict enforcement of this chapter would cause practical difficulties because of circumstances unique to the individual property under consideration and then only when it is demonstrated that such actions will be in keeping with the spirits and intent of this chapter;*

- b. *The plight of the landowner is due to circumstances unique to the property not created by the landowner;*
- c. *The proposed variance will not alter the essential character of the locality in which the property in question is located; and*
- d. *The proposed variance will not impair an adequate supply of light and air to property adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood.*

In addition to these requirements, the case must also satisfy the following criteria for variances in flood zones provided by the Federal Emergency Management Administration:

- a. Variances shall not be issued by a community within any designated regulatory floodway if any increase in flood levels during the base flood discharge would result.
- b. Variances shall only be issued by a community upon (i) a showing of good and sufficient cause, (ii) a determination that failure to grant the variance would result in exceptional hardship to the applicant, and (iii) a determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization on the public, or conflict with existing local laws or ordinances.
- c. Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

In reviewing the request against the four criteria listed above, along with careful consideration of the FEMA variance criteria, staff determined all criteria were met. The request was deemed reasonable and found to have no ill effect on the character of the locality or adjacent properties.

**PLANNING COMMISSION REPORT:** The Planning Commission reviewed the application, held a public hearing, and recommended approval of the variance request at the regularly scheduled meeting on July 11, 2011. One Lake Elmo resident was present and spoke in favor of granting the variance request at the public hearing.

**RECOMMENDATION:** Based upon the above background information and staff report, it is recommended that the City Council approve the variance as part of tonight's *Consent Agenda*.

Alternatively, the City Council does have the authority to remove this item from the Consent Agenda further discuss and deliberate prior to taking action. If done so, the appropriate action of the Council following such discussion would be:

***“Move to approve Resolution 2011-026 approving the requested variance to allow an accessory building of over 500 square feet to be built as proposed at 9940 59<sup>th</sup> Street Court North with internal flood-proofing techniques”***

The City Council may also deny the requested variance with findings. If done so, the appropriate action of the Council following such discussion would be:

*“Move to deny the requested variance to allow an accessory building of over 500 square feet to be built as proposed at 9940 59<sup>th</sup> Street Court North for the following reasons [stated herein].”*

**ATTACHMENTS:**

1. Resolution No. 2011-026
2. Detailed Staff report analyzing the request
3. Application Form
4. Site plan identifying dimensions of accessory structure
5. Flood plain map
6. Survey of 9940 59<sup>th</sup> St. Ct. N.
7. Images of old accessory building that was damaged due to snow load
8. Letter detailing contractor's flood proofing measures

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item..... City Administrator
- Report/Presentation.....City Planner
- Questions from Council to Staff.....Mayor Facilitates
- Public Input, if Appropriate.....Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion.....Mayor Facilitates



**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION NO. 2011-026**

*A RESOLUTION APPROVING A VARIANCE TO ALLOW THE RECONSTRUCTION OF A  
DETACHED ACCESSORY BUILDING OVER 500 SQUARE FEET IN SIZE IN A FLOOD  
FRINGE DISTRICT WITH INTERNAL FLOOD PROOFING*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Douglas L. Lovett, 9940 59<sup>th</sup> Street Court North (the "Applicant") has submitted an application to the City of Lake Elmo (the "City") for a variance to allow an accessory building of over 500 square feet to be rebuilt with internal flood-proofing techniques in a Flood Fringe District; and

**WHEREAS**, notice has been published, mailed and posted pursuant to the Lake Elmo Zoning Ordinance, Section 154.017; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on said matter on July 11, 2011; and

**WHEREAS**, the Lake Elmo Planning Commission has submitted its report and recommendation to the City Council as part of a Staff Memorandum dated July 19, 2011; and

**WHEREAS**, the City Council considered said matter at its July 19, 2011 meeting.

**NOW, THEREFORE**, based on the testimony elicited and information received, the City Council makes the following:

**FINDINGS**

- 1) That the procedures for obtaining said Variance are found in the Lake Elmo Zoning Ordinance, Section 154.017.
- 2) That additional criteria concerning Variances for structures located within a Floodplain District are found in Section 152.10, Subd. C (3) of the City Code.
- 3) That all the submission requirements of said 154.017 and 152.10 have been met by the Applicant.

- 4) That the proposed variance is to allow an accessory building of over 500 square feet to be rebuilt with internal flood-proofing techniques in a Flood Fringe District. The proposed building would replace a slightly larger structure that was damaged and eventually torn down due to heavy snow loads over the past winter.
- 5) That the Variance will be located on property legally described as follows:

Legal Description

PART OUTLOT A LYING WESTERLY FOLLOWING DESCRIBED LINE COMMENCING AT MOST SOUTHWESTERLY CORNER OUTLOT A THENCE AZ 89DEG50'23" ALONG MOST SOUTHERLY LINE SAID OUTLOT 233.95 FEET POB LINE DESCRIBED THENCE AZ 26DEG27'40" 202.19 FEET THENCE AZ 38DEG43'28" 193.71 FEET TO POINT ON MOST SOUTHERLY LINE LOT 1 BLOCK 4 SAID PRAIRIE HAMLET 448.98 FEET E OF SOUTHWEST CORNER SAID LOT 1 & THERE TERMINATING & PART SAID OUTLOT A LYING NORTHERLY & WESTERLY FOLLOWING DESCRIBED LINE BEGINNING AT MOST SOUTHEASTERLY CORNER SAID LOT 1 BLOCK 4 THENCE AZ 51DEG58'02" 64.01 FEET TO ANG POINT IN MOST WESTERLY LINE OUTLOT B SAID PLAT THENCE AZ 40DEG21'05" ALONG MOST NORTHWESTERLY LINE SAID OUTLOT B 32.78 FEET THENCE AZ 359DEG21'05" 745.89 FEET TO POINT ON MOST NORTHERLY LINE SAID OUTLOT A 908.97 FEET WEST OF NORTHEAST CORNER SAID OUTLOT A & SAID LINE THERE TERMINATING & LOT 1 BLOCK 4 SAID PLAT SUBJ TO EASE Lot A SubdivisionCd 00255 SubdivisionName PRAIRIE HAMLET

Commonly known as 5761 Keats Avenue.

- 6) That the strict enforcement of Zoning Ordinance would cause practical difficulties and that the property owner proposes to use the property in a reasonable manner not permitted by an official control. *Specific findings:*
  - a) *There have been no known previous incidents of flooding of the previous accessory building or the principal structure on the applicant's property.*
  - b) *The property owner would be allowed to construct the structure with the same dimensions had it not been located in a flood plain.*
  - c) *An accessory structure of only 500 square feet, which is what is allowed with internal flood proofing within the Flood Fringe District, is not large enough to fulfill the needs of the applicants farming activities that currently occur. Therefore, an accessory structure of this size would significantly limit their ability to continue their farming activities.*
- 7) That the plight of the landowner is due to circumstances unique to the property not created by the landowner. *Specific findings:*
  - a) *In 2008, The Federal Emergency Management Agency updated the Lake Elmo Flood Insurance Rate Map, which resulted in the accessory structure on the Lovett property being included within a Flood Fringe District where the structure previously was not designated as such.*

- b) The designated flood plain boundaries extend well beyond the ordinary high water level of the pond on the applicant's property, which is not common for other inland water features within the City.*
  - c) The damage caused by heavy snow loads made the structure unsafe, necessitating new construction*
- 8) That the proposed variance will not alter the essential character of the locality in which the property in question is located. *Specific findings:*
  - a) The structure existed in the same location before being included within a Flood Fringe District.*
  - b) The proposed internal flood-proofing techniques will allow the structure to be rebuilt in its historic location.*
  - c) The structure will not be visible from State Highway 36 or other adjacent properties.*
- 9) That the proposed variance will not impair an adequate supply of light and air to property adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood. *Specific findings:*
  - a) Replacing the damaged structure, as opposed to leaving a dilapidated structure on this property, will ensure that property values do not diminish in the neighborhood.*
- 10) That with regards to the City's Floodplain Management ordinance:
  - a) That the granting of the Variance will not result in an increase in flood levels during the base flood discharge.*
  - b) That the application has demonstrating good and sufficient cause for the granting of the Variance.*
  - c) That the failure to grant the variance would result in exceptional hardship to the applicant.*
  - d) That the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.*
  - e) That the variance is the minimum necessary, considering the flood hazard, to afford relief.*

### CONCLUSIONS AND DECISION

Based on the foregoing, the Applicants' application for a Variance is granted with the following conditions:

- 1) The structure must be anchored to resist flotation, collapse, and lateral movement.
- 2) All portions of the structure located below the Base Flood Elevation (BFE) must be constructed of flood-resistant materials.
- 3) The structure be designed to allow for the automatic entry and exit of flood waters.
- 4) Mechanical and utility equipment must be elevated or flood proofed at or above the BFE.
- 5) The structure shall comply with the floodway encroachment provisions of the National Flood Insurance Program (NFIP) Regulations.
- 6) The structure shall be limited to parking and storage.
- 7) Compliance with these conditions must be satisfied at the time a building permit is issued for the structure and will be verified during routine inspections required as part of the building permit.

Passed and duly adopted this 19<sup>th</sup> day of July 2011 by the City Council of the City of Lake Elmo, Minnesota.

\_\_\_\_\_  
Dean A. Johnston, Mayor

ATTEST:

\_\_\_\_\_  
Bruce Messelt, City Administrator

City of Lake Elmo Planning Department  
**Variance Request**

---

*To:* **City Council**

*From:* Nick Johnson, Planning Intern

*Meeting Date:* **7/19/2011**

*Applicant:* **Douglas Lovett**

*Owner:* Same

*Location:* **9940 59<sup>th</sup> Street Court North**

*Zoning:* OP/OS

---

***Introductory Information***

---

***Application Summary:*** The City of Lake Elmo has received a request from Mr. Lovett to construct and internally flood proof a 3800 square foot building at 9940 59<sup>th</sup> Street Court North. The proposed building is larger than the 500 square foot allowable threshold for internally flood proofing buildings within a Flood Fringe District and therefore requires a variance.

***Property Information:*** The applicant's property is OP/OS Open Space Preservation District. It is located in the Northern part of Lake Elmo. There is an existing single family home and accessory structure located within the Flood Fringe District. The fact that these structures are in the flood plain is a result of FEMA's last updates of their flood map in 2008. It should be noted that the extent to which the flood boundary extends is larger than what is normal. The accessory structure, a barn used for the property owner's agricultural activities, was constructed more than 40 years prior. It is important to note that the structure is not visible from Hwy 36 and does not present a physical or visual nuisance in any way.

***Applicable Codes:*** **§152.10 ADMINISTRATION (C, 3)**

*Variances.* The Board of Adjustment may authorize upon appeal in specific cases such relief or variance from the terms of this Ordinance as will not be contrary to the public interest and only when the applicable criteria of Section 154.017 of the City Code is met. In the granting of such variance, the Board of Adjustment shall clearly identify in writing the specific conditions that existed consistent with the criteria specified in this Ordinance, any other zoning regulations in the City, and in the respective enabling legislation that justified the granting of the variance. No variance shall have the effect of allowing in any district uses prohibited in that district, permit a lower degree of flood protection than the regulatory flood

human intervention to open a garage door prior to flooding will not satisfy this requirement for automatic openings.

**§ 152.11 NONCONFORMING USES (A, 3)**

The cost of all structural alterations or additions to any nonconforming structure over the life of the structure shall not exceed 50 percent of the market value of the structure unless the conditions of this Section are satisfied. The cost of all structural alterations and additions must include all costs such as construction materials and a reasonable cost placed on all manpower or labor. If the cost of all previous and proposed alterations and additions exceeds 50 percent of the market value of the structure, then the structure must meet the standards of Section 152.04 or 152.05 of this Ordinance for new structures depending upon whether the structure is in the Floodway or Flood Fringe District, respectively.

***Findings & General Site Overview***

**Site Data:** Lot Size: 17.9 acres  
Existing Use: Residential/Agriculture  
Existing Zoning: OP/OS Open Space Preservation District  
Property Identification Number (PID): 03-029-21-12-0005

***Application Review:***

**Applicable Definitions:**

**ACCESSORY BUILDING.** A subordinate building, or a portion of the main building, which is located on the same lot as the main building and the purpose of which is clearly incidental to that of the principal building.

**ACCESSORY STRUCTURE.** A use or structure on the same lot with, and of a nature customarily incidental and subordinate to, the principal use or structure.

**BUILDING.** Any structure, either temporary or permanent, having a roof and used or built for the shelter or enclosure of any person, animal, or movable property of any kind. When any portion of a building is completely separated from every other part of a building by area separation, each portion of the building shall be deemed as a separate building.

**NON-CONFORMITY – NON-CONFORMING USE.** Any legal use, structure or parcel of land already in existence, recorded, or authorized before the adoption of zoning regulations or amendments to the zoning regulations that would not have been permitted to become established under the terms of the zoning regulations as now written, if the zoning regulations had been in effect prior to the date it was established, recorded, or authorized.

market value of the structure, as specified in Section 152.11 of the City Code.

The request to rebuild the accessory building that was damaged due to snow load on the property is a reasonable request. Therefore, staff finds **this condition is met.**

2. *The plight of the landowner is due to circumstances unique to the property not created by the landowner;*

In 2008, FEMA updated the flood map, which resulted in the accessory structure on the Lovett property being included in the Flood Fringe District. In addition, the area of the flood plain is substantially larger than normal. Finally, the damage caused by snow load made the structure unsafe, necessitating new construction. Regarding this construction, the method of internal flood proofing was the most reasonable option for the applicant.

Therefore staff finds **this condition is met.**

3. *The proposed variance will not alter the essential character of the locality in which the property in question is located.*

The structure existed in the same location before being included in the Flood Fringe District. As mentioned before, this structure has never previously flooded. As long as the appropriate flood proofing techniques are utilized, then there shouldn't be any concern as to a shift in the character of the locality. In addition, the applicant has made it clear that this structure will not be visible to Hwy 36 or other adjacent properties.

Therefore, staff finds **this condition is met.**

4. *The proposed variance will not impair an adequate supply of light and air to property adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood.*

Repairing the damaged structure should ensure that property values do not diminish in the neighborhood. In addition, completing the necessary flood proofing would not diminish the property value in any way. Finally, repairing this structure should not impair the supply of light or air, or cause any congestion to the public streets.

Therefore, staff finds **this condition is met.**

**Variance  
Conclusions:**

Based on the analysis of the review criteria in City Code, the Planning Commission and City Staff would recommend **approval of this variance request** with the conditions and amendments outlined in **Resolution 2011-026** for 9940 59<sup>th</sup> Street Court North.

- 7) The structure must pass additional review to ensure that all of these conditions have been satisfied.

**Denial  
Motion**

To deny the request, you may use the following motion as a guide:

**Template:**

**I move to deny the request for the construction of an internally flood proofed accessory building at 9940 59<sup>th</sup> Street Court North...*(please site reasons for the recommendation)***

**Approval  
Motion**

To approve the request, you may use the following motion as a guide:

**Template:**

**I move to approve the request for the construction of an internally flood proofed accessory structure at 9940 59<sup>th</sup> Street Court North based on the findings provided in the staff report...*(or cite your own)*  
...with the conditions outlined in the staff report.**

cc: Doug Lovett, applicant



Fee \$ \_\_\_\_\_

### City of Lake Elmo DEVELOPMENT APPLICATION FORM

- Comprehensive Plan Amendment
- Zoning District Amendment
- Text Amendment
- Flood Plain C.U.P. Conditional Use Permit
- Conditional Use Permit (C.U.P.)
- Variance \* (See below)
- Minor Subdivision
- Lot Line Adjustment
- Residential Subdivision Sketch/Concept Plan
- Site & Building Plan Review
- Residential Subdivision Preliminary/Final Plat
  - 01 - 10 Lots
  - 11 - 20 Lots
  - 21 Lots or More
- Excavating & Grading Permit
- Appeal
- PUD

APPLICANT: Douglas L. Lovett 9940 59<sup>th</sup> Street Ct N, Lake Elmo, MN. 55042  
 (Name) (Mailing Address) (Zip)

TELEPHONES: 651.338.8575  
 (Home) (Work) (Mobile) (Fax)

FEE OWNER: Douglas L. Lovett 9940 59<sup>th</sup> Street Ct N, Lake Elmo, MN. 55042  
 (Name) (Mailing Address) (Zip)

TELEPHONES: 651.338.8575  
 (Home) (Work) (Mobile) (Fax)

PROPERTY LOCATION (Address and Complete (Long) Legal Description):  
9940 59<sup>th</sup> Street Ct N, Lake Elmo, MN. 55042  
See attached "Legal Description"

DETAILED REASON FOR REQUEST:  
See attached "Detailed Reason for Request"

\*VARIANCE REQUESTS: As outlined in Section 301.060 C. of the Lake Elmo Municipal Code, the Applicant must demonstrate a hardship before a variance can be granted. The hardship related to this application is as follows:  
Reducing the barn size to 500 square feet would severely limit our ability to farm and would violate our insurance claim and mortgage obligation.

In signing this application, I hereby acknowledge that I have read and fully understand the applicable provisions of the Zoning and Subdivision Ordinances and current administrative procedures. I further acknowledge the fee explanation as outlined in the application procedures and hereby agree to pay all statements received from the City pertaining to additional application expense.

Signature of Applicant:  Date: 21-June-2011  
 Signature of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

JUN 22 2011

**Detailed Reason for Request**

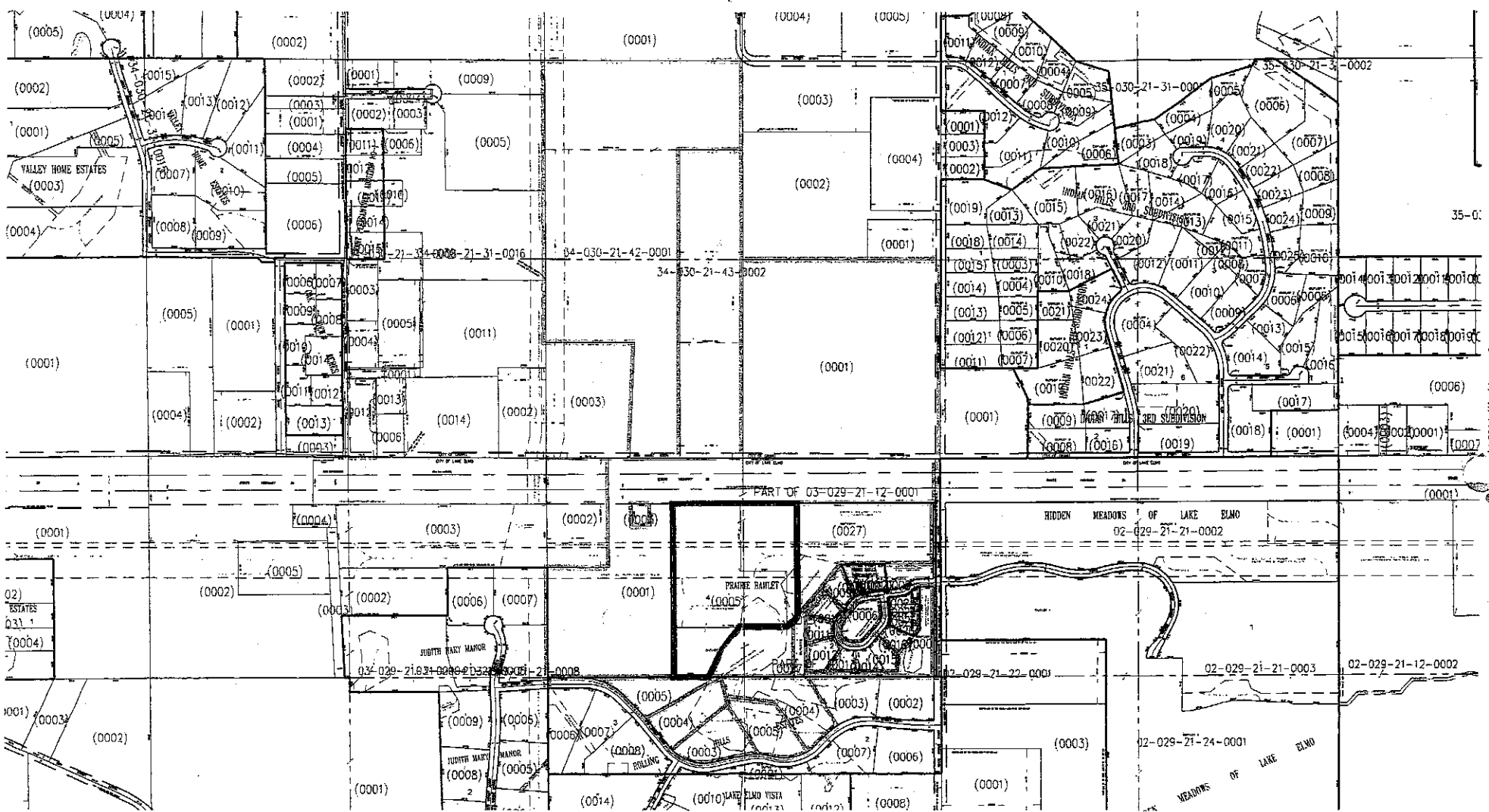
On December 24<sup>th</sup>, 2010, our barn roof was damaged due to snow load.

In 2008, FEMA updated the Flood Maps and included our barn in a Flood Fringe.

According to the City of Lake Elmo, County of Washington, State of Minnesota, Ordinance No. 08-023, Section 152.05 Flood Fringe District (FF) (B, 2):

“...accessory structures that constitute a minimal investment and that do not exceed 500 square feet at its largest projection may be internally flood proofed in accordance with Section 152.04 (D,5,c).”

We would like rebuild the barn, making it internally flood proofed, in the preexisting footprint which is larger than 500 square feet.



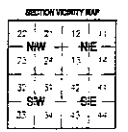
**Washington County**  
 PUBLIC WORKS DEPARTMENT  
 SURVEY AND LAND MANAGEMENT DIVISION  
 14949 62nd Street North, P.O. Box 6  
 St. Paul, Minnesota 55082-0006  
 (651) 430-8875  
 survey@dc.washington.gov  
 www.dc.washington.gov

**LEGEND**  
 DNR PROTECTED WATERS  
 DNR PROTECTED WETLAND  
 DNR PROTECTED WATERCOURSE  
 MUNICIPAL BOUNDARY  
 PARK BOUNDARY

**NORTH**  
 SCALE: 1 inch = 630 feet

**SECTION-TOWNSHIP-RANGE INDEX**

3300221	3400221	3500221
0400221	0300221	0200221
0900221	1000221	1100221



**PROPERTY IDENTIFICATION NUMBER FORMAT (000000)**

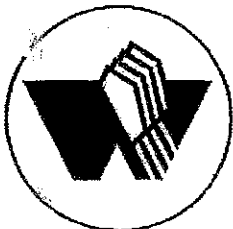
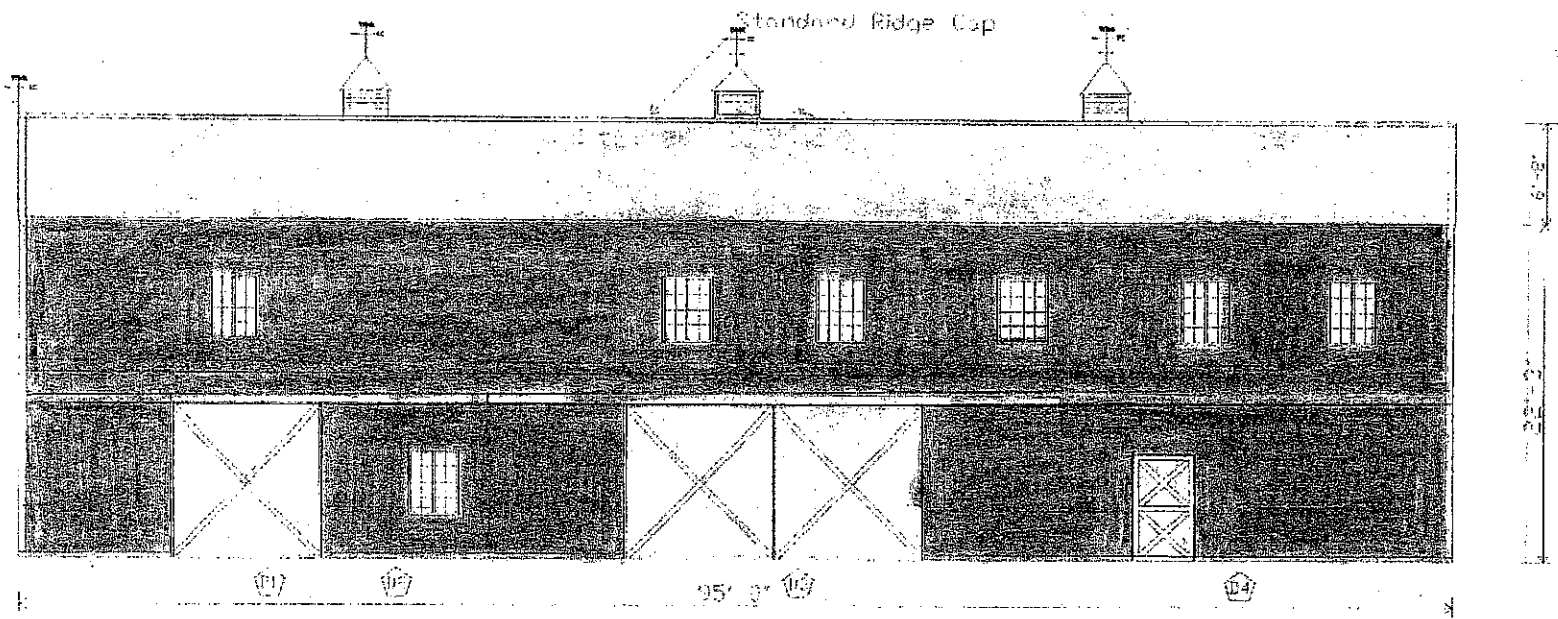
SECTION	TOWNSHIP	RANGE	QUARTER	BLK	ACRES
00	00	00	00	00	0000

(0001) - LOTS POLAR ORDER BY PROPERTY IDENTIFICATION NUMBER

THIS DRAWING IS THE RESULT OF A COMPILATION AND REPRODUCTION OF LAND RECORDS AS THEY APPEAR IN VARIOUS WASHINGTON COUNTY OFFICES. WASHINGTON COUNTY IS NOT RESPONSIBLE FOR ANY INACCURACIES. PROPERTY LINES AS SHOWN ARE FOR REFERENCE PURPOSES AND MAY NOT REPRESENT ACTUAL LOCATIONS.  
 MAP LAST UPDATED: January 27, 2011  
 NO ADDITIONAL CHANGES HAVE BEEN REPORTED TO DATE  
 DATE OF CONTOURS: April, 2000 DATE OF PHOTOGRAPHY: None

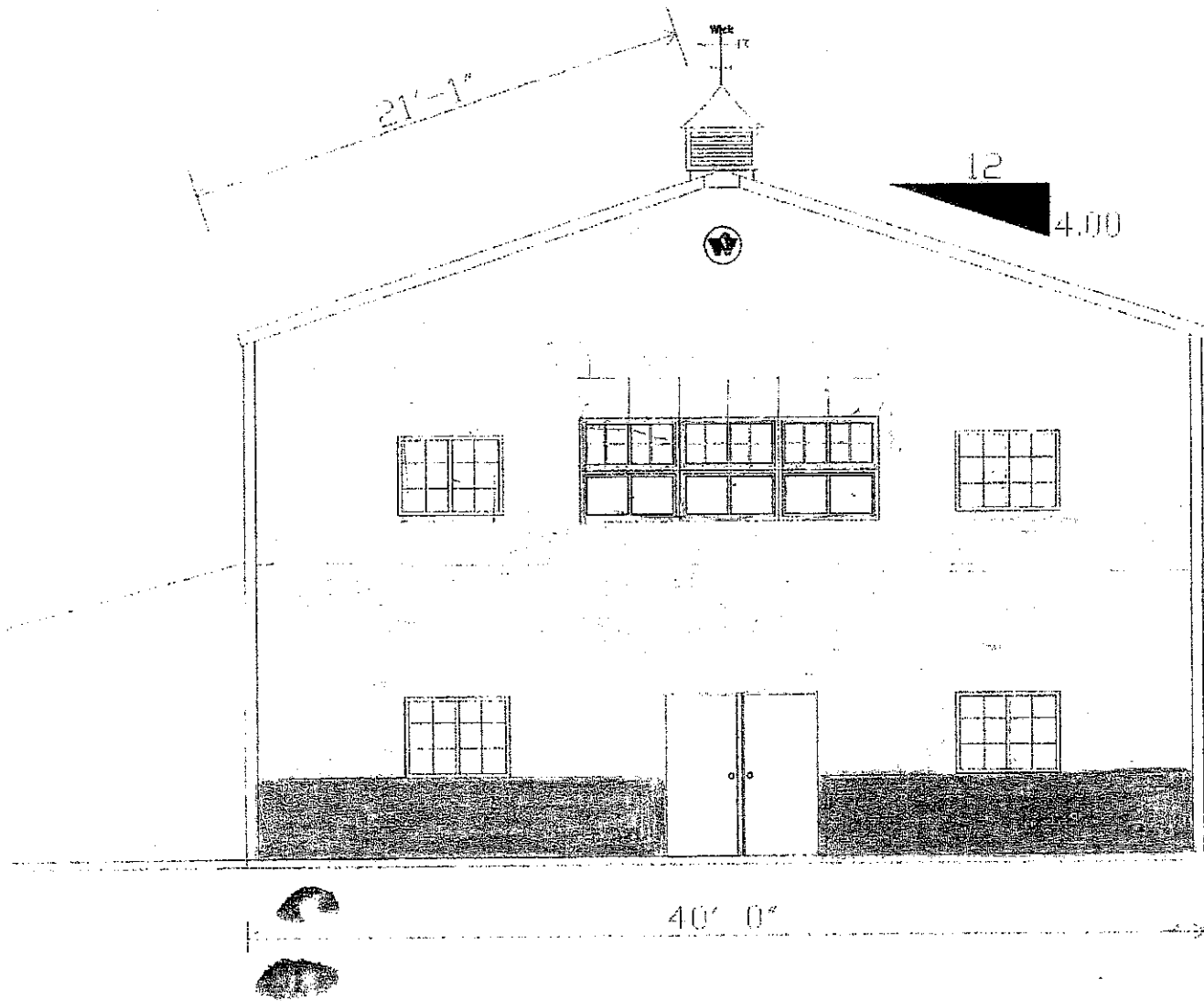
© 2011 Washington County

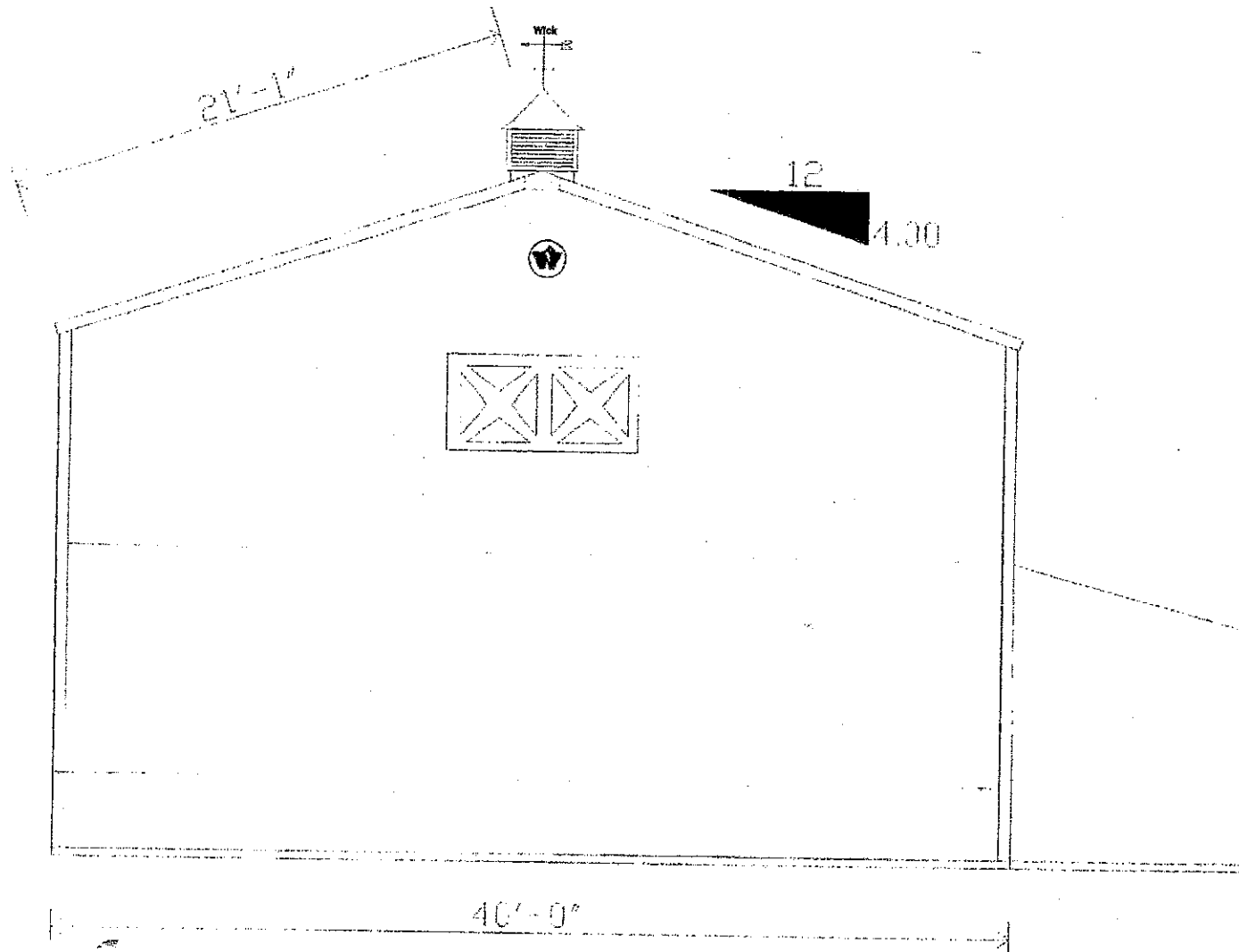


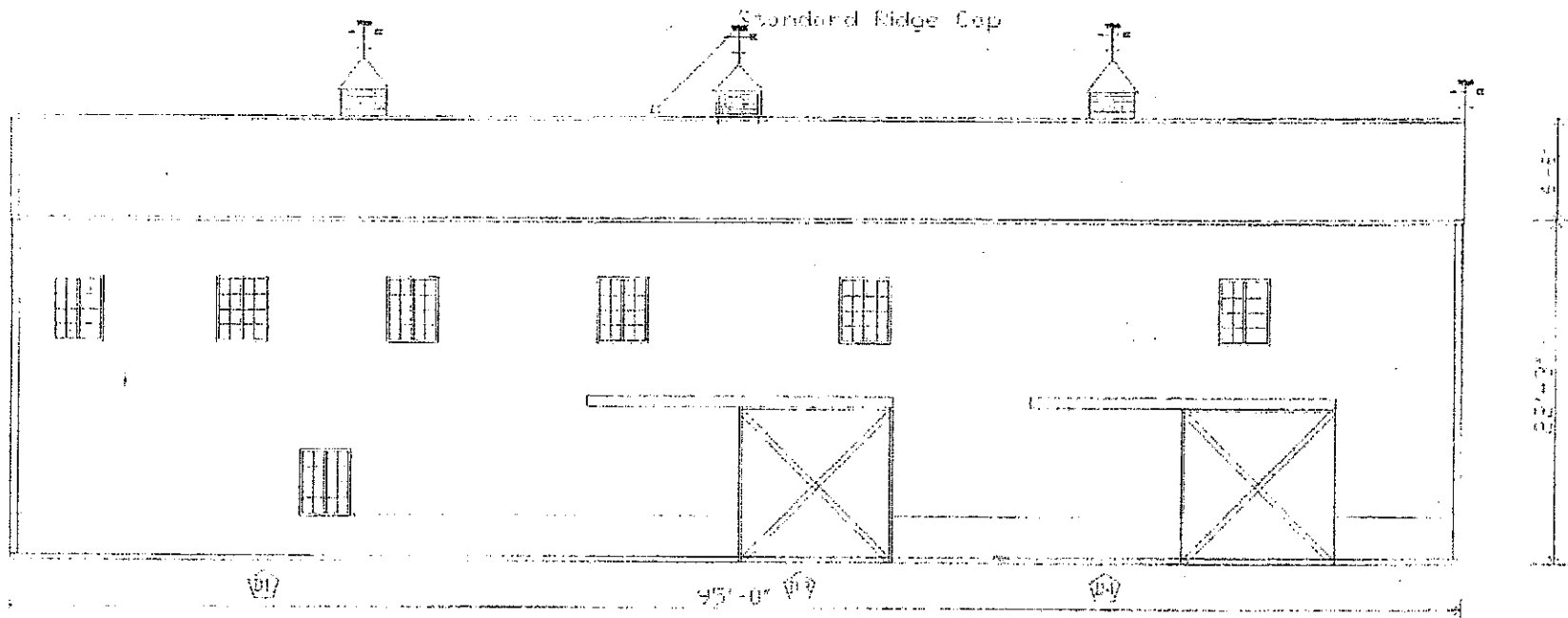


**Wick**  
Buildings®

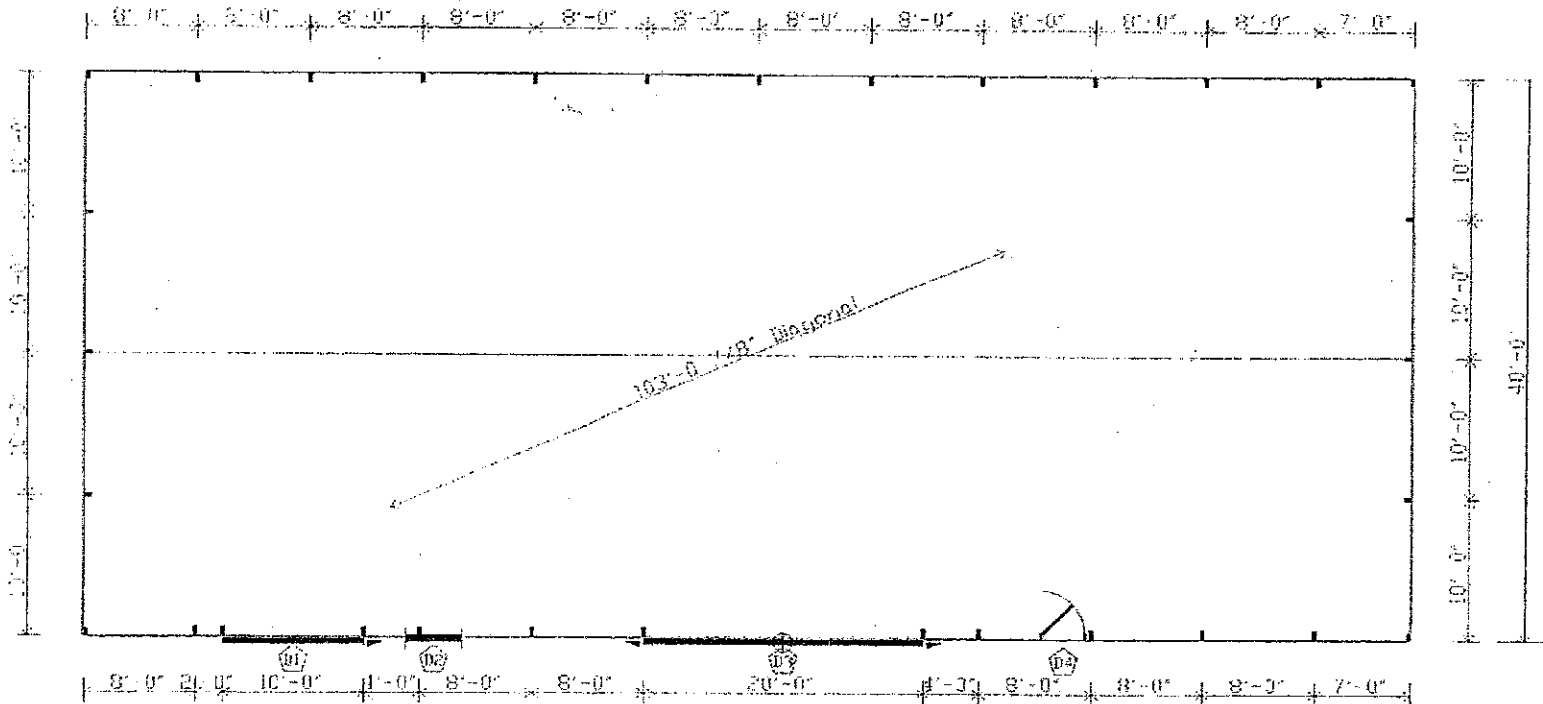
405 Volter Road  
Mazonie, Wisconsin 53560  
Phone: 608-795-2294  
Fax: 608-795-2534



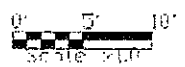








FLOOR PLAN

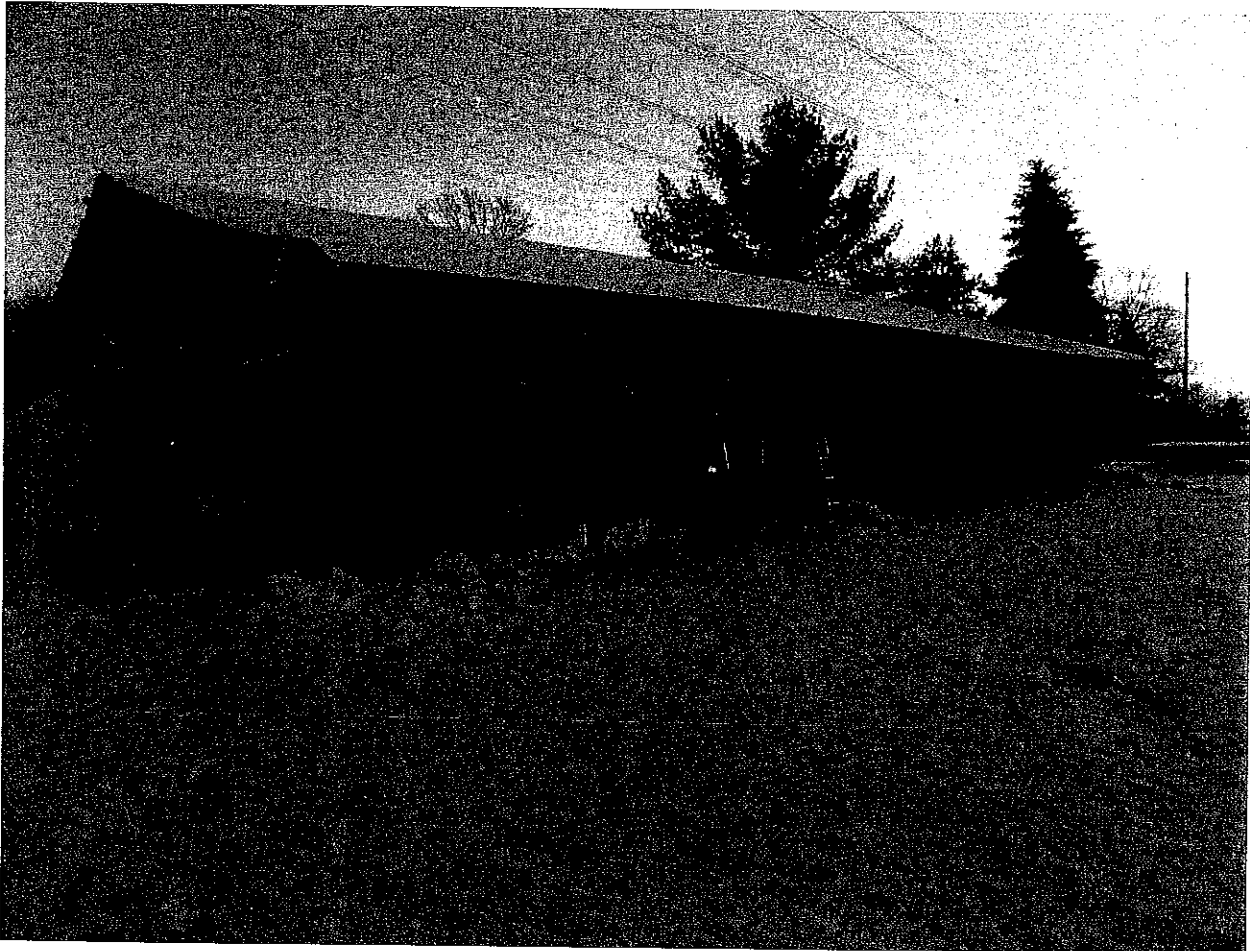


Bob Urtie  
 EAST BETHEL, MN

DO NOT SCALE THIS DRAWING

Page: 1

Here is a picture of the remaining structure after the damage was removed.



Since one third of the roof collapsed, we were told that the remaining two-thirds of the roof should be replaced and brought up to code or it could fall down too.

We were also told that since the collapsed roof was taken down, there is a danger that the walls could fall down. To reduce this risk, we removed the metal from the side walls but have left the posts, slab, plumbing and electric in place.

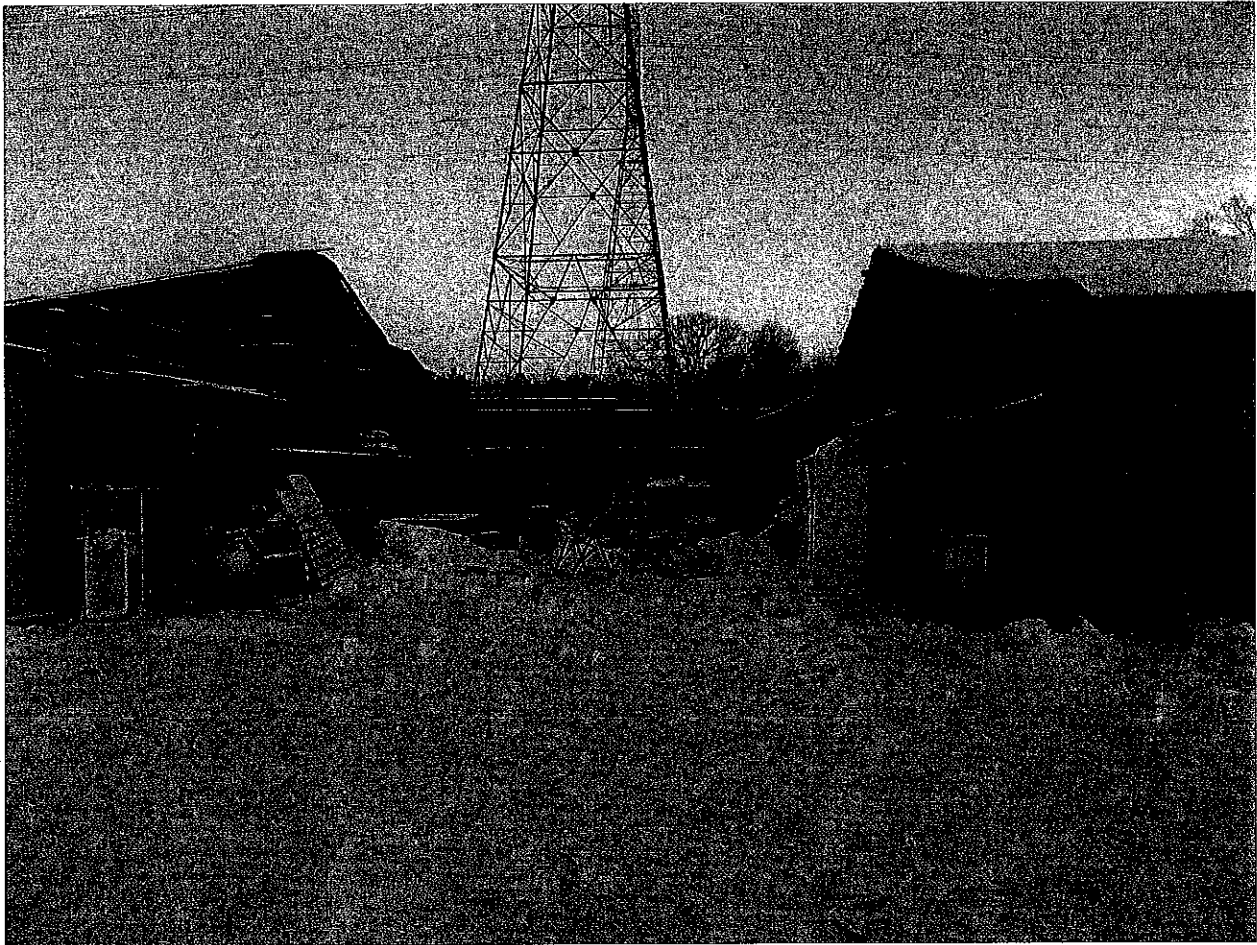
We have contacted the City of Lake Elmo and are requesting the proper permits to proceed.

We would like to install a new roof which would meet snow load requirements and replace the metal on the sides which was taken down to mitigate the risk of the walls falling down.

We would like to leave the posts, slab, plumbing and electric but will replace them if it is required by the building codes.

The insurance company requires us to submit all claim information by June 28<sup>th</sup> in order to receive payment. The mortgage company is requiring that we rebuild the barn in order to protect their interests.

Here is a picture of the barn with the damaged roof section removed.



On December 24<sup>th</sup>, 2011, one third of our 40 foot by 95 foot pole barn collapsed from snow load. We have 4 children ages 10 and younger so we had an immediate need to make the area safe.



On December 29<sup>th</sup>, 2011, we were issued a building permit of "Class of Work" Repair to remove the damage and make the building safe. As a first step, we removed the section of collapsed roof.



## Kyle Klatt

---

**From:** doug@thelovettfarm.com  
**Sent:** Friday, July 01, 2011 3:21 PM  
**To:** Kelli Matzek; Kyle Klatt  
**Subject:** 9940 59th Street Ct N - Flood Proofing

I have discussed the need to flood proof our barn with our building supplier, Wick Buildings. They told me that the barn will include the following attributes intended to make it FP-3 or FP-4 compliant:

1. Galvanized screws
2. Treated two by eight inch girt
3. Steel sides
4. Treated posts
5. Posts secured four to five feet deep, eight feet on center
6. Ten to sixteen foot openings in front and back of building

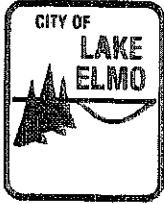
Please let me know if Lake Elmo requires any additional information or changes to the barn design.

Thank you,

Doug Lovett

9940 59<sup>th</sup> Street Ct N

651.338.8575



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
CONSENT  
ITEM #: 10  
MOTION

**AGENDA ITEM:** City Engineering Services – Consider Agreement with Focus Engineering

**SUBMITTED BY:** City Council Direction

**REVIEWED BY:** Bruce Messelt, City Administrator *BAM*  
Tom Bouthilet, Finance Director  
Dave Snyder, City Attorney

---

**SUMMARY AND ACTION REQUESTED:** Pursuant to July 5th, 2011 City Council direction, is respectfully requested that the City Council consider the proposed Engineering Services Agreement with Focus Engineering to provide for Municipal Engineering Services. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**BACKGROUND INFORMATION:** In June, the City received notice from TKDA that they will cease providing municipal Engineering Services to Lake Elmo, effective January 1st, 2012. To provide for the smoothest possible continuity of services, City Council direction was provided on July 5th, 2011 with respect to initiating a new Engineer selection effort.

City Council direction was to solicit Engineering Service options that would advance the Council objectives of: *Continuity of Services, Cost Containment/Reduction, Transition of Projects and Services, and Ability to Provide Required Services*. The City Council also directed that the current Schedule for City contracts be amended to call for annual Renewal of the Engineering Services Agreement, with a more evaluation moved from 2012 to 2013 (allowing for a full two-year-plus timeframe for the newly-selected Engineering Services provider) and, if Council deems appropriate, an RFP process would be undertaken in 2013, with continued or new services to begin in January 2014.

**STAFF REPORT:** Pursuant to City Council direction, the City has received a solicited proposal from Focus Engineering for the provision of City Engineering Services. Focus Engineering has been recently formed by Mr. Jack Griffin, former City Engineer for Lake Elmo. Also anticipated to join Focus Engineering are Mr. Ryan Stempski and Kara Geheren, both with significant municipal engineering experience; the former including Lake Elmo.

The proposed Engineering Services Agreement would meet Council objectives, in particular: *Continuity of Services, Cost Reduction and Transition of Projects/Services*. The Firm's extensive experience and professional network and contacts appear to adequately address the objective of *Ability to Provide Required Services*.

The City Attorney, Finance Director and Administrator have reviewed the proposed Agreement and find it acceptable as to form and content and consistent with applicable laws, regulations and City policies and procedures.

**RECOMMENDATION:** It is recommended that the City Council consider the proposed Engineering Services Agreement with Focus Engineering to provide for Municipal Engineering Services. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

Alternatively, the City Council does have the authority to remove this item from the Consent Agenda further discuss and deliberate prior to taking action. If done so, the appropriate action of the Council following such discussion would be:

***“Move to direct City Staff to \_\_\_\_\_ with respect to selection of a new City Engineering Services provider, as agreed upon at tonight’s meeting.”***

**ATTACHMENTS:**

1. Letter of Interest from Focus Engineering
2. Resumes' for Focus Engineering
3. Rate Sheet for Focus Engineering
4. Proposed Engineering Services Agreement with Focus Engineering

**SUGGESTED ORDER OF BUSINESS (if removed from the Consent Agenda):**

- Questions from Council to Staff ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor Facilitates
- Action on Motion ..... Mayor & City Council



# FOCUS ENGINEERING, inc.

July 11, 2011

Cara Geheren, P.E. 651.300.4261  
Jack Griffin, P.E. 651.300.4264  
Ryan Stempski, P.E. 651.300.4267

Honorable Mayor and City Council  
City of Lake Elmo  
3800 Laverne Avenue N.  
Lake Elmo, MN 55042

**RE: City Engineering Services Appointment**

Dear Mayor and Council Members,

FOCUS Engineering is pleased to submit our statement of qualifications and respectfully request the City Council to consider our appointment as your City Engineer at the July 19, 2011 council meeting. We have enclosed for your consideration an introduction to our firm including the unique qualifications and benefits that we can provide Lake Elmo; the resumes and bios of Jack Griffin, Ryan Stempski and Cara Geheren; our hourly rate sheet; and Standard Agreement for Professional Services.

Our team is extremely excited about this opportunity and look forward to creating a long standing partnership with the Community, City Council and staff. My partners and I have wanted to start our own business for some time, seeing an opportunity to provide cities a "city engineering" service model that is responsive to the unique needs of communities like Lake Elmo.

The timing is right. We believe the opportunity to launch this service model is facing us today. With every budget cycle cities have worked hard to find ways to do more with less and each year it is becoming more and more difficult to make deeper cuts. Looking ahead there just won't be much more that can be done without changing the way that Cities do business. For engineering services, a new service model is needed with a FOCUS on efficiency and value. ***Lake Elmo will retain complete continuity of services at a reduced cost.***

Through FOCUS Engineering the City will receive a new City Engineering Service model that provides:

- Increased value through building efficient systems and processes for day-to-day services.
- Resource sharing and collaboration to improve efficiencies.
- Staff who have dedicated their careers to the role of *City Engineer*.
- Staff that are experts in managing efficient Municipal Infrastructure Systems.
- Experts in project management to hire outside consultants to bring the Best Value for the City for large infrastructure projects (FOCUS Engineering will not have a horse in the race).

More specifically, by retaining Jack Griffin as your *City Engineer* and Ryan Stempski as your *Assistant City Engineer*, the City of Lake Elmo will receive the following additional benefits:

- Complete continuity of services.

- Retention of knowledge of the City's existing and future infrastructure needs, the engineering department systems and processes, and the communities' values and character.
- Reduced hourly billing rates that will result in a 12-15% discount compared to current fees.

The FOCUS Engineering team includes (see attached resumes):

- Jack Griffin, P.E. – over 23 years Municipal Engineering experience.
  - Areas of Focused Expertise – Infrastructure Planning, Policy and Standards Development, Continuous Process Improvements, Project Development, and Contract Management.
- Cara Geheren, P.E. – over 13 years Municipal Engineering experience.
  - Areas of Focused Expertise – Public Participation, Stormwater Management and Regulations, Residential Street Projects, and Construction Management.
- Ryan Stempksi P.E. – over 8 years Municipal Engineering experience.
  - Areas of Focused Expertise – Pavement management, Residential Street Projects, Construction Management, Permitting, and Site Development.

With Focus we are seeking to create a new option that does not exist today; a business model that is focused solely on bringing smaller cities leadership and efficiency with a commitment to the shared resource model, all without a "horse in the race".

Again we are very excited about this opportunity and ready to forge a long-term relationship with Lake Elmo. This information has been submitted in summary in order to remain focused on the key issues and highlights. Should you have more specific questions or require additional information, please do not hesitate to contact me directly at (651) 600-9305.

Sincerely,

**FOCUS ENGINEERING, inc.**

Jack W. Griffin, P.E.  
Principal / Sr. Municipal Engineer

Ryan W. Stempksi, P.E.  
Principal / Municipal Engineer

Cc: Bruce Messelt, City Administrator  
Dave Snyder, City Attorney

**CARA L. GEHEREN, P.E. | PRESIDENT / SR. MUNICIPAL ENGINEER**

Cara Geheren has dedicated her career to serving the public in the role of City Engineer. She is passionate about working as a team with residents and business owners to seek practical solutions to everyday problems, in particular on street reconstruction projects.

Cara was born in Milwaukee, Wisconsin and began her career in Municipal Engineering while attending the University of Minnesota, Twin Cities Campus when she was hired as an intern for the City of Maple Grove. Since graduating in 1998 with a Bachelor's Degree in Civil Engineering, she has been working as a Consulting Engineer, serving in the role of City and Town Engineer for various Minnesota communities.

In her role as City or Town Engineer, she has been responsible for the management of infrastructure systems including sanitary sewer, water, storm water and streets. Responsibilities include the development and implementation of capital improvement programs and pavement management plans along with compliance and coordination with outside agency regulations, projects and programs. Ms. Geheren had considerable experience during the period of high growth reviewing land use applications, development proposals and construction documents for consistency with City ordinances and standards.

### Professional Registrations

Minnesota and Wisconsin

### Associations

American Public Works Association, MN Chapter  
City Engineers Association of Minnesota  
Minnesota Cities Stormwater Coalition

### Education

Bachelors of Civil Engineering, University of Minnesota

---

**JACK W. GRIFFIN, P.E. | PRINCIPAL / SR. MUNICIPAL ENGINEER**

---

Jack Griffin has 23 years experience as a Municipal Engineering Consultant working with local governments to plan, finance, develop, and implement municipal infrastructure systems. He has been the City Engineering Consultant for several Minnesota Cities, Townships, and Water and Sanitary Sewer Districts. He has extensive experience in helping growing communities establish and implement policies, procedures, systems and standards to effectively manage community growth and development. His most recent work has focused primarily on city engineering services and major infrastructure projects for the cities of Lake Elmo and Victoria, Minnesota.

Over the course of his career, Jack also has developed a specific expertise in municipal water and wastewater infrastructure, focusing primarily on comprehensive system and capital planning. He has planned and implemented numerous water and wastewater systems projects for communities throughout Minnesota. He has also developed a strong understanding and expertise in infrastructure grant and loan programs, having assisted his clients in obtaining grants for many of his projects.

Jack is a graduate of the University of Minnesota with a degree from the Institute of Technology in Civil Engineering and a degree from the College of Liberal Arts in Economics. He was born and raised in the Twin Cities and now lives in Eagan with his wife Amy. He has two sons in college attending the University of Minnesota and The University of Minnesota Duluth.

### Professional Registrations

Minnesota and Wisconsin

### Associations

American Public Works Association, MN Chapter (APWA)  
City Engineers Association of Minnesota (CEAM)  
Minnesota Society of Professional Engineers (MSPE)  
American Water Works Association (AWWA)  
American Council of Engineering Companies (ACEC). Past Director

### Education

Bachelors of Civil Engineering, University of Minnesota  
Bachelors of Science. Economics. University of Minnesota

**RYAN W. STEMPSKI, P.E. | PRINCIPAL / MUNICIPAL ENGINEER**

Ryan Stempski has been working for the past eight years as the Assistant City Engineer for several municipalities in the Metro Area, including the Cities of Lake Elmo and Lino Lakes. In this role, Ryan has frequently officed at City Hall working as an extension of the City staff. He has provided day-to-day engineering services for each community in addition to managing and supporting several major infrastructure projects, and overseeing the street maintenance program for each community.

Ryan has a passion for serving the public and being a Municipal Engineer. He enjoys working with people and helping them to find solutions to their problems. He has developed a strong expertise in pavement management strategies, surface water management, capital improvement and budget planning, permitting processes, and in the review and oversight of private development projects within a community.

Ryan is from the St. Paul area and has spent most of his life in Minnesota. He graduated in 2002 from the University of Wisconsin-Madison with a degree in Civil Engineering. Throughout his college years, Ryan worked as an intern first for a geotechnical engineering firm gaining valuable experience in material testing for soils and pavements, and later as a construction observer on various infrastructure projects.

### Professional Registrations

Minnesota and Wisconsin

### Associations

American Public Works Association, MN Chapter (APWA)

City Engineers Association of Minnesota (CEAM)

Minnesota Society of Professional Engineers (MSPE)

### Education

Bachelors of Civil Engineering, University of Wisconsin-Madison

# **FOCUS ENGINEERING, inc.**

## **Standard Hourly Rate Schedule**

---

Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

Sr. Municipal Engineer II – Jack Griffin	\$118 / hour
Sr. Municipal Engineer I – Cara Geheren	\$105 / hour
Municipal Engineer II – Ryan Stempski	\$90 / hour

## **Reimbursable Expenses Schedule**

---

- Vehicle Mileage reimbursed at the current Federal IRS Rate.
- Outside professional and technical services billed to the Engineer plus 10%.
- Identifiable printing and reproduction costs when incurred in the direct performance of the City's work.
- Other expenses for items and services as may be required by the City to fulfill the terms of a specific authorization.

# FOCUS ENGINEERING, inc.

## AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES

---

This AGREEMENT is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2011, ("Effective Date") by and between the CITY OF LAKE ELMO, MINNESOTA, a Minnesota Municipal corporation (hereinafter referred to as the "City"), and FOCUS ENGINEERING, Incorporated, a corporation (hereinafter referred to as "Engineer").

The City intends to engage Engineer to provide Professional Engineering Services and General Consulting Services, and to act as the appointed City Engineer for the City. This AGREEMENT sets forth the general terms and conditions which shall govern the relationship and performance of the City and Engineer.

In consideration of the foregoing recitals and following terms and conditions contained herein, the City and Engineer agree as follows:

### ARTICLE 1: SERVICES OF THE ENGINEER

- 1.1 Scope of Services: The City agrees to and hereby does retain and appoint Engineer as the designated "City Engineer", and Engineer agrees to perform Professional Engineering Services in connection with the responsibilities of the City Engineer as directed by the City Council and under the direction of the City Administrator.
- A. Provide assistance on day-to-day matters, acting as the City Engineer, and as requested by the City.
  - B. Attend meetings of the City Council or other Committees or Commissions to address Engineering matters.

- C. Engineering services will, in general, include studies and reports, design, preparation of working drawings and specifications; construction administration and construction observations; utility mapping, and maintaining engineering records and correspondence; preparing cost estimates, capital improvement planning, and department budgeting; maintaining the Municipal State Aid System; maintaining the MS4 NPDES Permit; providing engineering support to other City departments; guiding and overseeing the design and construction of public infrastructure systems through private development projects; preparing Requests for Proposals, and assist with selecting outside Professional Services Consultants for certain projects, and managing the Professional Services contracts; and other related tasks of a type normally associated with infrastructure and facility planning, design, construction, operation and/or maintenance.
- D. Under this AGREEMENT the Engineer will provide General Consulting Services in accordance with the scope of services, engineer's compensation, payment terms, and other provisions as provided herein. When requested by the City, services for each additional engagement or Specific Project will be detailed and documented in a duly executed "Authorization for Professional Services".

1.2 Procedure for "Authorization for Professional Services"

- A. Engineer shall provide the City with an "Authorization for Professional Services" for specific services or projects when requested by the City. Each Authorization will indicate the specific task, scope of services, time for performance, deliverables to be provided, and the basis of compensation.
- B. Individual "Authorizations for Professional Services" shall be mutually approved by the City and Engineer. Each duly executed Authorization for Professional Services shall be incorporated and made a part of this AGREEMENT and the General Considerations thereof.

**ARTICLE 2: PERIOD OF SERVICE**

- 2.1 Term: Engineer is hereby retained on a continuing basis, subject, however, to termination by either party in accordance with ARTICLE 5.9.
- 2.2 Engineer shall complete its obligations for specific projects and services as set forth in any "Authorization for Professional Services".

**ARTICLE 3: COMPENSATION**

- 3.1 Basis for Compensation: Compensation to Engineer for day-to-day services shall be on an Hourly Rate basis in accordance with a Standard Hourly Rate Schedule set forth by the



Engineer and approved by the City Council on an annual basis. Services described in a specific "Authorization(s) for Professional Services" shall be on an Hourly Rate basis and/or a Lump Sum basis as designated in each authorization.

- 3.2 Reimbursable Expenses: The Engineer shall be reimbursed at cost for any Direct Expenses when incurred in the direct performance of the City's work in accordance with the Standard Hourly Rate Schedule.
- 3.3 Payments for Services
- A. *Preparation and Submittal of Invoices:* Engineer shall prepare and submit invoices to the City on a monthly basis. Invoices are due and payable within 30 days of receipt.
  - B. *Unpaid Invoices:* All accounts unpaid after 30 days from the date of original invoice shall be subject to a service charge of 1.5% per month, or the maximum rate of interest permitted by law, whichever is less. Payment will be credited first to any interest owed to Engineer and then to principal.
  - C. *Disputed Invoices:* If the City contests an invoice, the City shall promptly advise Engineer of the specific basis for doing so, may withhold only that portion so contested, and must pay the undisputed portion.
  - D. *Right to Suspend Work:* Engineer may, after giving ten (10) days written notice to the City, suspend services under this AGREEMENT until the City has paid in full all amounts due for services, expenses, and other related charges. The City waives any and all claims against Engineer for any such suspension.

#### **ARTICLE 4: CITY'S RESPONSIBILITIES**

- 4.1 City's representative: When acting as the "City Engineer", Engineer shall provide services as directed by the City Council and under the direction of the City Administrator. For specific "Authorization for Professional Services", the City shall designate in writing, a person to act as City's representatives with respect to the services to be rendered. Such persons shall have authority to transmit instructions, receive instructions, receive information, interpret and define City's policies with respect to Engineer's services. When no written designation is made by the City, the City's representative shall be the City Administrator.
- 4.2 Provide Access: The City shall provide access to, and make all provisions for Engineer to enter upon public or private property as required to perform their work.
- 4.3 Provide supporting documentation and Services: The City shall provide all necessary information regarding its requirements as necessary for orderly progress of the work, including records, data, instructions, and requirements for completeness. The City shall also

provide services in regards to accounting, fiscal and bond counseling services, insurance, and legal services as may be required .

- 4.4 The City shall be responsible for, and Engineer may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by the City to Engineer pursuant to this AGREEMENT. Engineer may use such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this AGREEMENT.
- 4.5 Provide prompt Notice and Review: The City shall promptly review and examine all correspondence, reports, sketches, drawings, specifications and other documents and communications prepared and presented by Engineer and render decisions pertaining thereto within a reasonable time so as not to delay the services of Engineer. The City shall also give prompt notice to Engineer whenever City observes or otherwise becomes aware of any development that affects the scope or timing of Engineer's services or any defect in the work.
- 4.6 The City shall make timely payments to the Engineer as set forth in ARTICLE 3.

## **ARTICLE 5: GENERAL CONSIDERATIONS**

### **5.1 Standards and Parameters of Performance**

- A. *Standard of Care:* The standard of care for all professional engineering and related services performed or furnished by Engineer under this AGREEMENT will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.
- B. *Consultants:* Engineer may employ such Consultants as Engineer deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by Owner.
- C. *Reliance on Others:* Subject to the standard of care set forth above, Engineer and its Consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, professional certifications, contractors, suppliers, manufacturers, and the publishers of technical standards.
- D. *Compliance with Laws and Regulations, and Policies and Procedures:* Engineer and City shall comply with applicable Laws and regulations.

- E. *Certifications and Signatures*: Engineer shall not be required to sign any documents, no matter by whom requested, that would result in the Engineer having to certify, guarantee, or warrant the existence of conditions whose existence the Engineer cannot ascertain.
  - F. Engineer shall not at any time supervise, direct, control, or have authority over any contractor work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at the Site, nor for any failure of a contractor to comply with Laws and Regulations applicable to such contractor's furnishing and performing its work.
  - G. Engineer neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the Work in accordance with the Contract Documents, or for the acts or omissions of any Contractor, Subcontractor, or Supplier.
- 5.2 Independent Contractor: Engineer is an independent contractor. The manner in which the services are performed shall be controlled by Engineer; however, the nature of the services and the results to be achieved shall be specified by the City. All services provided by the Engineer pursuant to this AGREEMENT shall be provided by the Engineer as an independent contractor and not as an employee of the City for any purpose, including but not limited to: income tax withholding, workers' compensation, unemployment compensation, FICA taxes, and eligibility for employee benefits.
- 5.3 Insurance
- A. Engineer shall procure and maintain insurance for protection from claims against it under worker's compensation acts (statutory limits), claims for damages because of bodily injury including personal injury, and from claims against it for damages because of injury to or destruction of property including loss of use resulting therefrom.
  - B. Engineer shall also procure and maintain professional and commercial general liability insurance, and auto and excess insurance, for all damages arising out of the performance of services caused by an error, omission or negligent act for which Engineer is legally liable.
  - C. Certificates of insurance will be provided to the City upon execution of the contract and thereafter upon request by the City.

#### 5.4 Opinions of Cost

- A. Engineer's opinions of probable project cost, construction cost, life cycle cost, alternative evaluations, and considerations for operations and maintenance costs are to be made on the basis of Engineer's experience and qualifications and represent Engineer's best judgment as an experienced and qualified professional generally familiar with the construction industry. It is recognized, however, that Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions. Engineer, therefore, cannot and does not guarantee that proposals, bids, or actual costs will not substantially vary from opinions of probable costs prepared by Engineer and submitted to the City.
- B. The services of Engineer with respect to Total Project Costs shall be limited to assisting the Owner in collating the various cost categories which comprise Total Project Costs. Engineer assumes no responsibility for the accuracy of any opinions of Total Project Costs.

5.5 Data Practices Act Compliance: Data provided by Engineer or created under this AGREEMENT shall be administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

#### 5.6 Use of Documents

- A. All Documents prepared and submitted by Engineer are instruments of service, and Engineer shall retain an ownership and property interest therein (including the copyright and the right of reuse at the discretion of the Engineer) whether or not the Project or Service is completed. The City shall not rely in any way on any Document unless it is submitted by the Engineer in its final form.
- B. At the time of completion or termination of this AGREEMENT or for each "Authorization for Professional Service," Engineer shall make available to the City, upon request, copies of all deliverables, maps, reports, and correspondence, pertaining to the work or a Project described in an authorization. All such documents are not intended or represented to be suitable for reuse by the City or others on extensions of the work or Project or to any other project. Any reuse without written verification or adaptation by Engineer for the specific purpose intended will be at the City's sole risk and without liability or legal exposure to Engineer. In this regard, the City will indemnify and hold harmless Engineer from any and all suits or claims of third parties arising out of such reuse, which is not specifically verified, adapted, or authorized by Engineer.
- C. In the event electronic copies of documents are made available to the City, the Engineer makes no representations as to long-term compatibility, usability, or readability of such

documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by the documents' creator.

- 5.7 Design without Construction Phase Services: The City acknowledges that it is customary for the Engineer who is responsible for the design of a Project to be employed to provide professional services during the Construction Phases of that Project. Therefore, the following provisions apply in the event that the City does not retain the Engineer for Construction Phase Services. The City waives all claims against the Engineer that may be connected in any way to Construction Phase engineering or professional services except for those services that are expressly required of Engineer on the Project.
- 5.8 Conflict of Interest: The Engineer shall use best efforts in the performance of its services and professional obligations to avoid conflicts of interest and appearances of impropriety in representation of the City. In the event of a conflict, the Engineer, with the consent of the City, shall arrange for suitable alternative engineering representation. It is the intent of the Engineer to refrain from handling engineering matters for any other person or entity that may pose a conflict of interest, or may not be in the best interests of the City.
- 5.9 Termination
- A. Either party may terminate this AGREEMENT upon thirty (30) days written notice.
  - B. Either party has the right to terminate any "Authorization for Professional Services" upon ten (10) days' written notice. In addition, the City may at any time, reduce the scope of an "Authorization for Professional Services". Such reduction in scope of an authorization shall be set forth in a written notice from the City to the Engineer.
  - C. In the event of a reduction in scope of an "Authorization for Professional Services," Engineer shall be paid for the work performed and expenses incurred on the authorization thus reduced and for any completed and abandoned work for which payment has not been made.
  - D. In the event of termination of an "Authorization for Professional Services," copies of all documents prepared by Engineer under the authorization shall be made available by Engineer to the City, pursuant to ARTICLE 5.5, and there shall be no further obligation of the City to Engineer under the authorization, except for payment of amounts due and owing for work performed and expenses incurred to the date and time of termination, plus expenses incurred by Engineer to gather, compile, copy, and transmit all documents requested by the City.

E. In like manner, if the entire AGREEMENT is terminated, copies of all remaining documents on file with the Engineer shall also, upon request, be made available to the City pursuant to ARTICLE 5.6 upon receipt of payment of amounts due and owing Engineer for any authorized work, plus expenses incurred by Engineer to gather, compile, copy, and transmit all documents requested by the City.

5.10 Controlling Law: This AGREEMENT is to be governed by the laws of the State of Minnesota.

5.11 Successors, Assigns, and Beneficiaries

A. The City and Engineer are hereby bound and the successors, executors, administrators, assigns, and legal representatives of the City and Engineer are hereby bound to the other party to this AGREEMENT and to the successors, executors, administrators, assigns and legal representatives of such other party, in respect of all covenants, agreements, and obligations of this AGREEMENT.

B. Neither the City nor Engineer may assign, sublet, or transfer any rights under or interest in this AGREEMENT, or any portion thereof, without the written consent of the other party. Nothing contained in this paragraph shall prevent Engineer from employing such independent professional associates and consultants as Engineer may deem appropriate to assist in the performance of services hereunder.

C. Nothing under this AGREEMENT shall be construed to give any rights or benefits in this AGREEMENT to anyone other than the City and Engineer.

5.12 Dispute Resolution

A. The City and Engineer agree to negotiate all disputes between them in good faith for a period of thirty (30) days from the date of notice prior to invoking other provisions of this AGREEMENT, or exercising their rights under law.

B. The City and Engineer agree that all disputes between them arising out of or relating to this AGREEMENT shall first be submitted to non-binding mediation unless the parties mutually agree otherwise, thereby providing for mediation as the primary method for dispute resolution between the parties to this AGREEMENT.

5.13 Notices: Any notice required under this AGREEMENT will be in writing, addressed to the appropriate party at its address on the signature page and given personally, by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

5.14 Survival, Severability, Waiver

- A. *Survival:* All express representations, waivers, indemnifications, and limitations of liability included in this AGREEMENT will survive its completion or termination for any reason.
- B. *Severability:* Any provision or part of the AGREEMENT held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the City and Engineer.
- C. *Waiver:* A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the date first above written.

FOCUS ENGINEERING, inc.

CITY OF LAKE ELMO, MINNESOTA

By \_\_\_\_\_

John (Jack) W. Griffin, P.E.

By \_\_\_\_\_

Mayor

By \_\_\_\_\_

City Clerk

Subscribed and sworn to before me this

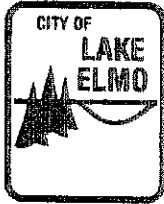
Subscribed and sworn to before me this

\_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Notary Public



# MAYOR & COUNCIL COMMUNICATION

DATE: 07/19/2011  
**REGULAR**  
ITEM #: 11  
**RECOGNITION**

**AGENDA ITEM:** Recognition of James Sachs for over 30 Years of Service

**SUBMITTED BY:** Fire Chief Greg Malmquist

**THROUGH:** Bruce Messelt, City Administrator *BAM*

**REVIEWED BY:** Sharon Lumby, City Clerk

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully requested to recognize James Sachs for over 30 years of service to the community and the Lake Elmo Fire Department. Fire Chief Malmquist will facilitate the Recognition and Presentation.

**BACKGROUND INFORMATION & STAFF REPORT:** Firefighter James Sachs began his career on February 26th, 1980 and retired from the Lake Elmo FD on October 31, 2010 with over 30 years of service.

Over the span of his career, Jim held the positions of Firefighter, Captain and Assistant Chief. He comes from a long line of Sachs on the FD, his father, brother, in laws and nephews have all served along side Jim during his career.

**RECOMMENDATION:** The City Council is respectfully requested to recognize and assist in the presentation of an award to James Sachs for over 30 years of service to the community.

**ATTACHMENTS:** None

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... Mayor
- Presentation..... Fire Chief
- Public or Council Input, if Appropriate ..... Mayor Facilitates





## MAYOR & COUNCIL COMMUNICATION

DATE: 07/19/2011

**REGULAR**

ITEM #: 12

**MOTION**

**AGENDA ITEM:** 2010 Audit Presentation

**SUBMITTED BY:** Steve McDonald, Abdo, Eick & Meyer

**THROUGH:** Bruce Messelt *BAM*

**REVIEWED BY:** Tom Bouthilet & Joe Rigdon, KDV

---

**SUMMARY AND ACTION REQUESTED:** The City has retained the services of Abdo, Eick & Meyers to audit the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City as of December 31, 2010. Enclosed is the 2010 Annual Financial Report with a management letter. The City Council is asked to review and accept the 2010 year end financial report.

**SUGGESTED MOTION**      *"Move to Accept the 2010 Year End Financial Report"*

**BACKGROUND INFORMATION:** Annually, the City engages the services of an independent outside audit firm to review the financial statements. The accountants are asked to assure that the financials statements are free of material misstatement to the extent possible. They also review internal controls of the City.

**STAFF REPORT:** Steve McDonald from Abdo, Eick & Meyers will present the report and respond to any inquiries.

**RECOMMENDATION:** Based upon the above it is recommended that the City Council accept the 2010 year-end financials by undertaking the following action

*"Move to Accept the 2010 Year End Financial Report."*

**ATTACHMENTS:**

1. Annual Financial Report for the Year Ended 2010
2. Management Letter for the Year Ended 2010

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Administrator
- Report/Presentation.....Steve McDonald, Abdo, Eick & Meyers
- Questions from Council to Staff.....Mayor Facilitates
- Public Input, if Appropriate.....Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion.....Mayor Facilitates
- Action on Motion..... Mayor & City Council

CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF LAKE ELMO, MINNESOTA  
 ANNUAL FINANCIAL REPORT  
 DECEMBER 31, 2010  
 TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTORY SECTION	
Elected and Appointed Officials	5
FINANCIAL SECTION	
Independent Auditor's Report	9
Management's Discussion and Analysis	13
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	27
Statement of Activities	28
Fund Financial Statements	
Governmental Funds	
Balance Sheet	32
Reconciliation of the Balance Sheet to the Statement of Net Assets	35
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) to the Statement of Activities	38
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	39
Proprietary Funds	
Statements of Net Assets	40
Statements of Revenues, Expenses and Changes in Fund Net Assets	44
Statements of Cash Flows	46
Fiduciary Funds	
Statement of Fiduciary Net Assets	50
Notes to the Financial Statements	51
Required Supplementary Information	
Schedule of Funding Progress for the Postemployment Benefit Plan	79
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	83
Nonmajor Special Revenue Funds	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Nonmajor Capital Projects Funds	
Combining Balance Sheet	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	88
Internal Service Funds	
Combining Statements of Net Assets	90
Combining Statements of Revenues, Expenditures, and Changes in Fund Net Assets	92
Combining Statements of Cash Flows	94
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	96
Debt Service Funds	
Combining Balance Sheet	100
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	102
Agency Funds	
Combining Schedule of Changes in Assets and Liabilities	104

CITY OF LAKE ELMO, MINNESOTA  
TABLE OF CONTENTS - CONTINUED  
DECEMBER 31, 2010

	<u>Page No.</u>
Supplementary Information (Unaudited) Summary Financial Report Revenues and Expenditures for General Operations - Governmental Funds	107
 OTHER REPORTS	
Report on Minnesota Legal Compliance	111

**INTRODUCTORY SECTION**

**CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



CITY OF LAKE ELMO, MINNESOTA  
ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2010

**ELECTED**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Dean Johnston	Mayor	12/31/12
Anne Smith	Council Member	12/31/12
Brett H. Emmons	Council Member	12/31/12
Steve Delapp	Council Member	12/31/10
Nicole Park	Council Member	12/31/14

**APPOINTED**

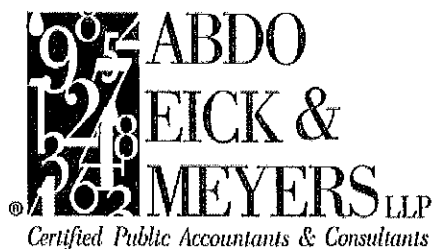
<u>Name</u>	<u>Title</u>
Bruce Messelt	City Administrator
Tom Bouthilet	Finance Director/Treasurer

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**FINANCIAL SECTION**  
**CITY OF LAKE ELMO**  
**LAKE ELMO, MINNESOTA**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2010**

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



5201 Eden Avenue  
Suite 250  
Edina, MN 55436

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Lake Elmo, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Elmo, Minnesota (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the City's 2009 financial statements and, in our report dated June 10, 2010, we expressed unqualified opinions on the respective proprietary fund financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 23 and the Schedule of Funding Progress for the Postemployment Benefit Plan on page 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Abdo Eick & Meyers, LLP*

June 7, 2011  
Minneapolis, Minnesota

ABDO, EICK & MEYERS, LLP  
*Certified Public Accountants*

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



## **Management's Discussion and Analysis**

As management of the City of Lake Elmo (the City), Minnesota, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2010.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$21,771,853 (net assets). Of this amount, \$4,632,615 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$862,605. The increase can be attributed to both business-type and governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,795,517, an increase of \$1,859,999 in comparison with the prior year.
- At the end of the current fiscal year, the unreserved fund balance for the General fund was \$1,617,211, or 55.4 percent of the 2011 General fund budgeted expenditures and transfers out. The total General fund balance as of December 31, 2010 was \$2,686,161, but reserves of \$1,055,900 and \$13,050 are related to the inter-fund loan with the Village Project fund and prepaid items, respectively.
- The City's total noncurrent liabilities increased \$2,357,561 or 24.1 percent during the current fiscal year. The key factor of this increase was the issuance of the 2010A G.O. Improvement Bonds and 2010B G.O. Capital Improvement Plan Crossover Refunding Bonds.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

**Figure 1**  
**Required Components of the**  
**City's Annual Financial Report**

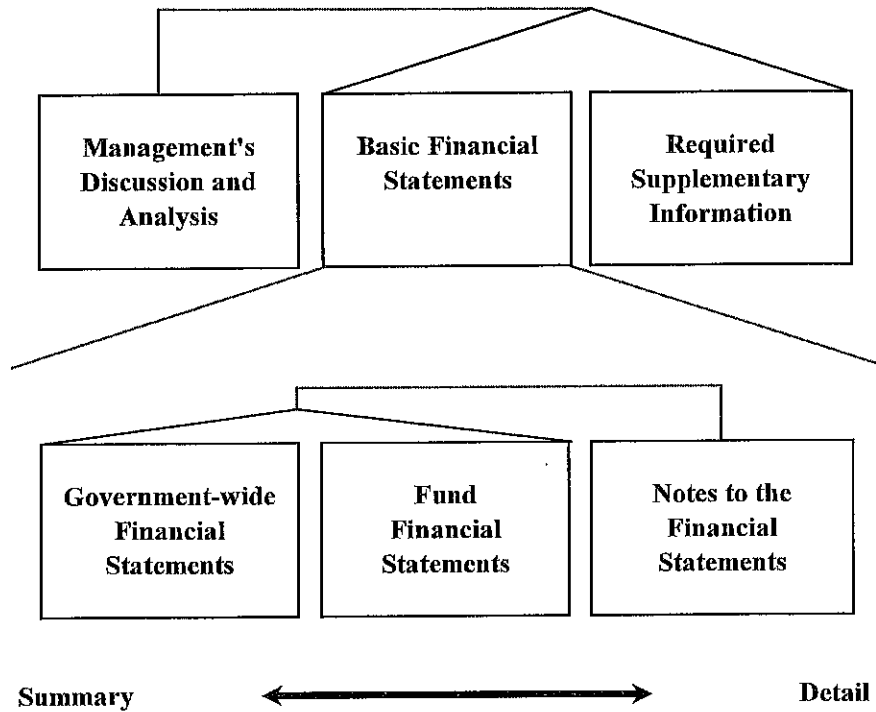


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure 2**  
**Major features of the Government-wide and Fund Financial Statements**

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of Net Assets</li> <li>• Statements of Revenues, Expenses and Changes in Fund Net Assets</li> <li>• Statements of Cash Flows</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City’s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and interest on long-term debt. The business-type activities of the City include water, sewer and storm sewer utilities.

The government-wide financial statements start on page 27 of this report.

## Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** The funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a city's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seventeen individual governmental funds, five of which are Debt Service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the Debt Service fund, the Village Project fund, and the 2010 Street Improvements fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 32 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and storm sewer utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the funding of equipment replacement for radios, IT, furniture, fixtures, and other equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and storm sewer utility funds. The basic proprietary fund financial statements start on page 40 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 50 of this report.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 51 of this report.

## Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the notes to financial statements. Combining and individual fund financial statements and schedules start on page 82 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities \$21,771,853 at the close of the most recent fiscal year.

The largest portion of the City's net assets (69.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (9.5 percent) represents resources that are subject to external restrictions on how they may be used. These restrictions are basically obligations for future debt service. The remaining balance of *unrestricted net assets* (\$4,632,615) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

### Summary of Net Assets

	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 8,390,795	\$ 5,992,288	\$ 2,398,507	\$ 1,274,094	\$ 1,147,630	\$ 126,464
Capital assets (net of accumulated depreciation)	13,651,257	12,867,731	783,526	11,385,473	11,350,804	34,669
<b>Total assets</b>	<b>22,042,052</b>	<b>18,860,019</b>	<b>3,182,033</b>	<b>12,659,567</b>	<b>12,498,434</b>	<b>161,133</b>
<b>Liabilities</b>						
Noncurrent liabilities outstanding	7,424,188	5,033,656	2,390,532	4,712,061	4,745,032	(32,971)
Other liabilities	752,812	618,417	134,395	40,705	52,100	(11,395)
<b>Total liabilities</b>	<b>8,177,000</b>	<b>5,652,073</b>	<b>2,524,927</b>	<b>4,752,766</b>	<b>4,797,132</b>	<b>(44,366)</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	8,368,479	7,983,822	384,657	6,713,292	6,644,334	68,958
Restricted	2,057,467	1,399,968	657,499	-	-	-
Unrestricted	3,439,106	3,824,156	(385,050)	1,193,509	1,056,968	136,541
<b>Total net assets</b>	<b>\$ 13,865,052</b>	<b>\$ 13,207,946</b>	<b>\$ 657,106</b>	<b>\$ 7,906,801</b>	<b>\$ 7,701,302</b>	<b>\$ 205,499</b>

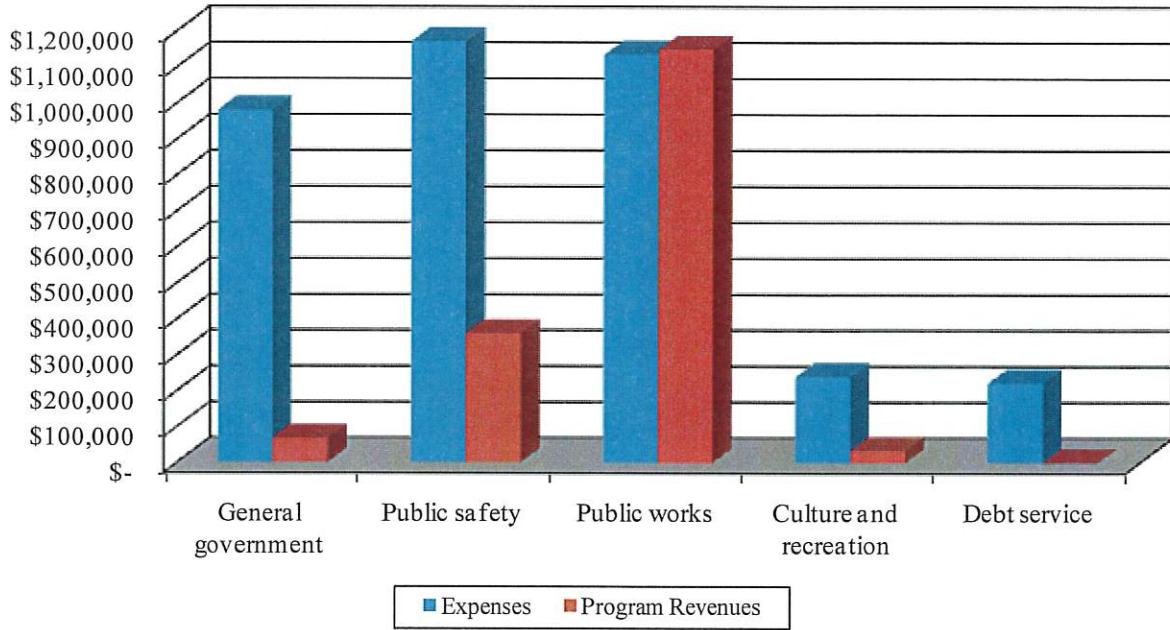
**Governmental activities.** Governmental activities increased the City's net assets \$657,106 thereby accounting for 76.2 percent of the total growth in the net assets of the City. Key elements of this increase are as follows:

### Changes in Net Assets

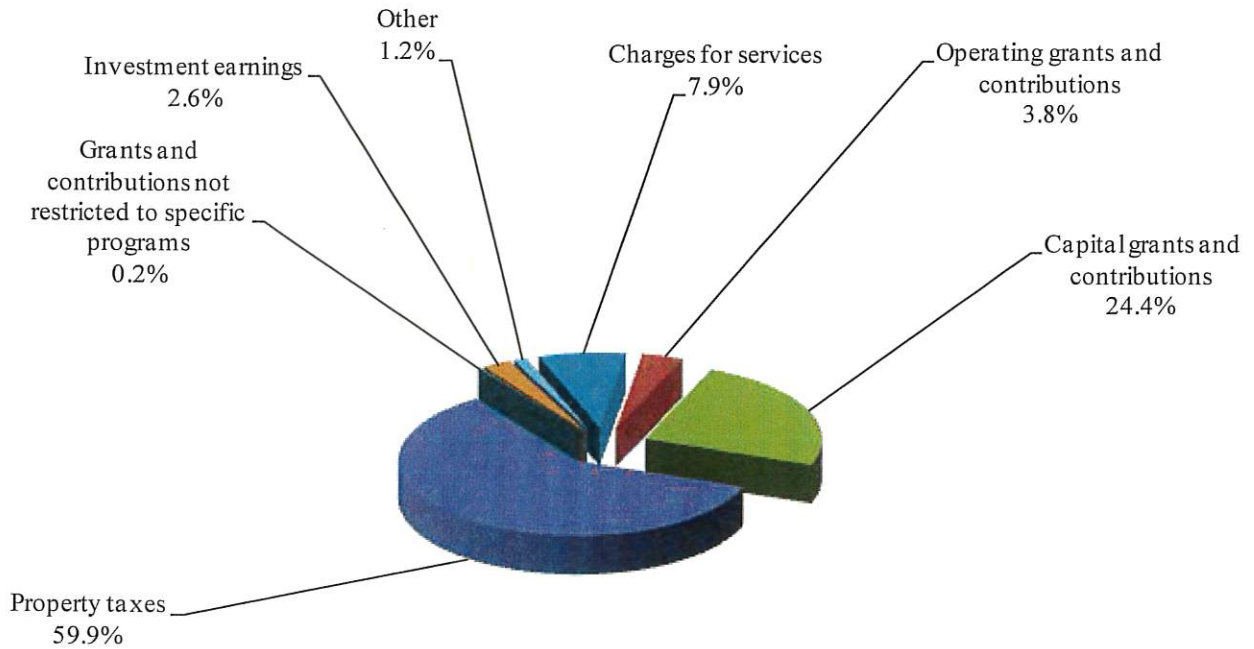
	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 352,763	\$ 292,868	\$ 59,895	\$ 796,518	\$ 673,983	\$ 122,535
Operating grants and contributions	168,491	174,433	(5,942)	32,721	30,100	2,621
Capital grants and contributions	1,090,419	798,687	291,732	418,400	776,473	(358,073)
General revenues						
Taxes	2,711,067	2,718,691	(7,624)	-	-	-
Grants and contributions not restricted to specific programs	9,771	8,764	1,007	-	-	-
Unrestricted investment earnings	113,989	160,679	(46,690)	11,129	15,343	(4,214)
Gain on sale of capital assets	-	8,517	(8,517)	-	-	-
Miscellaneous	17,311	41,827	(24,516)	-	-	-
Total revenues	4,463,811	4,204,466	259,345	1,258,768	1,495,899	(237,131)
Expenses						
General government	980,456	971,677	8,779	-	-	-
Public safety	1,171,158	1,125,464	45,694	-	-	-
Public works	1,135,351	872,045	263,306	-	-	-
Culture and recreation	239,389	248,856	(9,467)	-	-	-
Interest on long-term debt	222,404	218,319	4,085	-	-	-
Water	-	-	-	898,319	857,014	41,305
Sewer	-	-	-	61,513	59,243	2,270
Storm sewer	-	-	-	151,384	140,365	11,019
Total expenses	3,748,758	3,436,361	312,397	1,111,216	1,056,622	54,594
Change in net assets before transfers	715,053	768,105	(53,052)	147,552	439,277	(291,725)
Transfers - capital assets	(7,947)	(29,177)	21,230	7,947	29,177	(21,230)
Transfers - internal activities	(50,000)	(100,000)	50,000	50,000	100,000	(50,000)
Change in net assets	657,106	638,928	18,178	205,499	568,454	(362,955)
Net assets, January 1	13,207,946	12,569,018	638,928	7,701,302	7,132,848	568,454
Net assets, December 31	\$ 13,865,052	\$ 13,207,946	\$ 657,106	\$ 7,906,801	\$ 7,701,302	\$ 205,499

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

**Expenses and Program Revenues - Governmental Activities**

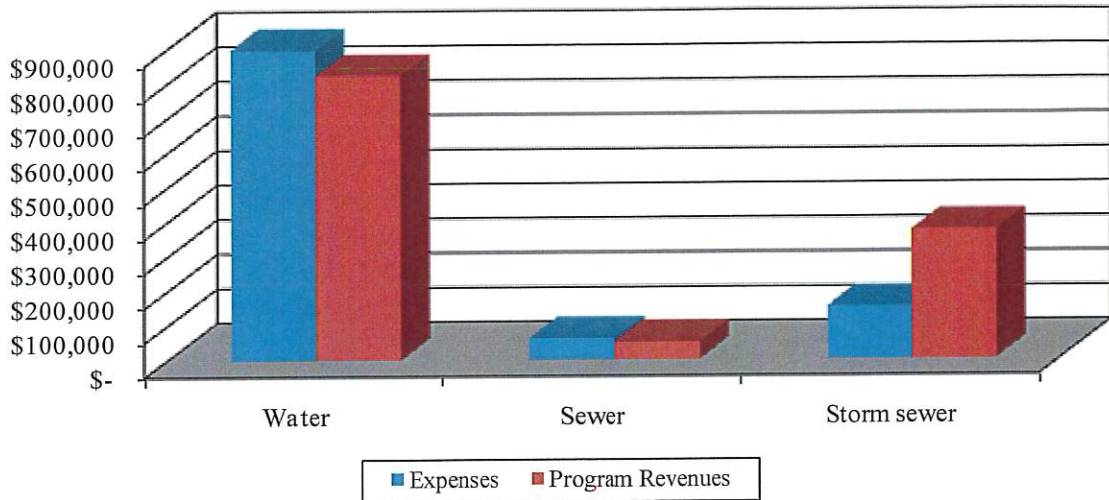


**Revenues by Source - Governmental Activities**

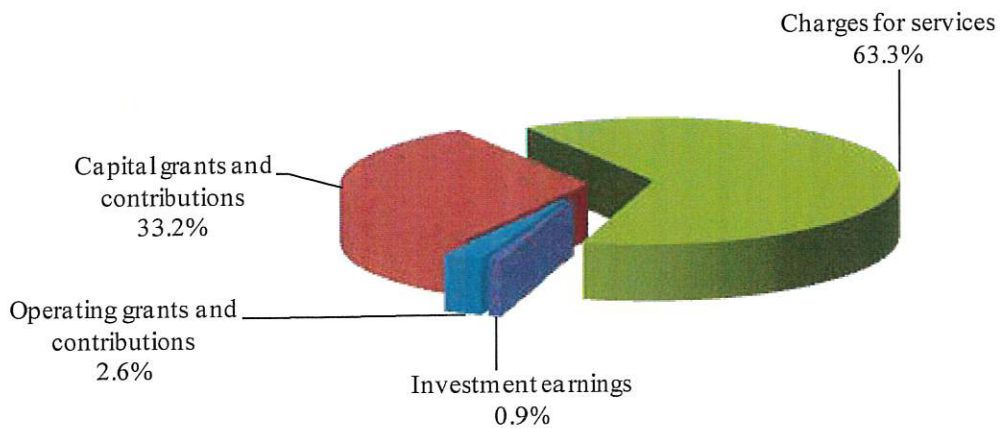


**Business-type activities.** Business-type activities increased the City's net assets by \$205,499, accounting for 23.8 percent of the total growth of the City's net assets. Key elements of this increase are as follows:

**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**





## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Major funds	Fund Balances (deficits)		Increase (Decrease)
	2010	2009	
<b>General</b>	\$ 2,686,161	\$ 2,435,810	\$ 250,351
Revenues exceeded expenditures by \$377,201; however, this excess of revenues over expenditures was offset by transfers out of \$126,850 resulting in a \$250,351 increase in fund balance.			
<b>Debt Service</b>	\$ 3,605,250	\$ 1,422,049	\$ 2,183,201
Fund balance increased \$2,183,201 during 2010 due to transfers in and bonds issued.			
<b>Village Project</b>	\$ (1,146,241)	\$ (1,016,403)	\$ (129,838)
The Village Project fund showed an operating decrease in fund balance of \$129,838. The decrease was due to expenditures incurred on the Village project and interest on the advance from the General fund.			
<b>2010 Street Improvements</b>	\$ 39,669	\$ (19,037)	\$ 58,706
The 2010 Street Improvements fund has a fund balance of \$39,669 due to bond proceeds exceeding the expenditures incurred during the year.			

**Proprietary fund.** The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$1,193,509. The total increase in net assets for the funds was \$205,499. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

The City's General fund budget was not amended during the year. The budget called for no change in General fund balance. Actual net change to the General fund balance was an increase of \$250,351. Actual revenues exceeded budgeted amounts and expenditures were under budget. Revenues were over budget by \$142,798 mainly due to licenses and permits which were over budget by \$103,690. Expenditures were under budget by \$115,553 during the year. All departments were under budget, but the largest variances were provided by general government and culture and recreation which were under budget by \$48,430 and \$35,555, respectively.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2010, amounts to \$25,036,730 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, and streets. Governmental activities increased governmental net capital assets by 6.1 percent while Business-type activities increased this figure by 0.3 percent.

Major capital asset events during the current fiscal year included the following:

- Acceptance of the Farms of Lake Elmo development, approximately \$761,000 from the developer and construction in progress.
- Completion of 42<sup>nd</sup> Street Mill and Overlay project.
- 2010 street improvements of approximately \$521,000.
- Improvements at Sunfish Lake park and City Hall as well as the purchase of a fire CV2 vehicle.

Additional information on the City's capital assets can be found in Note 3C starting on page 62 of this report.

### Capital Assets Net of Depreciation

	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
Land	\$ 3,439,986	\$ 3,388,035	\$ 51,951	\$ 36,573	\$ 36,573	\$ -
Buildings	2,836,898	2,820,398	16,500	-	-	-
Improvements other than buildings	572,840	623,171	(50,331)	-	-	-
Machinery and equipment	1,012,929	1,072,823	(59,894)	166,577	187,215	(20,638)
Infrastructure	3,891,841	3,719,527	172,314	10,774,860	10,728,157	46,703
Construction in process	1,896,763	1,243,777	652,986	407,463	398,859	8,604
<b>Total</b>	<b>\$ 13,651,257</b>	<b>\$ 12,867,731</b>	<b>\$ 783,526</b>	<b>\$ 11,385,473</b>	<b>\$ 11,350,804</b>	<b>\$ 34,669</b>

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$11,990,000. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

### Outstanding Debt

	Governmental Activities			Business-type Activities		
	2010	2009	Increase (Decrease)	2010	2009	Increase (Decrease)
Other postemployment benefits payable	\$ 28,888	\$ 14,358	\$ 14,530	\$ 5,172	\$ 2,571	\$ 2,601
Compensated absences payable	67,747	60,685	7,062	19,070	18,931	139
Unamortized premium on bonds	17,553	15,613	1,940	7,819	8,530	(711)
Bonds payable	7,310,000	4,943,000	2,367,000	4,680,000	4,715,000	(35,000)
<b>Total</b>	<b>\$ 7,424,188</b>	<b>\$ 5,033,656</b>	<b>\$ 2,390,532</b>	<b>\$ 4,712,061</b>	<b>\$ 4,745,032</b>	<b>\$ (32,971)</b>

The City's total bonds payable increased \$2,332,000 during the current fiscal year, due to the issuance of bonds.

The City bond rating was placed at "Aa2" from Moody's for its issuance of Bonds in 2010.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3.0 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City is currently well within their limit.

Additional information on the City's long-term debt can be found in Note 3E starting on page 65 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The City's taxable market value decreased by 0.6 percent from 2009 to 2010, and decreased 4.9 percent from 2010 to 2011.
- The City's net taxable tax capacity decreased by 1.3 percent from 2009 to 2010, and decreased 4.4 percent from 2010 to 2011.
- Plans are underway for serving the existing Village area with public infrastructure, and for the future Village area, including sewer, by 2030. The City accepted a Village Masterplan, which describes a vision of the future Village, in April, 2007. An extensive environmental review of several development scenarios for the Village project was completed. The City's comprehensive plan will be amended when a future development scenario is selected and a zoning code is developed to implement the plan. In addition, the City Council is working with a public financial advisor to determine what fiscal policies are necessary to implement the infrastructure and amenities called for in the plans. The costs of sewer are planned to be paid for by developers and future sewer users of the City's wastewater services.

All of these factors were considered in preparing the City's budget for the 2011 fiscal year.

Total property taxes levied for 2011 increased by 1.7 percent over property taxes levied for 2010. The City's tax capacity rate increased from 20.479 percent for 2010 property taxes to 21.826 percent for 2011 property taxes.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, City of Lake Elmo 3800 Laverne Avenue North, Lake Elmo, Minnesota, 55042.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF LAKE ELMO, MINNESOTA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2010

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and temporary investments	\$ 4,423,257	\$ 594,633	\$ 5,017,890
Cash with fiscal agent	2,962,542	-	2,962,542
Receivables:			
Current taxes	76,616	-	76,616
Delinquent taxes	99,757	-	99,757
Accrued interest	11,017	-	11,017
Accounts	2,783	473,392	476,175
Special assessments	207,744	73,023	280,767
Due from other governments	418,576	7,607	426,183
Prepaid items	13,050	-	13,050
Deferred charges	175,453	125,439	300,892
Capital assets :			
Land and construction in progress	5,336,749	444,036	5,780,785
Depreciable assets (net of accumulated depreciation)	8,314,508	10,941,437	19,255,945
<b>TOTAL ASSETS</b>	<b>22,042,052</b>	<b>12,659,567</b>	<b>34,701,619</b>
<b>LIABILITIES</b>			
Accounts payable	272,367	19,520	291,887
Accrued salaries payable	34,142	2,583	36,725
Accrued interest payable	71,775	15,908	87,683
Due to other governments	299,528	2,694	302,222
Deposits payable	75,000	-	75,000
Noncurrent liabilities - due within one year:			
Compensated absences payable	13,549	3,814	17,363
Bonds payable	344,000	40,000	384,000
Noncurrent liabilities - due in more than one year:			
Other postemployment benefits payable	28,888	5,172	34,060
Compensated absences payable	54,198	15,256	69,454
Unamortized premium on bonds	17,553	7,819	25,372
Bonds payable	6,966,000	4,640,000	11,606,000
<b>TOTAL LIABILITIES</b>	<b>8,177,000</b>	<b>4,752,766</b>	<b>12,929,766</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,368,479	6,713,292	15,081,771
Restricted for debt service	2,057,467	-	2,057,467
Unrestricted	3,439,106	1,193,509	4,632,615
<b>TOTAL NET ASSETS</b>	<b>\$ 13,865,052</b>	<b>\$ 7,906,801</b>	<b>\$ 21,771,853</b>

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE ELMO, MINNESOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General government	\$ 980,456	\$ 18,296	\$ -	\$ 49,556
Public safety	1,171,158	320,242	40,153	-
Public works	1,135,351	3,425	105,369	1,040,863
Culture and recreation	239,389	10,800	22,969	-
Interest on long-term debt	222,404	-	-	-
<b>Total governmental activities</b>	<b>3,748,758</b>	<b>352,763</b>	<b>168,491</b>	<b>1,090,419</b>
<b>Business-type activities</b>				
Water	898,319	562,585	-	261,000
Sewer	61,513	48,508	-	2,400
Storm sewer	151,384	185,425	32,721	155,000
<b>Total business-type activities</b>	<b>1,111,216</b>	<b>796,518</b>	<b>32,721</b>	<b>418,400</b>
<b>Total</b>	<b>\$ 4,859,974</b>	<b>\$ 1,149,281</b>	<b>\$ 201,212</b>	<b>\$ 1,508,819</b>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

Transfers - capital assets

Transfers - internal activities

Total general revenues and transfers

Change in net assets

Net assets, January 1

Net assets, December 31

The notes to the financial statements are an integral part of this statement.



Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (912,604)	\$ -	\$ (912,604)
(810,763)	-	(810,763)
14,306	-	14,306
(205,620)	-	(205,620)
<u>(222,404)</u>	<u>-</u>	<u>(222,404)</u>
<u>(2,137,085)</u>	<u>-</u>	<u>(2,137,085)</u>
-	(74,734)	(74,734)
-	(10,605)	(10,605)
-	<u>221,762</u>	<u>221,762</u>
-	<u>136,423</u>	<u>136,423</u>
<u>(2,137,085)</u>	<u>136,423</u>	<u>(2,000,662)</u>
2,345,626	-	2,345,626
327,716	-	327,716
37,725	-	37,725
9,771	-	9,771
113,989	11,129	125,118
17,311	-	17,311
(7,947)	7,947	-
<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
<u>2,794,191</u>	<u>69,076</u>	<u>2,863,267</u>
657,106	205,499	862,605
<u>13,207,946</u>	<u>7,701,302</u>	<u>20,909,248</u>
<u>\$ 13,865,052</u>	<u>\$ 7,906,801</u>	<u>\$ 21,771,853</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**FUND  
FINANCIAL STATEMENTS**

**CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

CITY OF LAKE ELMO, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010

	<b>101</b>		<b>413</b>
	General	Debt Service	Village Project
<b>ASSETS</b>			
Cash and temporary investments	\$ 1,894,388	\$ 643,683	\$ -
Cash with fiscal agent	-	2,962,542	-
Receivables:			
Current taxes	76,616	-	-
Delinquent taxes	99,757	-	-
Accrued interest	11,017	-	-
Accounts	-	2,783	-
Special assessments	-	93,992	-
Advance to other funds	1,055,900	-	-
Due from other governments	17,205	400,000	-
Due from other funds	88,129	-	-
Prepaid items	13,050	-	-
	<u>\$ 3,256,062</u>	<u>\$ 4,103,000</u>	<u>\$ -</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 136,687	\$ 3,758	\$ 26,923
Accrued salaries payable	34,142	-	-
Due to other governments	299,315	-	-
Due to other funds	-	-	63,418
Advance from other funds	-	-	1,055,900
Deposits payable	-	-	-
Deferred revenue	99,757	493,992	-
	<u>569,901</u>	<u>497,750</u>	<u>1,146,241</u>
<b>TOTAL LIABILITIES</b>			
<b>FUND BALANCES (DEFICITS)</b>			
Reserved for:			
Debt service	-	3,605,250	-
Prepaid items	13,050	-	-
Advance to other funds	1,055,900	-	-
Unreserved			
Designated, reported in:			
Capital projects funds	-	-	-
Undesignated, reported in:			
General fund	1,617,211	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	(1,146,241)
	<u>2,686,161</u>	<u>3,605,250</u>	<u>(1,146,241)</u>
<b>TOTAL FUND BALANCES (DEFICITS)</b>			
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
	<u>\$ 3,256,062</u>	<u>\$ 4,103,000</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

417 2010 Street Improvements	Other Governmental Funds	Total Governmental Funds
\$ 81,221	\$ 1,756,231	\$ 4,375,523
-	-	2,962,542
-	-	76,616
-	-	99,757
-	-	11,017
-	-	2,783
-	113,752	207,744
-	-	1,055,900
-	1,371	418,576
-	-	88,129
-	-	13,050
<u>\$ 81,221</u>	<u>\$ 1,871,354</u>	<u>\$ 9,311,637</u>
\$ 41,552	\$ 47,741	\$ 256,661
-	-	34,142
-	213	299,528
-	24,711	88,129
-	-	1,055,900
-	75,000	75,000
-	113,011	706,760
<u>41,552</u>	<u>260,676</u>	<u>2,516,120</u>
-	-	3,605,250
-	-	13,050
-	-	1,055,900
39,669	1,633,003	1,672,672
-	-	1,617,211
-	27,324	27,324
-	(49,649)	(1,195,890)
<u>39,669</u>	<u>1,610,678</u>	<u>6,795,517</u>
<u>\$ 81,221</u>	<u>\$ 1,871,354</u>	<u>\$ 9,311,637</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF LAKE ELMO, MINNESOTA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010

Total fund balances - governmental funds	\$ 6,795,517
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	16,529,346
Less: accumulated depreciation	(3,164,415)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Noncurrent liabilities at year end consist of:	
Other postemployment benefits payable	(28,888)
Compensated absences payable	(67,747)
Bond principal payable	(7,310,000)
Less deferred charges, net of accumulated amortization	175,453
Add bond premium, net of accumulated amortization	(17,553)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	
Delinquent taxes receivable	99,757
Special assessments receivable	207,003
State contributions	400,000
Governmental funds do not report a liability for accrued interest until due and payable.	(71,775)
Internal service funds are used by management to charge the cost of services to individual funds.	
The assets and liabilities are included in the governmental statement of net assets.	318,354
Total net assets - governmental activities	\$ 13,865,052

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE ELMO, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2010

	101		413
	General	Debt Service	Village Project
<b>REVENUES</b>			
Taxes	\$ 2,409,509	\$ 327,716	\$ -
Licenses and permits	261,450	-	-
Intergovernmental	155,293	78,975	-
Charges for services	11,616	-	-
Fines and forfeitures	68,897	-	-
Special assessments	-	81,754	-
Investment earnings	59,711	20,376	(241)
Miscellaneous	25,333	-	-
<b>TOTAL REVENUES</b>	<b>2,991,809</b>	<b>508,821</b>	<b>(241)</b>
<b>EXPENDITURES</b>			
Current			
General government	921,590	-	-
Public safety	1,064,176	-	-
Public works	473,293	-	-
Culture and recreation	155,549	-	-
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	89,597
Culture and recreation	-	-	-
Debt service			
Principal	-	313,000	-
Interest and other charges	-	176,820	40,000
Bond issuance costs	-	48,004	-
<b>TOTAL EXPENDITURES</b>	<b>2,614,608</b>	<b>537,824</b>	<b>129,597</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>377,201</b>	<b>(29,003)</b>	<b>(129,838)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	237,848	-
Bonds issued	-	-	-
Refunding bonds issued	-	1,970,000	-
Premium on bonds issued	-	4,356	-
Transfers out	(126,850)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(126,850)</b>	<b>2,212,204</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>250,351</b>	<b>2,183,201</b>	<b>(129,838)</b>
<b>FUND BALANCES (DEFICITS), JANUARY 1</b>	<b>2,435,810</b>	<b>1,422,049</b>	<b>(1,016,403)</b>
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<b>\$ 2,686,161</b>	<b>\$ 3,605,250</b>	<b>\$ (1,146,241)</b>

The notes to the financial statements are and integral part of this statement.



417 2010 Street Improvements	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,737,225
-	-	261,450
-	4,976	239,244
-	10,800	22,416
-	-	68,897
-	52,503	134,257
(1,735)	34,922	113,033
-	59,527	84,860
<u>(1,735)</u>	<u>162,728</u>	<u>3,661,382</u>
-	-	921,590
-	-	1,064,176
-	-	473,293
-	13,422	168,971
-	50,178	50,178
-	41,217	41,217
622,983	323,048	1,035,628
-	76,286	76,286
-	-	313,000
-	-	216,820
26,576	-	74,580
<u>649,559</u>	<u>504,151</u>	<u>4,435,739</u>
<u>(651,294)</u>	<u>(341,423)</u>	<u>(774,357)</u>
-	76,850	314,698
710,000	-	710,000
-	-	1,970,000
-	-	4,356
-	(237,848)	(364,698)
<u>710,000</u>	<u>(160,998)</u>	<u>2,634,356</u>
58,706	(502,421)	1,859,999
<u>(19,037)</u>	<u>2,113,099</u>	<u>4,935,518</u>
<u>\$ 39,669</u>	<u>\$ 1,610,678</u>	<u>\$ 6,795,517</u>

CITY OF LAKE ELMO, MINNESOTA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES (DEFICITS) TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

Total net change in fund balances (deficits) - governmental funds \$ 1,859,999

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	929,485
Depreciation expense	(529,062)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Capital assets contributed from developers	421,000
Capital assets transferred to enterprise funds.	(7,947)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amount are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.

Debt issued	(2,680,000)
Less deferral of bond issuance costs	74,580
Add premium received on bonds issued	(4,356)
Principal repayments	313,000
Amortization of deferred charges	(14,968)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(5,584)

Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.

Special assessments	6,631
Property taxes	(26,158)
State contributions	400,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other postemployment benefits	(14,530)
Compensated absences	(7,063)

Internal service funds are used by management to charge certain costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities in the government-wide financial statements.

(57,921)

Change in net assets - governmental activities \$ 657,106

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE ELMO, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,392,853	\$ 2,392,853	\$ 2,409,509	\$ 16,656
Licenses and permits	157,760	157,760	261,450	103,690
Intergovernmental	163,768	163,768	155,293	(8,475)
Charges for services	5,500	5,500	11,616	6,116
Fines and forfeits	52,000	52,000	68,897	16,897
Investment earnings	60,000	60,000	59,711	(289)
Miscellaneous	17,130	17,130	25,333	8,203
<b>TOTAL REVENUES</b>	<u>2,849,011</u>	<u>2,849,011</u>	<u>2,991,809</u>	<u>142,798</u>
<b>EXPENDITURES</b>				
Current				
General government	970,020	970,020	921,590	48,430
Public safety	1,069,704	1,069,704	1,064,176	5,528
Public works	499,333	499,333	473,293	26,040
Culture and recreation	191,104	191,104	155,549	35,555
<b>TOTAL EXPENDITURES</b>	<u>2,730,161</u>	<u>2,730,161</u>	<u>2,614,608</u>	<u>115,553</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	118,850	118,850	377,201	258,351
<b>OTHER FINANCING USES</b>				
Transfers out	(118,850)	(118,850)	(126,850)	(8,000)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	250,351	250,351
<b>FUND BALANCES, JANUARY 1</b>	<u>2,435,810</u>	<u>2,435,810</u>	<u>2,435,810</u>	<u>-</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 2,435,810</u>	<u>\$ 2,435,810</u>	<u>\$ 2,686,161</u>	<u>\$ 250,351</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE ELMO, MINNESOTA  
 STATEMENTS OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601		602	
	Water		Sewer	
	2010	2009	2010	2009
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and temporary investments	\$ 565,407	\$ 533,346	\$ 29,226	\$ 47,474
Receivables:				
Accounts	174,845	105,899	49,093	30,668
Special assessments	72,507	99,902	516	516
Due from other governments	-	-	-	-
Due from other funds	56,226	80,154	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>868,985</b>	<b>819,301</b>	<b>78,835</b>	<b>78,658</b>
<b>NONCURRENT ASSETS</b>				
Deferred charges	125,439	132,857	-	-
Capital assets				
Land	36,573	36,573	-	-
Machinery and equipment	282,860	282,860	-	-
Infrastructure	11,745,589	11,542,659	346,607	346,607
Construction in progress	373,283	351,344	-	-
Less accumulated depreciation	(1,835,300)	(1,510,482)	(169,190)	(160,450)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>10,603,005</b>	<b>10,702,954</b>	<b>177,417</b>	<b>186,157</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>10,728,444</b>	<b>10,835,811</b>	<b>177,417</b>	<b>186,157</b>
<b>TOTAL ASSETS</b>	<b>11,597,429</b>	<b>11,655,112</b>	<b>256,252</b>	<b>264,815</b>

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds - Continued				Governmental Activities	
603		Totals		701, 702, 703	
Storm Sewer				Internal Service Funds	
2010	2009	2010	2009	2010	2009
\$ -	\$ -	\$ 594,633	\$ 580,820	\$ 47,734	\$ 60,000
249,454	196,968	473,392	333,535	-	-
-	-	73,023	100,418	-	-
7,607	-	7,607	-	-	-
-	-	56,226	80,154	-	-
<u>257,061</u>	<u>196,968</u>	<u>1,204,881</u>	<u>1,094,927</u>	<u>47,734</u>	<u>60,000</u>
-	-	125,439	132,857	-	-
-	-	36,573	36,573	-	-
-	-	282,860	282,860	560,729	552,371
595,833	423,952	12,688,029	12,313,218	-	-
34,180	47,515	407,463	398,859	18,512	-
<u>(24,962)</u>	<u>(9,774)</u>	<u>(2,029,452)</u>	<u>(1,680,706)</u>	<u>(292,915)</u>	<u>(236,096)</u>
<u>605,051</u>	<u>461,693</u>	<u>11,385,473</u>	<u>11,350,804</u>	<u>286,326</u>	<u>316,275</u>
<u>605,051</u>	<u>461,693</u>	<u>11,510,912</u>	<u>11,483,661</u>	<u>286,326</u>	<u>316,275</u>
<u>862,112</u>	<u>658,661</u>	<u>12,715,793</u>	<u>12,578,588</u>	<u>334,060</u>	<u>376,275</u>

CITY OF LAKE ELMO, MINNESOTA  
 STATEMENTS OF NET ASSETS - CONTINUED  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601		602	
	Water		Sewer	
	2010	2009	2010	2009
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 12,788	\$ 10,823	\$ 2,545	\$ 1,616
Accrued salaries payable	1,589	1,292	355	274
Accrued interest payable	15,908	15,996	-	-
Due to other funds	-	-	-	-
Due to other governments	2,176	18,418	-	-
Current portion of compensated absences payable	2,282	2,232	459	460
Current portion of bonds payable	40,000	35,000	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>74,743</b>	<b>83,761</b>	<b>3,359</b>	<b>2,350</b>
<b>NONCURRENT LIABILITIES</b>				
Other postemployment benefits payable	3,175	1,579	804	399
Compensated absences payable	9,129	8,926	1,836	1,840
Unamortized premium on bonds	7,819	8,530	-	-
Bonds payable	4,640,000	4,680,000	-	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>4,660,123</b>	<b>4,699,035</b>	<b>2,640</b>	<b>2,239</b>
<b>TOTAL LIABILITIES</b>	<b>4,734,866</b>	<b>4,782,796</b>	<b>5,999</b>	<b>4,589</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	5,930,824	5,996,484	177,417	186,157
Unrestricted	931,739	875,832	72,836	74,069
<b>TOTAL NET ASSETS</b>	<b>\$ 6,862,563</b>	<b>\$ 6,872,316</b>	<b>\$ 250,253</b>	<b>\$ 260,226</b>

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds - Continued				Governmental Activities	
603		Totals		701, 702, 703	
Storm Sewer				Internal Service Funds	
2010	2009	2010	2009	2010	2009
\$ 4,187	\$ 2,685	\$ 19,520	\$ 15,124	\$ 15,706	\$ -
639	496	2,583	2,062	-	-
-	-	15,908	15,996	-	-
56,226	80,154	56,226	80,154	-	-
518	500	2,694	18,918	-	-
1,073	1,095	3,814	3,787	-	-
-	-	40,000	35,000	-	-
<u>62,643</u>	<u>84,930</u>	<u>140,745</u>	<u>171,041</u>	<u>15,706</u>	<u>-</u>
1,193	593	5,172	2,571	-	-
4,291	4,378	15,256	15,144	-	-
-	-	7,819	8,530	-	-
-	-	4,640,000	4,680,000	-	-
<u>5,484</u>	<u>4,971</u>	<u>4,668,247</u>	<u>4,706,245</u>	<u>-</u>	<u>-</u>
<u>68,127</u>	<u>89,901</u>	<u>4,808,992</u>	<u>4,877,286</u>	<u>15,706</u>	<u>-</u>
605,051	461,693	6,713,292	6,644,334	286,326	316,275
188,934	107,067	1,193,509	1,056,968	32,028	60,000
<u>\$ 793,985</u>	<u>\$ 568,760</u>	<u>\$ 7,906,801</u>	<u>\$ 7,701,302</u>	<u>\$ 318,354</u>	<u>\$ 376,275</u>

CITY OF LAKE ELMO, MINNESOTA  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601		602	
	Water		Sewer	
	2010	2009	2010	2009
<b>OPERATING REVENUES</b>				
Charges for services	\$ 506,238	\$ 429,235	\$ 48,508	\$ 45,146
Water meter sales	11,121	8,020	-	-
<b>TOTAL OPERATING REVENUES</b>	<u>517,359</u>	<u>437,255</u>	<u>48,508</u>	<u>45,146</u>
<b>OPERATING EXPENSES</b>				
Personnel services	102,711	99,319	22,996	22,350
Supplies	95,164	16,655	-	-
Professional services	37,991	54,756	12,032	11,007
Repair and maintenance	11,550	23,966	12	1,806
Insurance	9,710	9,143	-	-
Utilities	117,801	125,103	17,733	15,341
Depreciation	324,818	312,351	8,740	8,739
<b>TOTAL OPERATING EXPENSES</b>	<u>699,745</u>	<u>641,293</u>	<u>61,513</u>	<u>59,243</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(182,386)</u>	<u>(204,038)</u>	<u>(13,005)</u>	<u>(14,097)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	10,580	17,056	632	1,535
Connection fees	78,000	55,925	2,400	1,548
Rents	45,226	42,175	-	-
Miscellaneous	-	30,100	-	-
Amortization of deferred charges	(7,418)	(7,418)	-	-
Interest expense	(191,156)	(208,303)	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(64,768)</u>	<u>(70,465)</u>	<u>3,032</u>	<u>3,083</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>(247,154)</u>	<u>(274,503)</u>	<u>(9,973)</u>	<u>(11,014)</u>
TRANSFERS IN	50,000	-	-	-
CAPITAL CONTRIBUTED FROM DEVELOPERS	183,000	394,000	-	-
CAPITAL CONTRIBUTED FROM OTHER FUNDS	4,401	17,553	-	-
<b>CHANGE IN NET ASSETS</b>	<u>(9,753)</u>	<u>137,050</u>	<u>(9,973)</u>	<u>(11,014)</u>
<b>NET ASSETS, JANUARY 1</b>	<u>6,872,316</u>	<u>6,735,266</u>	<u>260,226</u>	<u>271,240</u>
<b>NET ASSETS, DECEMBER 31</b>	<u>\$ 6,862,563</u>	<u>\$ 6,872,316</u>	<u>\$ 250,253</u>	<u>\$ 260,226</u>

The notes to the financial statements are an integral part of this statement.



Business-type Activities - Enterprise Funds - Continued				Governmental Activities	
603		Totals		701, 702, 703	
Storm Sewer				Internal Service Funds	
2010	2009	2010	2009	2010	2009
\$ 185,425	\$ 149,347	\$ 740,171	\$ 623,728	\$ -	\$ -
-	-	11,121	8,020	-	-
<u>185,425</u>	<u>149,347</u>	<u>751,292</u>	<u>631,748</u>	<u>-</u>	<u>-</u>
39,855	38,410	165,562	160,079	-	-
20,752	10,153	115,916	26,808	-	-
41,940	85,217	91,963	150,980	-	-
33,649	-	45,211	25,772	2,058	-
-	-	9,710	9,143	-	-
-	-	135,534	140,444	-	-
<u>15,188</u>	<u>6,585</u>	<u>348,746</u>	<u>327,675</u>	<u>56,819</u>	<u>-</u>
<u>151,384</u>	<u>140,365</u>	<u>912,642</u>	<u>840,901</u>	<u>58,877</u>	<u>-</u>
<u>34,041</u>	<u>8,982</u>	<u>(161,350)</u>	<u>(209,153)</u>	<u>(58,877)</u>	<u>-</u>
(83)	(3,248)	11,129	15,343	956	-
-	-	80,400	57,473	-	-
-	-	45,226	42,175	-	-
32,721	60	32,721	30,160	-	-
-	-	(7,418)	(7,418)	-	-
-	-	(191,156)	(208,303)	-	-
<u>32,638</u>	<u>(3,188)</u>	<u>(29,098)</u>	<u>(70,570)</u>	<u>956</u>	<u>-</u>
66,679	5,794	(190,448)	(279,723)	(57,921)	-
-	100,000	50,000	100,000	-	60,000
155,000	325,000	338,000	719,000	-	-
<u>3,546</u>	<u>11,624</u>	<u>7,947</u>	<u>29,177</u>	<u>-</u>	<u>316,275</u>
225,225	442,418	205,499	568,454	(57,921)	376,275
<u>568,760</u>	<u>126,342</u>	<u>7,701,302</u>	<u>7,132,848</u>	<u>376,275</u>	<u>-</u>
<u>\$ 793,985</u>	<u>\$ 568,760</u>	<u>\$ 7,906,801</u>	<u>\$ 7,701,302</u>	<u>\$ 318,354</u>	<u>\$ 376,275</u>

CITY OF LAKE ELMO, MINNESOTA  
 STATEMENTS OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601 Water		602 Sewer	
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 475,808	\$ 421,164	\$ 30,083	\$ 25,096
Other income related to operating activities	45,226	72,275	-	-
Payments to suppliers	(290,641)	(216,377)	(28,848)	(30,659)
Payments to employees	(100,565)	(97,338)	(22,515)	(21,796)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>129,828</u>	<u>179,724</u>	<u>(21,280)</u>	<u>(27,359)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
(Increase) decrease in due from other funds	23,928	(32,704)	-	-
Increase (decrease) in due to other funds	-	-	-	-
Transfers from other funds	50,000	-	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>73,928</u>	<u>(32,704)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(33,320)	(19,247)	-	-
Connection fees received	78,000	55,925	2,400	1,548
Proceeds of long-term debt, net of issuance costs and bond premiums	-	509,433	-	-
Principal paid on long-term debt	(35,000)	(530,000)	-	-
Interest paid on long-term debt	(191,955)	(209,666)	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(182,275)</u>	<u>(193,555)</u>	<u>2,400</u>	<u>1,548</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received on investments	10,580	17,056	632	1,535
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	32,061	(29,479)	(18,248)	(24,276)
<b>CASH AND CASH EQUIVALENTS (DEFICITS), JANUARY 1</b>	<u>533,346</u>	<u>562,825</u>	<u>47,474</u>	<u>71,750</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 565,407</u>	<u>\$ 533,346</u>	<u>\$ 29,226</u>	<u>\$ 47,474</u>

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds - Continued				Governmental Activities	
603		Totals		701, 702, 703	
Storm Sewer				Internal Service Funds	
2010	2009	2010	2009	2010	2009
\$ 125,332	\$ 99,942	\$ 631,223	\$ 546,202	\$ -	\$ -
32,721	60	77,947	72,335	-	-
(94,821)	(103,299)	(414,310)	(350,335)	(2,058)	-
(39,221)	(37,547)	(162,301)	(156,681)	-	-
<u>24,011</u>	<u>(40,844)</u>	<u>132,559</u>	<u>111,521</u>	<u>(2,058)</u>	<u>-</u>
-	4,458	23,928	(28,246)	-	-
(23,928)	80,154	(23,928)	80,154	-	-
-	100,000	50,000	100,000	-	60,000
<u>(23,928)</u>	<u>184,612</u>	<u>50,000</u>	<u>151,908</u>	<u>-</u>	<u>60,000</u>
-	-	(33,320)	(19,247)	(11,164)	-
-	-	80,400	57,473	-	-
-	-	-	509,433	-	-
-	-	(35,000)	(530,000)	-	-
-	-	(191,955)	(209,666)	-	-
-	-	<u>(179,875)</u>	<u>(192,007)</u>	<u>(11,164)</u>	<u>-</u>
<u>(83)</u>	<u>(3,248)</u>	<u>11,129</u>	<u>15,343</u>	<u>956</u>	<u>-</u>
-	140,520	13,813	86,765	(12,266)	60,000
-	(140,520)	580,820	494,055	60,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,633</u>	<u>\$ 580,820</u>	<u>\$ 47,734</u>	<u>\$ 60,000</u>

CITY OF LAKE ELMO, MINNESOTA  
 STATEMENTS OF CASH FLOWS - CONTINUED  
 PROPRIETARY FUNDS  
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Business-type Activities - Enterprise Funds			
	601 Water		602 Sewer	
	2010	2009	2010	2009
<b>RECONCILIATION OF OPERATING INCOME</b>				
<b>(LOSS) TO NET CASH PROVIDED (USED)</b>				
<b>BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (182,386)	\$ (204,038)	\$ (13,005)	\$ (14,097)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	324,818	312,351	8,740	8,739
Other income related to operations	45,226	72,275	-	-
(Increase) decrease in assets:				
Accounts receivable	(68,946)	(25,573)	(18,425)	(20,103)
Special assessments	27,395	9,482	-	53
Due from other governments	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	(2,183)	(1,961)	929	(2,396)
Accrued salaries payable	297	310	81	54
Due to other governments	(16,242)	15,207	-	(109)
Other postemployment benefits payable	1,596	1,579	405	399
Compensated absences payable	253	92	(5)	101
<b>NET CASH PROVIDED (USED)</b>	<b>\$ 129,828</b>	<b>\$ 179,724</b>	<b>\$ (21,280)</b>	<b>\$ (27,359)</b>
<b>BY OPERATING ACTIVITIES</b>				
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	\$ 187,401	\$ 411,553	\$ -	\$ -
Capital assets purchased on account	\$ 4,148	\$ -	\$ -	\$ -
Amortization of deferred charges	\$ 7,418	\$ 7,418	\$ -	\$ -
Amortization of bond premium	\$ 711	\$ 710	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds - Continued				Governmental Activities	
603		Total		701, 702, 703	
Storm Sewer				Internal Service Funds	
2010	2009	2010	2009	2010	2009
\$ 34,041	\$ 8,982	\$ (161,350)	\$ (209,153)	\$ (58,877)	\$ -
15,188	6,585	348,746	327,675	56,819	-
32,721	60	77,947	72,335	-	-
(52,486)	(49,405)	(139,857)	(95,081)	-	-
-	-	27,395	9,535	-	-
(7,607)	-	(7,607)	-	-	-
1,502	(8,320)	248	(12,677)	-	-
143	105	521	469	-	-
18	391	(16,224)	15,489	-	-
600	593	2,601	2,571	-	-
(109)	165	139	358	-	-
<u>\$ 24,011</u>	<u>\$ (40,844)</u>	<u>\$ 132,559</u>	<u>\$ 111,521</u>	<u>\$ (2,058)</u>	<u>\$ -</u>
<u>\$ 158,546</u>	<u>\$ 336,624</u>	<u>\$ 345,947</u>	<u>\$ 748,177</u>	<u>\$ -</u>	<u>\$ 316,275</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,148</u>	<u>\$ -</u>	<u>\$ 15,706</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,418</u>	<u>\$ 7,418</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711</u>	<u>\$ 710</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAKE ELMO, MINNESOTA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and temporary investments	<u>\$ 315,394</u>
LIABILITIES	
Accounts payable	\$ 13,622
Deposits payable	<u>301,772</u>
TOTAL LIABILITIES	<u>\$ 315,394</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

The City of Lake Elmo (the City), Minnesota, operates under "Optional Plan A" as defined in the State of Minnesota statutes. The City is governed by an elected Mayor and a four-member Council. The Council exercises legislative authority and determines all matters of policy. The Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The City has no component units.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Property taxes, franchise taxes, license and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue in the fund financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Village Project fund* accounts for engineering, planning and financing of the village area developments and redevelopments.

The *2010 Street Improvements fund* accounts for the accumulation of resources and costs associated with the 2010 Street Improvement project.

The City reports the following major proprietary funds:

The *Water fund* accounts for the activities of the City's water distribution operations.

The *Sewer fund* accounts costs associated with the City's sewer system.

The *Storm Sewer fund* accounts costs associated with the City's storm sewer system, which are financed by the storm sewer surcharge.



CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Additionally, the City reports the following fund types:

*Internal service funds* are used to account for the replacement of radios, Information Technology (IT), and Furniture, Fixture, and Equipment (FFE) expenses of the governmental activities. Internal service funds operate in a manner similar to enterprise funds; however, they accumulate funding primarily from other departments within the City on a cost reimbursement basis.

*Fiduciary funds* account for assets held by the City in a trustee capacity or as an agent on behalf of others.

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**D. Assets, liabilities, and net assets or equity**

*Deposits and investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
7. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed investment contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Investments for the City are reported at fair value. The broker money market investment pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool share.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Property taxes***

The Council annually adopts a tax levy in December and certifies it to the County for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, July and December each year.

Taxes payable on homestead property, as defined by Minnesota statutes, were partially reduced by a market value credit aid. The credit is paid to the City by the State in lieu of taxes levied against the homestead property. The State remits this credit in two equal installments in October and December each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred revenue liability for taxes not received within 60 days after year end in the fund financial statements.

***Accounts receivable***

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2010. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

***Special assessments***

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred revenue liability in the fund financial statements.

***Interfund receivables and payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

***Prepaid items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Capital assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Buildings and improvements	10 - 40
Improvements other than buildings	15 - 30
Machinery and equipment	3 - 15
Infrastructure	20 - 60

***Compensated absences***

It is the City's policy to permit employees to accumulate a limited amount of earned but unused personal time off. An employee leaving the service of the City in good standing will be compensated 100 percent for personal time off accrued, not to exceed 240 hours, to the day of separation provided the said employee has served at least twelve consecutive months prior to separation and has given the City at least two weeks notice prior to the effective date of such separation. In governmental fund types, the cost of these benefits is recognized when payments are made to the employees. The General fund normally liquidates liabilities for governmental compensated absences, while the enterprise funds normally liquidate liabilities for business-type compensated absences.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Postemployment benefits other than pensions***

Under Minnesota statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined using the alternative measurement method, in accordance with GASB Statement 45, at January 1, 2009.

***Long-term obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Fund equity***

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

***Net assets***

In the government-wide and proprietary fund financial statements, net assets represent the difference between assets and liabilities. Net assets are displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net assets - Consist of net assets restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

***Comparative data/reclassifications***

Comparative total data for the prior year have been presented only for the individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund. All annual appropriations lapse at fiscal year end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 15<sup>th</sup>, the proposed budget is presented to the Council for review. The Council adopts a preliminary maximum budget. Truth-in-taxation notices are mailed out to residents by Washington County. The Council holds public hearings and adopts a budget and tax levy in December.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Budgeted amounts are as originally adopted, or as amended by the Council. No budget amendments were made during 2010.

**B. Deficit fund equity**

The following funds had deficits at December 31, 2010:

<u>Fund</u>	<u>Amount</u>
Major	
Village Project	\$ 1,146,241
Nonmajor	
Manning Avenue / Highway 36	7,701
2011 Street Improvements	41,948

The City plans to eliminate the deficits through future taxes, assessments, transfers and other revenue collections.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

*Deposits*

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$1,483,489 and the bank balance was \$1,485,998. Of the bank balance, \$423,964 was covered by federal depository insurance. The remaining balance was covered by collateral held in the City's name.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

***Investments***

Investments are carried at fair value. Investment and dividend income are recognized as revenue when earned.

At year end, the City's investment balances were as follows:

Type of Investment	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
<b>Pooled investments</b>			
Brokered money markets	N/A	Less than 6 months	\$ 462,258
<b>Non-pooled investments</b>			
Brokered certificates of deposit	N/A	Less than 6 months	485,902
Brokered certificates of deposit	N/A	6 months to 1 year	297,167
Brokered certificates of deposit	N/A	1 to 3 years	392,638
Brokered certificates of deposit	N/A	More than 3 years	100,456
U.S. Treasuries	AAA	6 months to 1 year	26,132
U.S. Treasuries	AAA	1 to 3 years	2,899,379
Municipal bonds	AAA	Less than 6 months	755,091
Municipal bonds	AA2	Less than 6 months	151,112
Municipal bonds	AA2	1 to 3 years	464,136
U.S. Government Agencies	AAA	More than 3 years	777,816
<b>Total investments</b>			<b><u>\$ 6,812,087</u></b>

- (1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.  
(2) Interest rate risk is disclosed using the segmented time distribution method.  
N/A Indicates not applicable or available.

The investments of the City are subject to the following risks:

- *Credit Risk.* Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota Statutes limit the City's investments to the list on page 54 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- *Concentration of Credit Risk.* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount that may be invested in any one issuer.
- *Interest rate risk.* The interest rate risk for investments is the risk that changes in interest rates will adversely affect the fair value of an investment.

The City does not currently have a formal investment policy that addresses the above mentioned risks.



CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

A reconciliation of cash and temporary investments as shown on the Statement of Net Assets for the City follows:

Carrying amount of deposits	\$ 1,483,489
Investments	6,812,087
Petty cash	<u>250</u>
Total	<u><u>\$ 8,295,826</u></u>
Government-wide	
Cash and temporary investments	\$ 5,017,890
Cash with fiscal agent	2,962,542
Fiduciary	
Cash and temporary investments	<u>315,394</u>
Total	<u><u>\$ 8,295,826</u></u>

**B. Deferred revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Fund	Unavailable
General	
Delinquent taxes receivable	\$ 99,757
Debt Service	
Special assessments receivable	93,992
Due from other governments - state contributions	400,000
Nonmajor governmental	
Special assessments receivable	<u>113,011</u>
Total	<u><u>\$ 706,760</u></u>

CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**C. Capital assets**

Capital asset activity for the governmental activities for year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 3,388,035	\$ 51,951	\$ -	\$ 3,439,986
Construction in progress	<u>1,243,777</u>	<u>1,221,580</u>	<u>(568,594)</u>	<u>1,896,763</u>
Total capital assets not being depreciated	<u>4,631,812</u>	<u>1,273,531</u>	<u>(568,594)</u>	<u>5,336,749</u>
Capital assets, being depreciated				
Buildings	3,298,644	89,432	-	3,388,076
Improvements other than buildings	1,139,029	12,000	-	1,151,029
Machinery and equipment	2,573,270	43,265	-	2,616,535
Infrastructure	<u>4,096,425</u>	<u>519,773</u>	<u>-</u>	<u>4,616,198</u>
Total capital assets being depreciated	<u>11,107,368</u>	<u>664,470</u>	<u>-</u>	<u>11,771,838</u>
Less accumulated depreciation for				
Buildings	(478,246)	(72,932)	-	(551,178)
Improvements other than buildings	(515,858)	(62,331)	-	(578,189)
Machinery and equipment	(1,425,786)	(177,820)	-	(1,603,606)
Infrastructure	<u>(451,559)</u>	<u>(272,798)</u>	<u>-</u>	<u>(724,357)</u>
Total accumulated depreciation	<u>(2,871,449)</u>	<u>(585,881)</u>	<u>-</u>	<u>(3,457,330)</u>
Total capital assets being depreciated, net	<u>8,235,919</u>	<u>78,589</u>	<u>-</u>	<u>8,314,508</u>
Governmental activities capital assets, net	<u>\$ 12,867,731</u>	<u>\$ 1,352,120</u>	<u>\$ (568,594)</u>	<u>\$ 13,651,257</u>

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

Capital asset activity for the business-type activities for year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 36,573	\$ -	\$ -	\$ 36,573
Construction in progress	398,859	383,414	(374,810)	407,463
Total capital assets not being depreciated	435,432	383,414	(374,810)	444,036
Capital assets being depreciated				
Machinery and equipment	282,860	-	-	282,860
Infrastructure	12,313,218	374,811	-	12,688,029
Total capital assets being depreciated	12,596,078	374,811	-	12,970,889
Less accumulated depreciation for				
Machinery and equipment	(95,645)	(20,638)	-	(116,283)
Infrastructure	(1,585,061)	(328,108)	-	(1,913,169)
Total accumulated depreciation	(1,680,706)	(348,746)	-	(2,029,452)
Total capital assets being depreciated, net	10,915,372	26,065	-	10,941,437
Business-type activities capital assets, net	<u>\$ 11,350,804</u>	<u>\$ 409,479</u>	<u>\$ (374,810)</u>	<u>\$ 11,385,473</u>

Depreciation expense was charged to functions/programs of the City as follows:

<b>Governmental activities</b>	
General government	\$ 35,622
Public safety	95,818
Public works	389,462
Culture and recreation	64,979
Total depreciation expense - governmental activities	<u>\$ 585,881</u>
<b>Business-type activities</b>	
Water	\$ 324,818
Sewer	8,740
Storm sewer	15,188
Total depreciation expense - business-type activities	<u>\$ 348,746</u>

CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

***Construction commitments***

The City has an active construction project as of December 31, 2010. At year end, the City's commitment with the contractor for this project is as follows:

Project	Spent to date	Remaining Commitment
Lake Elmo Park Shelter - Stillwater Blvd and 50th Street	\$ 415,352	\$ 22,118

**D. Interfund receivables, payables and transfers**

The composition of interfund balances for the year ended December 31, 2010 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
<b>Due from/to other funds</b>			
Business-type	Business-type		
Water	Storm Sewer	Fund deficit cash balance	\$ 56,226
Governmental	Governmental		
General	Village Project	Fund deficit cash balance	63,418
General	Nonmajor governmental	Fund deficit cash balance	24,711
Total due from/to other funds			<u>\$ 144,355</u>
<b>Advance to/from other funds</b>			
Governmental	Governmental		
General	Village Project	Cash flow purposes	<u>\$ 1,055,900</u>

The City established an interfund loan in the amount of \$1,055,900 from the General fund to the Village Project fund. The loan will then be repaid, with four percent interest through the years 2011 - 2012.

***Interfund transfers***

Fund	Transfer in			Total
	Debt Service	Nonmajor Governmental Funds	Water	
Transfer out				
General	\$ -	\$ 76,850	\$ 50,000	\$ 126,850
Nonmajor Governmental	237,848	-	-	237,848
Total	<u>\$ 237,848</u>	<u>\$ 76,850</u>	<u>\$ 50,000</u>	<u>\$ 364,698</u>

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

During the year ended December 31, 2010, the City made the following transfers:

- The 2009 Street Improvements and Tablyn Park Entrance nonmajor governmental funds were closed by transferring \$29,248 and \$8,600, respectively, to the 2009B G.O. Improvement Bonds Debt Service fund.
- The General fund made an \$8,000 transfer of donations to the Fall Festival nonmajor governmental fund.
- A transfer in the amount of \$200,000 was made from the City Facilities nonmajor governmental fund to the 2004 G.O. Capital Improvement Plan Bonds debt service fund for a portion of the unused facilities' bond proceeds.
- The General fund transferred \$68,850 to the Vehicle Replacement fund for future vehicle capital outlay. The General fund also transferred \$50,000 to the Water fund to aid in offsetting a projected future deficit cash balance.

**E. Long-term debt**

*General obligation (G.O.) bonds.* The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. Additionally, general obligations bonds have been issued to refund general obligation improvement bonds and general obligation revenue bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City.

***General obligation improvement bonds***

The G.O. Improvement Bonds have been issued to finance improvements. They will be repaid with special assessment collections and ad valorem tax levies. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments. General obligation improvement bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds					
G.O. Improvement Bonds of 2002A	\$ 340,000	4.50 - 4.60 %	05/01/02	01/01/12	\$ 40,000
G.O. CIP Bonds, Series 2004A	4,090,000	3.10 - 3.45	11/01/04	02/01/13	3,375,000
G.O. Refunding Bonds, Series 2009A	535,000	3.00 - 3.85	05/01/09	12/01/16	400,000
G.O. Improvement Bonds, Series 2009B	575,000	2.00 - 3.05	10/01/09	01/15/20	575,000
G.O. Improvement Bonds, Series 2010A	710,000	0.75 - 2.80	11/15/10	02/01/21	710,000
G.O. Capital Improvement Plan Crossover Refunding Bonds, Series 2010B	1,970,000	1.00 - 3.20	11/15/10	02/01/25	<u>1,970,000</u>
Total G.O. Improvement Bonds					<u><u>\$ 7,070,000</u></u>

CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The annual debt service to maturity for general obligation improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 300,000	\$ 201,939	\$ 501,939
2012	360,000	208,911	568,911
2013	3,225,000	140,996	3,365,996
2014	335,000	74,708	409,708
2015	350,000	68,773	418,773
2016-2020	1,525,000	238,350	1,763,350
2021-2025	975,000	72,153	1,047,153
Total	<u>\$ 7,070,000</u>	<u>\$ 1,005,830</u>	<u>\$ 8,075,830</u>

***General obligation equipment certificates of indebtedness***

General obligation equipment certificates of indebtedness are direct obligations and pledge the full faith and credit of the City. The bonds have been issued to finance capital acquisitions. They will be repaid with ad valorem tax levies. General obligation equipment certificates of indebtedness currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Equipment Certificates of Indebtedness, Series 2006A	\$ 443,000	3.65-4.00 %	03/08/06	12/01/15	<u>\$ 240,000</u>

The annual debt service to maturity for general obligation equipment certificates of indebtedness are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 44,000	\$ 9,446	\$ 53,446
2012	46,000	7,840	53,840
2013	48,000	6,000	54,000
2014	50,000	4,080	54,080
2015	52,000	2,080	54,080
Total	<u>\$ 240,000</u>	<u>\$ 29,446</u>	<u>\$ 269,446</u>

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

*General obligation revenue bonds*

The City has issued the following G.O. Water Revenue Bonds for improvements to its water system. They will be repaid with the net revenues of the system. General obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Revenue Bonds					
G.O. Water Revenue					
Bonds - 2005A	\$ 4,600,000	3.50 - 4.38 %	08/10/05	12/01/30	\$ 4,200,000
G.O. Refunding Bonds, Series 2009A	515,000	3.00 - 3.85	05/01/09	12/01/21	<u>480,000</u>
Total G.O. Revenue Bonds					<u>\$ 4,680,000</u>

The annual debt service to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2011	\$ 40,000	\$ 190,905	\$ 230,905
2012	40,000	189,705	229,705
2013	165,000	188,705	353,705
2014	190,000	183,130	373,130
2015	190,000	176,530	366,530
2016-2020	1,055,000	772,188	1,827,188
2021-2025	1,325,000	540,768	1,865,768
2026-2030	<u>1,675,000</u>	<u>224,600</u>	<u>1,899,600</u>
Total	<u>\$ 4,680,000</u>	<u>\$ 2,466,531</u>	<u>\$ 7,146,531</u>

CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

***Changes in long-term liabilities***

Long-term liability activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
G.O. improvement bonds	\$ 4,660,000	\$ 2,680,000	\$ (270,000)	\$ 7,070,000	\$ 300,000
G.O. equipment certificates of indebtedness	283,000	-	(43,000)	240,000	44,000
Total bonds payable	4,943,000	2,680,000	(313,000)	7,310,000	344,000
Unamortized premium on bonds	15,613	4,356	(2,416)	17,553	-
Other postemployment benefits payable	14,358	14,530	-	28,888	-
Compensated absences payable	60,685	57,971	(50,909)	67,747	13,549
Governmental activity long-term liabilities	<u>\$ 5,033,656</u>	<u>\$ 2,756,857</u>	<u>\$ (366,325)</u>	<u>\$ 7,424,188</u>	<u>\$ 357,549</u>
<b>Business-type activities</b>					
Bonds payable					
G.O. revenue bonds	\$ 4,715,000	\$ -	\$ (35,000)	\$ 4,680,000	\$ 40,000
Unamortized premium on bonds	8,530	-	(711)	7,819	-
Other postemployment benefits payable	2,571	2,601	-	5,172	-
Compensated absences payable	18,931	16,318	(16,179)	19,070	3,814
Business-type long-term liabilities	<u>\$ 4,745,032</u>	<u>\$ 18,919</u>	<u>\$ (51,890)</u>	<u>\$ 4,712,061</u>	<u>\$ 43,814</u>

***Crossover refunding***

On November 15, 2010, the City issued \$1,970,000 of General Obligation Capital Improvement Plan Crossover Refunding Bonds, Series 2010B. Together with transfers from the City, the bonds issued will be used to call \$2,845,000 of the 2004A General Obligation Capital Improvement Plan Bonds on February 1, 2013. The proceeds of the bonds were deposited into an escrow account and will be used to pay issuance costs and to purchase government obligations. The government obligations will bear interest rates that will provide sufficient funds to refund the old bonds. The escrow account will also provide debt service payments on the new bonds until the crossover date. The old bonds are not considered defeased until the crossover date, and therefore will not be removed from liabilities. As a result of the transfer and crossover refunding issue, the City will save \$354,715 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of \$94,158.



CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**F. Reserved/designated fund balance**

Fund balances in the various funds have been reserved and designated for the following purposes as of December 31, 2010:

Fund	Purpose	Amount
<b>Reserved</b>		
Debt Service	Debt service	\$ 3,605,250
General	Prepaid items	13,050
General	Advance to other funds	1,055,900
Total reserved fund balance		<u>\$ 4,674,200</u>
<b>Unreserved - Designated</b>		
2010 Street Improvements	Capital projects	\$ 39,669
Nonmajor Governmental	Capital projects	1,633,003
Total designated fund balance		<u>\$ 1,672,672</u>

**Note 4: DEFINED PENSION PLANS - STATEWIDE**

**A. Plan description**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota statutes, chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.20 percent of average salary for each of the first 10 years of service and 2.70 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first 10 years and 1.70 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.70 percent of average salary for Basic Plan members and 1.70 percent for Coordinated Plan members for each year of service. For all GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 4: DEFINED PENSION PLANS - STATEWIDE - CONTINUED**

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree -- no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the Internet at [mnpera.org](http://mnpera.org), by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

**B. Funding policy**

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State legislature. The City makes annual contributions to the pension plans equal to the amount required by Minnesota statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.0 percent, respectively, of their annual covered salary in 2010. In 2010, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan GERF members and 7.00 percent for Coordinated Plan GERF members. Employer contribution rates for the Coordinated Plan will increase to 7.25 percent, effective January 1, 2011. The City's contributions to the General Employees Retirement Fund for the years ending December 31, 2010, 2009 and 2008 were \$52,277, \$56,136, and \$57,801, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A. Plan description**

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan until Medicare age, which covers both active and retired members. There are 9 active participants. Benefit provisions are established by City Council. The Retiree Health Plan does not issue a publicly available financial report.

**B. Funding policy**

The City has historically funded these liabilities on a pay-as-you-go basis. Contribution requirements are negotiated between the City and union representatives on a per contract basis. At the present time, no retiree benefits are provided except the allowance to continue health insurance that is mandated by Minnesota Law. The City does not contribute any of the cost of current-year premiums for eligible retired plan members or their spouses. For fiscal year 2010, the City did not contribute anything to the plan. Plan members receiving benefits contribute 100 percent of their premium costs.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED**

**C. Annual other postemployment benefit cost and net other postemployment benefit obligation**

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$	16,929
Interest on net OPEB obligation		846
Adjustment to annual required contribution		<u>(644)</u>
Annual OPEB cost (expense)		17,131
Contributions made		<u>-</u>
Increase in net OPEB obligation		17,131
Net OPEB obligation - beginning of year		<u>16,929</u>
Net OPEB obligation - end of year		<u><u>\$ 34,060</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ended 2010 and 2009 follows:

Year Ending	Trend Information		
	Annual OPEB Cost	Percentage Annual OPEB Contributed	Net OPEB Obligation
12/31/10	\$ 17,131	- %	\$ 34,060
12/31/09	16,929	-	16,929

**D. Funded status and funding progress**

As of January 1, 2009, the actuarial accrued liability for benefits was \$112,761, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$892,528, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.6 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED**

**E. Methods and assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

*Retirement age for active employees* - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 63, or at the first subsequent year in which the member would qualify for benefits. In addition, spouses of retired employees were assumed to continue on the plan for the lesser of eighteen months after the retired employee reaches Medicare age or until the spouse reaches Medicare age.

*Marital status* - Marital status of members at the calculation date was assumed to continue throughout retirement.

*Mortality* - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2004 United States Life Tables for Males and for Females were used.

*Turnover* - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 2.0 percent initially, raised to an ultimate rate of 6.0 percent after six years, was used.

*Health insurance premiums* - 2008 and 2009 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Inflation rate* - The expected long-term inflation assumption of 4.09 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

*Payroll growth rate* - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 5.0 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010, was thirty years.

CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 6: LAKE ELMO VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION**

**A. Plan description**

All members of the Lake Elmo Fire Department (Department) are covered by a defined benefit plan administered by the Lake Elmo Firemen's Relief Association (Association). The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Lake Elmo Firefighter's Relief Association, 3800 Laverne Avenue North, Lake Elmo, Minnesota 55042.

**B. Funding policy**

The financial requirements of the Special fund are determined in accordance with Minnesota statutes, section 69.772, which requires the payment of pension benefits in a lump sum or optionally in annual installments. The benefits are payable after age 50, 20 years of service, and 10 years of Association membership or upon death. The City's annual pension cost for the current year and related information for the plan is as follows:

Annual pension cost	\$	55,081
Contributions made		
City	\$	18,928
State aid		36,153
Actuarial valuation date		12/31/10
Actuarial cost method		Entry age normal
Amortization method		Level dollar closed
Remaining amortization period		
Normal cost		20 years
Prior service cost		10 years
Asset valuation method		Fair value
Actuarial assumptions		
Investment rate of return		5%
Projected salary increases		N/A
Inflation rate		N/A
Cost of living adjustments		None

CITY OF LAKE ELMO, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**Note 6: LAKE ELMO VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION**

Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 55,081	100 %	\$ -
12/31/09	36,217	100	-
12/31/08	48,005	100	-

Required Supplementary Information					
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Assets in Excess of (Unfunded) Accrued Liability	Funded Rate	Pension Benefit Per Year of Service
12/31/10	*	*	*	*	*
12/31/09	\$ 920,405	\$ 857,341	\$ 63,064	107.4 %	\$ 3,100
12/31/08	741,317	785,321	(44,004)	94.4	3,100

\* Information unavailable at the time of publication.

**Note 7: DEFERRED COMPENSATION PLANS - STATEWIDE**

**Plan description**

Under Minnesota statute 353.028, subdivision 2, City managers or administrators may elect to be excluded from membership in PERA. They must choose exclusion within six months of the day they begin employment. The law also provides for refunds of contributions made before the election. If they elect exclusion, they and their cities may agree that the cities will defer and contribute additional compensation on behalf of the employees to a deferred compensation program. The program must meet federal income tax laws. The City contribution cannot exceed the amount it would have made under the PERA contribution.

The City Administrator is covered by deferred compensation plan 457(b) administered by ICMA-RC. The City contributed \$6,759 and \$1,428 for the years ended December 31, 2010 and 2009, respectively.

In general, any amount of compensation deferred, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income is paid to the participant or other beneficiary.

Under federal requirements, a plan meets distribution requirements if under the plan amounts will not be made available to participants or beneficiaries earlier than (i) the calendar year in which the participant attains age 70 ½, (ii) when the participant has a severance from employment with the employer, or (iii) when the participant is faced with an unforeseeable emergency (determined in the manner prescribed by the Secretary in regulations).

ICMA-RC issues a publicly available financial report that includes financial statements and required supplementary information for the 457(b) plan. That report may be obtained by writing to ICMA-RC Headquarters, 777 North Capitol Street, NE Washington, DC 20002 or by calling 202-962-4600.

CITY OF LAKE ELMO, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 8: OTHER INFORMATION**

**A. Legal debt margin**

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The market value of taxable property totaled \$1,201,213,400 for an allowable margin of \$36,036,402. As of December 31, 2010, the City has \$240,000 of debt subject to this limit.

**B. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



**REQUIRED SUPPLEMENTARY  
INFORMATION**

CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF LAKE ELMO, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 DECEMBER 31, 2010

Schedule of Funding Progress for the Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/09	\$ -	\$ 112,761	\$ 112,761	- %	\$ 892,528	12.6 %

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2010

CITY OF LAKE ELMO, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2010

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and temporary investments	\$ 29,484	\$ 1,726,747	\$ 1,756,231
Receivables:			
Special assessments			
Current	-	741	741
Deferred	-	77,548	77,548
Special deferred	-	34,176	34,176
Delinquent	-	1,287	1,287
Due from other governments	-	1,371	1,371
TOTAL ASSETS	<u>\$ 29,484</u>	<u>\$ 1,841,870</u>	<u>\$ 1,871,354</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,160	\$ 45,581	\$ 47,741
Due to other governments	-	213	213
Due to other funds	-	24,711	24,711
Deposits payable	-	75,000	75,000
Deferred revenue	-	113,011	113,011
TOTAL LIABILITIES	<u>2,160</u>	<u>258,516</u>	<u>260,676</u>
<b>FUND BALANCES</b>			
Unreserved			
Designated	-	1,633,003	1,633,003
Undesignated	27,324	(49,649)	(22,325)
TOTAL FUND BALANCES	<u>27,324</u>	<u>1,583,354</u>	<u>1,610,678</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,484</u>	<u>\$ 1,841,870</u>	<u>\$ 1,871,354</u>

CITY OF LAKE ELMO, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 4,976	\$ 4,976
Charges for services	-	10,800	10,800
Special assessments	-	52,503	52,503
Investment earnings	735	34,187	34,922
Miscellaneous	9,971	49,556	59,527
<b>TOTAL REVENUES</b>	<b>10,706</b>	<b>152,022</b>	<b>162,728</b>
<b>EXPENDITURES</b>			
Current			
Culture and recreation	13,422	-	13,422
Capital outlay			
General government	-	50,178	50,178
Public safety	-	41,217	41,217
Public works	28,405	294,643	323,048
Culture and recreation	-	76,286	76,286
<b>TOTAL EXPENDITURES</b>	<b>41,827</b>	<b>462,324</b>	<b>504,151</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(31,121)</b>	<b>(310,302)</b>	<b>(341,423)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	8,000	68,850	76,850
Transfers out	-	(237,848)	(237,848)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>8,000</b>	<b>(168,998)</b>	<b>(160,998)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(23,121)</b>	<b>(479,300)</b>	<b>(502,421)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>50,445</b>	<b>2,062,654</b>	<b>2,113,099</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 27,324</b>	<b>\$ 1,583,354</b>	<b>\$ 1,610,678</b>

CITY OF LAKE ELMO, MINNESOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2010

	203	204	
	Development	Fall Festival	Total
<b>ASSETS</b>			
Cash and temporary investments	<u>\$ 18,133</u>	<u>\$ 11,351</u>	<u>\$ 29,484</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,160	\$ -	\$ 2,160
<b>FUND BALANCES</b>			
Unreserved, undesignated	<u>15,973</u>	<u>11,351</u>	<u>27,324</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 18,133</u>	<u>\$ 11,351</u>	<u>\$ 29,484</u>



CITY OF LAKE ELMO, MINNESOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	203	204	
	Development	Fall Festival	Total
REVENUES			
Investment earnings	\$ 542	\$ 193	\$ 735
Miscellaneous			
Donations	-	9,971	9,971
<b>TOTAL REVENUES</b>	<b>542</b>	<b>10,164</b>	<b>10,706</b>
EXPENDITURES			
Current			
Culture and recreation	-	13,422	13,422
Capital outlay			
Public works	28,405	-	28,405
<b>TOTAL EXPENDITURES</b>	<b>28,405</b>	<b>13,422</b>	<b>41,827</b>
DEFICIENCY OF REVENUES			
UNDER EXPENDITURES	(27,863)	(3,258)	(31,121)
OTHER FINANCING SOURCES			
Transfers in	-	8,000	8,000
NET CHANGE IN FUND BALANCES	(27,863)	4,742	(23,121)
FUND BALANCES, JANUARY 1	43,836	6,609	50,445
FUND BALANCES, DECEMBER 31	<u>\$ 15,973</u>	<u>\$ 11,351</u>	<u>\$ 27,324</u>

CITY OF LAKE ELMO, MINNESOTA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2010

	404	409	410
	Park Dedication	Infrastructure Reserve	Vehicle Acquisition
<b>ASSETS</b>			
Cash and temporary investments	\$ 952,436	\$ 52,364	\$ 376,387
Receivables:			
Special assessments			
Current	-	741	-
Deferred	-	77,548	-
Special deferred	-	34,176	-
Delinquent	-	1,287	-
Due from other governments	1,371	-	-
<b>TOTAL ASSETS</b>	<b>\$ 953,807</b>	<b>\$ 166,116</b>	<b>\$ 376,387</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 4,462	\$ 8,960	\$ 13,375
Due to other governments	-	-	-
Due to other funds	-	-	-
Deposits payable	-	-	-
Deferred revenue	-	113,011	-
<b>TOTAL LIABILITIES</b>	<b>4,462</b>	<b>121,971</b>	<b>13,375</b>
<b>FUND BALANCES (DEFICITS)</b>			
Unreserved			
Designated	949,345	44,145	363,012
Undesignated	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>949,345</b>	<b>44,145</b>	<b>363,012</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 953,807</b>	<b>\$ 166,116</b>	<b>\$ 376,387</b>

<b>411</b> City Facilities	<b>414</b> Manning Avenue/ Highway 36	<b>415</b> 2009 Street Improvements	<b>416</b> Tablyn Park Entrance	<b>418</b> 2011 Street Improvements	<b>Total</b>
\$ 278,261	\$ 67,299	\$ -	\$ -	\$ -	\$ 1,726,747
-	-	-	-	-	741
-	-	-	-	-	77,548
-	-	-	-	-	34,176
-	-	-	-	-	1,287
-	-	-	-	-	1,371
<u>\$ 278,261</u>	<u>\$ 67,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,841,870</u>
\$ 1,547	\$ -	\$ -	\$ -	\$ 17,237	\$ 45,581
213	-	-	-	-	213
-	-	-	-	24,711	24,711
-	75,000	-	-	-	75,000
-	-	-	-	-	113,011
<u>1,760</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>41,948</u>	<u>258,516</u>
276,501	-	-	-	-	1,633,003
-	(7,701)	-	-	(41,948)	(49,649)
<u>276,501</u>	<u>(7,701)</u>	<u>-</u>	<u>-</u>	<u>(41,948)</u>	<u>1,583,354</u>
<u>\$ 278,261</u>	<u>\$ 67,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,841,870</u>

CITY OF LAKE ELMO, MINNESOTA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED DECEMBER 31, 2010

	404	409	410
	Park Dedication	Infrastructure Reserve	Vehicle Acquisition
<b>REVENUES</b>			
Intergovernmental	\$ 4,976	\$ -	\$ -
Charges for services	10,800	-	-
Special assessments	-	52,503	-
Investment earnings	16,186	2,553	5,592
Miscellaneous			
Refunds and reimbursements	-	-	49,556
	<u>31,962</u>	<u>55,056</u>	<u>55,148</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Capital outlay			
General government	-	-	-
Public safety	-	-	41,217
Public works	-	246,379	-
Culture and recreation	76,286	-	-
	<u>76,286</u>	<u>246,379</u>	<u>41,217</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(44,324)</u>	<u>(191,323)</u>	<u>13,931</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	68,850
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>68,850</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES</b>	(44,324)	(191,323)	82,781
<b>FUND BALANCES (DEFICITS), JANUARY 1</b>	<u>993,669</u>	<u>235,468</u>	<u>280,231</u>
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<u>\$ 949,345</u>	<u>\$ 44,145</u>	<u>\$ 363,012</u>

<b>411</b> City Facilities	<b>414</b> Manning Avenue/ Highway 36	<b>415</b> 2009 Street Improvements	<b>416</b> Tablyn Park Entrance	<b>418</b> 2011 Street Improvements	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,976
-	-	-	-	-	10,800
-	-	-	-	-	52,503
8,065	1,105	588	147	(49)	34,187
-	-	-	-	-	49,556
<u>8,065</u>	<u>1,105</u>	<u>588</u>	<u>147</u>	<u>(49)</u>	<u>152,022</u>
50,178	-	-	-	-	50,178
-	-	-	-	-	41,217
-	-	6,300	65	41,899	294,643
-	-	-	-	-	76,286
<u>50,178</u>	<u>-</u>	<u>6,300</u>	<u>65</u>	<u>41,899</u>	<u>462,324</u>
<u>(42,113)</u>	<u>1,105</u>	<u>(5,712)</u>	<u>82</u>	<u>(41,948)</u>	<u>(310,302)</u>
-	-	-	-	-	68,850
<u>(200,000)</u>	<u>-</u>	<u>(29,248)</u>	<u>(8,600)</u>	<u>-</u>	<u>(237,848)</u>
<u>(200,000)</u>	<u>-</u>	<u>(29,248)</u>	<u>(8,600)</u>	<u>-</u>	<u>(168,998)</u>
(242,113)	1,105	(34,960)	(8,518)	(41,948)	(479,300)
<u>518,614</u>	<u>(8,806)</u>	<u>34,960</u>	<u>8,518</u>	<u>-</u>	<u>2,062,654</u>
<u>\$ 276,501</u>	<u>\$ (7,701)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,948)</u>	<u>\$ 1,583,354</u>

CITY OF LAKE ELMO, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF NET ASSETS  
DECEMBER 31, 2010 AND 2009

	Governmental Activities - Internal Service Funds			
	701		702	
	Radio Replacement		IT Replacement	
	2010	2009	2010	2009
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and temporary investments	\$ 20,334	\$ 20,000	\$ 18,253	\$ 20,000
<b>NONCURRENT ASSETS</b>				
Capital assets				
Machinery and equipment	99,851	99,851	129,195	129,195
Construction in progress	-	-	-	-
Less accumulated depreciation	(28,430)	(20,109)	(68,809)	(50,072)
Total capital assets (net of accumulated depreciation)	71,421	79,742	60,386	79,123
<b>TOTAL ASSETS</b>	<b>91,755</b>	<b>99,742</b>	<b>78,639</b>	<b>99,123</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	-	-	-	-
<b>NET ASSETS</b>				
Invested in capital assets	71,421	79,742	60,386	79,123
Unrestricted	20,334	20,000	18,253	20,000
<b>TOTAL NET ASSETS</b>	<b>\$ 91,755</b>	<b>\$ 99,742</b>	<b>\$ 78,639</b>	<b>\$ 99,123</b>

Governmental Activities - Internal Service Funds - Continued

703			
FFE Replacement		Totals	
2010	2009	2010	2009
\$ 9,147	\$ 20,000	\$ 47,734	\$ 60,000
331,683	323,325	560,729	552,371
18,512	-	18,512	-
(195,676)	(165,915)	(292,915)	(236,096)
154,519	157,410	286,326	316,275
163,666	177,410	334,060	376,275
15,706	-	15,706	-
154,519	157,410	286,326	316,275
(6,559)	20,000	32,028	60,000
\$ 147,960	\$ 177,410	\$ 318,354	\$ 376,275

CITY OF LAKE ELMO, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Governmental Activities - Internal Service Funds			
	701		702	
	Radio Replacement		IT Replacement	
	2010	2009	2010	2009
OPERATING EXPENSES				
Repair and maintenance	\$ -	\$ -	\$ 2,058	\$ -
Depreciation	8,321	-	18,737	-
TOTAL OPERATING EXPENSES	8,321	-	20,795	-
OPERATING LOSS	(8,321)	-	(20,795)	-
NONOPERATING REVENUES				
Investment earnings	334	-	311	-
LOSS BEFORE TRANSFERS AND CONTRIBUTIONS	(7,987)	-	(20,484)	-
TRANSFERS IN	-	20,000	-	20,000
CAPITAL CONTRIBUTED FROM OTHER FUNDS	-	79,742	-	79,123
CHANGE IN NET ASSETS	(7,987)	99,742	(20,484)	99,123
NET ASSETS, JANUARY 1	99,742	-	99,123	-
NET ASSETS, DECEMBER 31	<u>\$ 91,755</u>	<u>\$ 99,742</u>	<u>\$ 78,639</u>	<u>\$ 99,123</u>



Governmental Activities - Internal Service Funds - Continued

<b>703</b>			
FFE Replacement		Totals	
2010	2009	2010	2009
\$ -	\$ -	\$ 2,058	\$ -
29,761	-	56,819	-
29,761	-	58,877	-
(29,761)	-	(58,877)	-
311	-	956	-
(29,450)	-	(57,921)	-
-	20,000	-	60,000
-	157,410	-	316,275
(29,450)	177,410	(57,921)	376,275
177,410	-	376,275	-
<u>\$ 147,960</u>	<u>\$ 177,410</u>	<u>\$ 318,354</u>	<u>\$ 376,275</u>

CITY OF LAKE ELMO, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Governmental Activities - Internal Service Funds			
	701		702	
	Radio Replacement		IT Replacement	
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers	\$ -	\$ -	\$ (2,058)	\$ -
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfers from other funds	-	20,000	-	20,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received on investments	334	-	311	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>334</b>	<b>20,000</b>	<b>(1,747)</b>	<b>20,000</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 20,334</b>	<b>\$ 20,000</b>	<b>\$ 18,253</b>	<b>\$ 20,000</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>				
Operating loss	\$ (8,321)	\$ -	\$ (20,795)	\$ -
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	8,321	-	18,737	-
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,058)</b>	<b>\$ -</b>
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	\$ -	\$ 79,742	\$ -	\$ 79,123
Capital assets purchased on account	\$ -	\$ -	\$ -	\$ -

Governmental Activities - Internal Service Funds - Continued

703			
FFE Replacement		Totals	
2010	2009	2010	2009
\$ -	\$ -	\$ (2,058)	\$ -
-	20,000	-	60,000
(11,164)	-	(11,164)	-
<u>311</u>	<u>-</u>	<u>956</u>	<u>-</u>
(10,853)	20,000	(12,266)	60,000
<u>20,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>
<u>\$ 9,147</u>	<u>\$ 20,000</u>	<u>\$ 47,734</u>	<u>\$ 60,000</u>
\$ (29,761)	\$ -	\$ (58,877)	\$ -
<u>29,761</u>	<u>-</u>	<u>56,819</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,058)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 157,410</u>	<u>\$ -</u>	<u>\$ 316,275</u>
<u>\$ 15,706</u>	<u>\$ -</u>	<u>\$ 15,706</u>	<u>\$ -</u>

CITY OF LAKE ELMO, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(With comparative totals for the year ended December 31, 2009)

	2010			Variance With Final Budget	2009
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
<b>REVENUES</b>					
Taxes					
Property	\$ 2,355,453	\$ 2,355,453	\$ 2,371,784	\$ 16,331	\$ 2,272,949
Franchise	37,400	37,400	37,725	325	36,872
Total	<u>2,392,853</u>	<u>2,392,853</u>	<u>2,409,509</u>	<u>16,656</u>	<u>2,309,821</u>
Licenses and permits					
Business	10,260	10,260	15,030	4,770	11,685
Nonbusiness	147,500	147,500	246,420	98,920	213,481
Total	<u>157,760</u>	<u>157,760</u>	<u>261,450</u>	<u>103,690</u>	<u>225,166</u>
Intergovernmental					
State					
Property tax credits	37,518	37,518	7,022	(30,496)	6,015
MSA - maintenance	68,500	68,500	77,347	8,847	88,797
Fire state aid	40,000	40,000	36,153	(3,847)	36,217
Other	2,750	2,750	19,183	16,433	19,203
County/Local	15,000	15,000	15,588	588	15,476
Total	<u>163,768</u>	<u>163,768</u>	<u>155,293</u>	<u>(8,475)</u>	<u>165,708</u>
Charges for services	<u>5,500</u>	<u>5,500</u>	<u>11,616</u>	<u>6,116</u>	<u>11,433</u>
Fines and forfeits	<u>52,000</u>	<u>52,000</u>	<u>68,897</u>	<u>16,897</u>	<u>54,052</u>
Investment earnings	<u>60,000</u>	<u>60,000</u>	<u>59,711</u>	<u>(289)</u>	<u>72,715</u>
Miscellaneous	<u>17,130</u>	<u>17,130</u>	<u>25,333</u>	<u>8,203</u>	<u>50,327</u>
<b>TOTAL REVENUES</b>	<u>2,849,011</u>	<u>2,849,011</u>	<u>2,991,809</u>	<u>142,798</u>	<u>2,889,222</u>

CITY OF LAKE ELMO, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(With comparative totals for the year ended December 31, 2009)

	2010				2009
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
<b>EXPENDITURES</b>					
Current					
General government					
Mayor and Council					
Personnel services	\$ 17,692	\$ 17,692	\$ 17,692	\$ -	\$ 17,573
Other services and charges	16,300	16,300	17,202	(902)	15,352
Total	33,992	33,992	34,894	(902)	32,925
Election					
Personnel services	10,000	10,000	7,836	2,164	-
Supplies	600	600	56	544	161
Other services and charges	1,350	1,350	1,857	(507)	940
Total	11,950	11,950	9,749	2,201	1,101
Administration					
Personnel services	334,641	334,641	321,808	12,833	302,743
Supplies	8,500	8,500	4,780	3,720	6,671
Other services and charges	67,250	67,250	54,250	13,000	71,746
Total	410,391	410,391	380,838	29,553	381,160
Communications					
Personnel services	12,917	12,917	7,463	5,454	9,672
Other services and charges	42,400	42,400	44,214	(1,814)	37,352
Total	55,317	55,317	51,677	3,640	47,024
Building					
Supplies	1,550	1,550	943	607	771
Other services and charges	39,200	39,200	34,841	4,359	42,801
Total	40,750	40,750	35,784	4,966	43,572
Professional services					
Assessor	45,500	45,500	43,587	1,913	44,280
Accounting and auditing	59,500	59,500	75,371	(15,871)	67,337
Legal	60,000	60,000	55,739	4,261	45,882
Engineering	70,000	70,000	57,927	12,073	55,402
Total	235,000	235,000	232,624	2,376	212,901

CITY OF LAKE ELMO, MINNESOTA  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(With comparative totals for the year ended December 31, 2009)

	2010			2009	
	Budgeted Amounts		Actual	Variance With	Actual
	Original	Final	Amounts	Final Budget	Amounts
<b>EXPENDITURES - CONTINUED</b>					
Current - continued					
General government					
Planning and zoning					
Personnel services	\$ 142,870	\$ 142,870	\$ 135,704	\$ 7,166	\$ 137,882
Supplies	2,000	2,000	401	1,599	141
Other services and charges	37,750	37,750	39,919	(2,169)	73,254
Total	182,620	182,620	176,024	6,596	211,277
Total general government	970,020	970,020	921,590	48,430	929,960
Public safety					
Police					
Contracted services	474,935	474,935	481,243	(6,308)	470,605
Fire protection					
Personnel services	218,528	218,528	180,125	38,403	180,180
2% fire aid	40,000	40,000	36,153	3,847	36,217
Supplies	27,200	27,200	22,879	4,321	23,039
Other services and charges	149,991	149,991	165,689	(15,698)	136,435
Total	435,719	435,719	404,846	30,873	375,871
Building inspector					
Personnel services	79,650	79,650	78,525	1,125	79,637
Supplies	4,350	4,350	-	4,350	83
Other services and charges	11,200	11,200	33,219	(22,019)	6,673
Total	95,200	95,200	111,744	(16,544)	86,393
Animal control					
Supplies	150	150	-	150	-
Other services and charges	12,700	12,700	10,996	1,704	10,345
Total	12,850	12,850	10,996	1,854	10,345
Criminal legal	51,000	51,000	48,549	2,451	44,868
Emergency communications					
Other services and charges	-	-	6,798	(6,798)	-
Total public safety	1,069,704	1,069,704	1,064,176	5,528	988,082

CITY OF LAKE ELMO, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(With comparative totals for the year ended December 31, 2009)

	2010				2009
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Current - continued					
Public works					
General					
Personnel services	\$ 209,138	\$ 209,138	\$ 184,356	\$ 24,782	\$ 177,765
Supplies	124,500	124,500	142,304	(17,804)	98,277
Other services and charges	131,695	131,695	107,563	24,132	114,449
Total	<u>465,333</u>	<u>465,333</u>	<u>434,223</u>	<u>31,110</u>	<u>390,491</u>
Trees	<u>10,000</u>	<u>10,000</u>	<u>15,665</u>	<u>(5,665)</u>	<u>17,882</u>
Street lighting	<u>24,000</u>	<u>24,000</u>	<u>23,405</u>	<u>595</u>	<u>22,459</u>
Total public works	<u>499,333</u>	<u>499,333</u>	<u>473,293</u>	<u>26,040</u>	<u>430,832</u>
Culture and recreation					
Parks					
Personnel services	146,340	146,340	118,478	27,862	128,760
Supplies	12,550	12,550	5,931	6,619	3,907
Other services and charges	32,214	32,214	31,140	1,074	32,977
Total culture and recreation	<u>191,104</u>	<u>191,104</u>	<u>155,549</u>	<u>35,555</u>	<u>165,644</u>
TOTAL EXPENDITURES	<u>2,730,161</u>	<u>2,730,161</u>	<u>2,614,608</u>	<u>115,553</u>	<u>2,514,518</u>
EXCESS OF REVENUES OVER EXPENDITURES	118,850	118,850	377,201	258,351	374,704
OTHER FINANCING USES					
Transfers out	<u>(118,850)</u>	<u>(118,850)</u>	<u>(126,850)</u>	<u>(8,000)</u>	<u>(349,735)</u>
NET CHANGE IN FUND BALANCES	-	-	250,351	250,351	24,969
FUND BALANCES, JANUARY 1	<u>2,435,810</u>	<u>2,435,810</u>	<u>2,435,810</u>	-	<u>2,410,841</u>
FUND BALANCES, DECEMBER 31	<u>\$ 2,435,810</u>	<u>\$ 2,435,810</u>	<u>\$ 2,686,161</u>	<u>\$ 250,351</u>	<u>\$ 2,435,810</u>

CITY OF LAKE ELMO, MINNESOTA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2010

	<b>312</b>	<b>313</b>	<b>314</b>
	2002 G.O. Improvement Bond	2004 G.O. CIP Bond	2006 G.O. Equipment Certificates of Indebtedness
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and temporary investments	\$ 58,429	\$ 465,693	\$ 14,847
Cash with fiscal agent	-	2,925,511	-
Receivables:			
Accounts	-	2,783	-
Special assessments			
Deferred	21,242	-	-
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 79,671</u></u>	 <u><u>\$ 3,393,987</u></u>	 <u><u>\$ 14,847</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 3,486	\$ -	\$ -
Deferred revenue	<u>21,242</u>	<u>-</u>	<u>-</u>
 <b>TOTAL LIABILITIES</b>	 24,728	 -	 -
 <b>FUND BALANCES</b>			
Reserved for debt service	<u>54,943</u>	<u>3,393,987</u>	<u>14,847</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <u><u>\$ 79,671</u></u>	 <u><u>\$ 3,393,987</u></u>	 <u><u>\$ 14,847</u></u>



315	316	
2009A G.O. Refunding Bond	2009B G.O. Improvement Bond	Total
\$ -	\$ 104,714	\$ 643,683
-	37,031	2,962,542
-	-	2,783
-	72,750	93,992
400,000		400,000
<u>\$ 400,000</u>	<u>\$ 214,495</u>	<u>\$ 4,103,000</u>
\$ -	\$ 272	\$ 3,758
400,000	72,750	493,992
400,000	73,022	497,750
-	141,473	3,605,250
<u>\$ 400,000</u>	<u>\$ 214,495</u>	<u>\$ 4,103,000</u>

CITY OF LAKE ELMO, MINNESOTA  
DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	312	313	314
	2002 G.O. Improvement Bond	2004 G.O. CIP Bond	2006 G.O. Equipment Certificates of Indebtedness
REVENUES			
Property taxes	\$ -	\$ 220,000	\$ 56,716
Intergovernmental			
MSA contributions	-	-	-
Special assessments	23,538	-	-
Investment earnings	1,326	18,247	289
	<u>24,864</u>	<u>238,247</u>	<u>57,005</u>
TOTAL REVENUES			
EXPENDITURES			
Debt service			
Principal	40,000	165,000	43,000
Interest and other charges	3,640	137,095	11,016
Bond issuance costs	-	48,004	-
	<u>43,640</u>	<u>350,099</u>	<u>54,016</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(18,776)</u>	<u>(111,852)</u>	<u>2,989</u>
OTHER FINANCING SOURCES			
Transfers in	-	200,000	-
Refunding bonds issued	-	1,970,000	-
Premium on bonds issued	-	4,356	-
	<u>-</u>	<u>2,174,356</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES			
NET CHANGE IN FUND BALANCES	(18,776)	2,062,504	2,989
FUND BALANCES, JANUARY 1	<u>73,719</u>	<u>1,331,483</u>	<u>11,858</u>
FUND BALANCES, DECEMBER 31	<u>\$ 54,943</u>	<u>\$ 3,393,987</u>	<u>\$ 14,847</u>

<b>315</b>	<b>316</b>	
2009A G.O. Refunding Bond	2009B G.O. Improvement Bond	Total
\$ -	\$ 51,000	\$ 327,716
78,975	-	78,975
-	58,216	81,754
-	514	20,376
<u>78,975</u>	<u>109,730</u>	<u>508,821</u>
65,000	-	313,000
13,975	11,094	176,820
-	-	48,004
<u>78,975</u>	<u>11,094</u>	<u>537,824</u>
-	98,636	(29,003)
-	37,848	237,848
-	-	1,970,000
-	-	4,356
<u>-</u>	<u>37,848</u>	<u>2,212,204</u>
-	136,484	2,183,201
-	4,989	1,422,049
<u>\$ -</u>	<u>\$ 141,473</u>	<u>\$ 3,605,250</u>

CITY OF LAKE ELMO, MINNESOTA  
 AGENCY FUND  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance January 1	Additions	Deductions	Balance December 31
<b>Escrow</b>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 325,694	\$ 110,460	\$ (120,632)	\$ 315,522
<b>LIABILITIES</b>				
Accounts payable	\$ 20,455	\$ 110,711	\$ (117,416)	\$ 13,750
Deposits payable	305,239	96,400	(99,867)	301,772
<b>TOTAL LIABILITIES</b>	<b>\$ 325,694</b>	<b>\$ 207,111</b>	<b>\$ (217,283)</b>	<b>\$ 315,522</b>
<b>Yellow Ribbon</b>				
<b>ASSETS</b>				
Cash and temporary investments (deficits)	\$ -	\$ 545	\$ (673)	\$ (128)
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,205	\$ (1,333)	\$ (128)
<b>Total</b>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 325,694	\$ 111,005	\$ (121,305)	\$ 315,394
<b>LIABILITIES</b>				
Accounts payable	\$ 20,455	\$ 111,916	\$ (118,749)	\$ 13,622
Deposits payable	305,239	96,400	(99,867)	301,772
<b>TOTAL LIABILITIES</b>	<b>\$ 325,694</b>	<b>\$ 208,316</b>	<b>\$ (218,616)</b>	<b>\$ 315,394</b>

**SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF LAKE ELMO, MINNESOTA  
SUMMARY FINANCIAL REPORT  
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS  
GOVERNMENTAL FUNDS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

	Total		Percent Increase (Decrease)
	2010	2009	
<b>REVENUES</b>			
Taxes	\$ 2,737,225	\$ 2,685,894	1.91 %
Licenses and permits	261,450	225,166	16.11
Intergovernmental	239,244	288,881	(17.18)
Charges for services	22,416	11,433	96.06
Fines and forfeits	68,897	54,052	27.46
Special assessments	134,257	73,013	83.88
Investment earnings	113,033	160,679	(29.65)
Miscellaneous	84,860	61,533	37.91
<b>TOTAL REVENUES</b>	<b>\$ 3,661,382</b>	<b>\$ 3,560,651</b>	<b>2.83 %</b>
Per Capita	\$ 440	\$ 424	3.61 %
<b>EXPENDITURES</b>			
Current			
General government	\$ 921,590	\$ 929,960	(0.90) %
Public safety	1,064,176	988,082	7.70
Public works	473,293	459,703	2.96
Culture and recreation	168,971	180,965	(6.63)
Capital outlay			
General government	50,178	49,132	2.13
Public safety	41,217	57,262	(28.02)
Public works	1,035,628	808,098	28.16
Culture and recreation	76,286	83,539	(8.68)
Debt service			
Principal	313,000	361,000	(13.30)
Bond issuance costs	74,580	45,056	65.53
Interest and other charges	216,820	229,175	(5.39)
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,435,739</b>	<b>\$ 4,191,972</b>	<b>5.82 %</b>
Per Capita	\$ 533	\$ 500	6.62 %
Total Long-term Indebtedness	\$ 7,310,000	\$ 4,943,000	47.89 %
Per Capita	878	589	49.01
General Fund Balance - December 31	\$ 2,686,161	\$ 2,435,810	10.28 %
Per Capita	323	290	11.11

The purpose of this report is to provide a summary of financial information concerning the City of Lake Elmo to interested citizens. The complete financial statements may be examined at City Hall, 3800 Laverne Avenue North. Questions about this report should be directed to the City Finance Director at (651) 777-5510.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

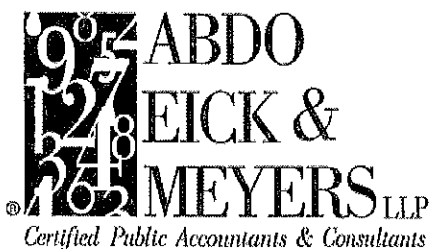


**OTHER REQUIRED REPORTS**

CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2010

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



5201 Eden Avenue  
Suite 250  
Edina, MN 55436

## REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and Council  
City of Lake Elmo, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Elmo, Minnesota (the City), as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements as listed in the table of contents, and have issued our report thereon dated June 7, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the Minnesota Office of the State Auditor pursuant to Minnesota statute 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* covers seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, tax increment financing, and miscellaneous provisions. Our study included all of the listed categories except that we did not test for compliance in tax increment financing because the City has not established a tax increment financing district.

The results of our tests indicate that for the items tested, the City complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the Council, management and the Minnesota Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

June 7, 2011  
Minneapolis, Minnesota

*Abdo Eick & Meyers, LLP*


ABDO, EICK & MEYERS, LLP  
Certified Public Accountants



CITY OF LAKE ELMO  
LAKE ELMO, MINNESOTA

MANAGEMENT LETTER

FOR THE YEAR ENDED  
DECEMBER 31, 2010

 **ABDO  
EICK &  
MEYERS** LLP  
*Certified Public Accountants & Consultants*

5201 Eden Avenue  
Suite 250  
Edina, MN 55436

Management, Honorable Mayor and Council  
City of Lake Elmo, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lake Elmo, Minnesota (the City), for the year ended December 31, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing on our audit. We have communicated such information in our letter to you dated December 29, 2010. Professional standards also require that we communicate to you the following information related to our audit.

#### **Our Responsibility under Auditing Standards Generally Accepted in the United States of America**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control over financial reporting. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

#### **Significant Audit Findings**

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.



## Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of Minnesota statutes. However, the objective of our tests was not to provide an opinion on compliance with such provisions. We noted no instances of noncompliance with Minnesota statutes.

## Summary of Prior Year Findings

### 2010-1 Limited Segregation of Duties Over Utility Billing

- Condition:* During our audit we reviewed procedures over transaction cycles related to utility billing and found the City to have limited segregation of duties related to those procedures.
- Criteria:* There are four general categories of duties: authorization, custody, record keeping, and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities.
- Cause:* The City has hired an outside company to perform utility billing and the finance department reviews the utility billing registers. The finding is no longer considered a significant deficiency.

## Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

## Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were capital asset basis, depreciation, other postemployment benefits payable and the allocation of payroll expenses.

Management's estimate of depreciation is based on the estimated useful lives of capital assets. For some infrastructure assets, the basis was estimated by deflating current values of similar assets to the year of acquisition. Other postemployment benefits payable and the actuarial accrued liability were determined by the alternative measurement method allowed for plans with less than 100 members. Allocations of gross wages and payroll benefits are approved by Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.



### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 7, 2011.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



## Financial Position and Results of Operations

Our principal observations and recommendations are summarized below. These recommendations resulted from our observations made in connection with our audit of the City's financial statements for the year ended December 31, 2010.

### General Fund

The General fund is used to account for resources traditionally associated with government, which are not required legally or by sound principal management to be accounted for in another fund. The General fund balance increased \$250,351 from 2009. The fund balance of \$2,686,161 is 92 percent of the 2011 budgeted expenditures. We recommend the fund balance be maintained at a level sufficient to fund operations until the major revenue sources are received in June. We feel a reserve of approximately 50 percent of planned expenditures and transfers out is adequate to meet working capital and small emergency needs.

Minnesota cities must maintain substantial amounts of fund balance in order to meet their liquidity and working capital needs as an operating entity. That is because a substantial portion of revenue sources (taxes and intergovernmental revenues) are received in the last two months of each six-month cycle. Considering the general fund has advanced monies to other funds, the unreserved fund balance of \$1,617,211 is a better measure of funds available to meet the needs of the City. This amount is 55 percent of the 2011 budgeted expenditures.

The Office of the State Auditor (the OSA) has issued a *Statement of Position* relating to fund balance stating "a local government should identify fund balance separately between reserved and unreserved fund balance. The local government may assign and report some or all of the fund balance as designated and undesignated." The Office OSA also recommends local governments adopt a formal policy on the level of unreserved fund balance that should be maintained in the general and special revenue funds. This helps address citizen concerns as to the use of fund balance and tax levels.

The purposes and benefits of a strong fund balance are as follows:

- Expenditures are incurred somewhat evenly throughout the year. However, property tax and state aid revenues are not received until the second half of the year. An adequate fund balance will provide the cash flow required to finance the General fund expenditures until these revenue sources are received.
- The City is vulnerable to legislative actions at the State and Federal level. The State continually adjusts the local government aid and property tax credit formulas. An adequate fund balance will provide a temporary buffer against those aid adjustments and levy limits.
- Expenditures not anticipated at the time the annual budget was adopted may need immediate Council action. These would include capital outlay, replacement, lawsuits and other items. An adequate fund balance will provide the financing needed for such expenditures.
- A strong fund balance will assist the City in maintaining, improving or obtaining its bond rating. The result will be better interest rates in future bond sales.

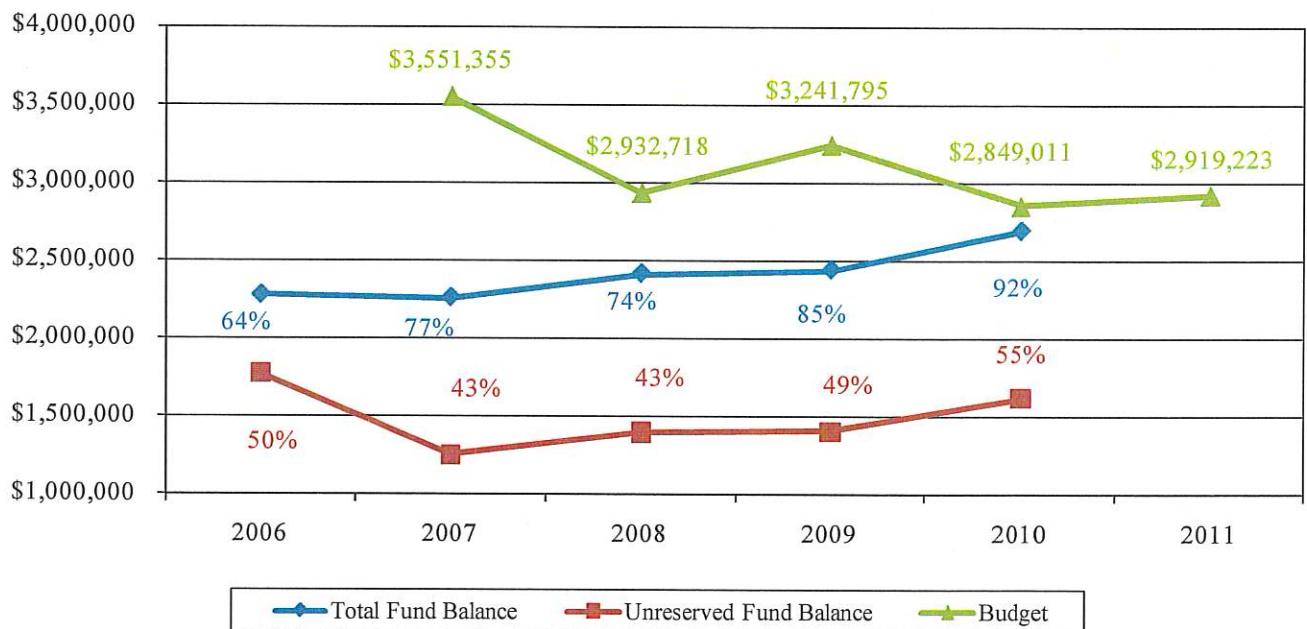




A table summarizing the general fund balance in relation to budget expenditures and transfers out follows:

Year	Total Fund Balance December 31	Unreserved Fund Balance December 31	Budget Year	General Fund Budget	Percent of Total Fund Balance to Budget	Percent of Unreserved Fund Balance to Budget
2006	\$ 2,272,328	\$ 1,768,505	2007	\$ 3,551,355	64 %	50 %
2007	2,254,950	1,251,127	2008	2,932,718	77	43
2008	2,410,841	1,395,088	2009	3,241,795	74	43
2009	2,435,810	1,403,240	2010	2,849,011	85	49
2010	2,686,161	1,617,211	2011	2,919,223	92	55

**Fund Balance as a Percent of Next Year's Budget**



We have compiled a peer group average derived from information available on the website of the Office of the State Auditor for cities of the 4<sup>th</sup> class which have populations from 2,500 to 10,000. In 2009, the average General fund balance as a percentage of expenditures was 63 percent. Based on comparison to the peer groups, the City's General fund balance is higher than average.



A summary of the 2010 operations is as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues	\$ 2,849,011	\$ 2,991,809	\$ 142,798
Expenditures	<u>2,730,161</u>	<u>2,614,608</u>	<u>115,553</u>
Excess of revenues over expenditures	118,850	377,201	258,351
Other financing uses			
Transfers out	<u>(118,850)</u>	<u>(126,850)</u>	<u>(8,000)</u>
Net change in fund balance	-	250,351	250,351
Fund balances, January 1	<u>2,435,810</u>	<u>2,435,810</u>	<u>-</u>
Fund balances, December 31	<u>\$ 2,435,810</u>	<u>\$ 2,686,161</u>	<u>\$ 250,351</u>

The City did not amend the General fund budget during the year. Actual operations of the fund provided an increase of \$250,351. Revenues were over budget and expenditures were under budget.

- Revenues were \$142,798 over budget during 2010. The main factor of this positive variance relates to licenses and permits which were \$103,690 over budget. The number of homes purchased as well as the amount of remodel-type projects was more than anticipated during the year. Other revenue variances occurred with taxes and fines and forfeit revenues which were over budget by \$16,656 and \$16,897, respectively.
- Expenditures were \$115,553 under budget during 2010. All functions had expenditures that were less than budgeted. The major reason for the expenditures being under budget was that the City budgeted for personnel expenditures that were not incurred. Overall, the City was under budget by approximately \$120,000 relating to personnel expenses in the General fund.

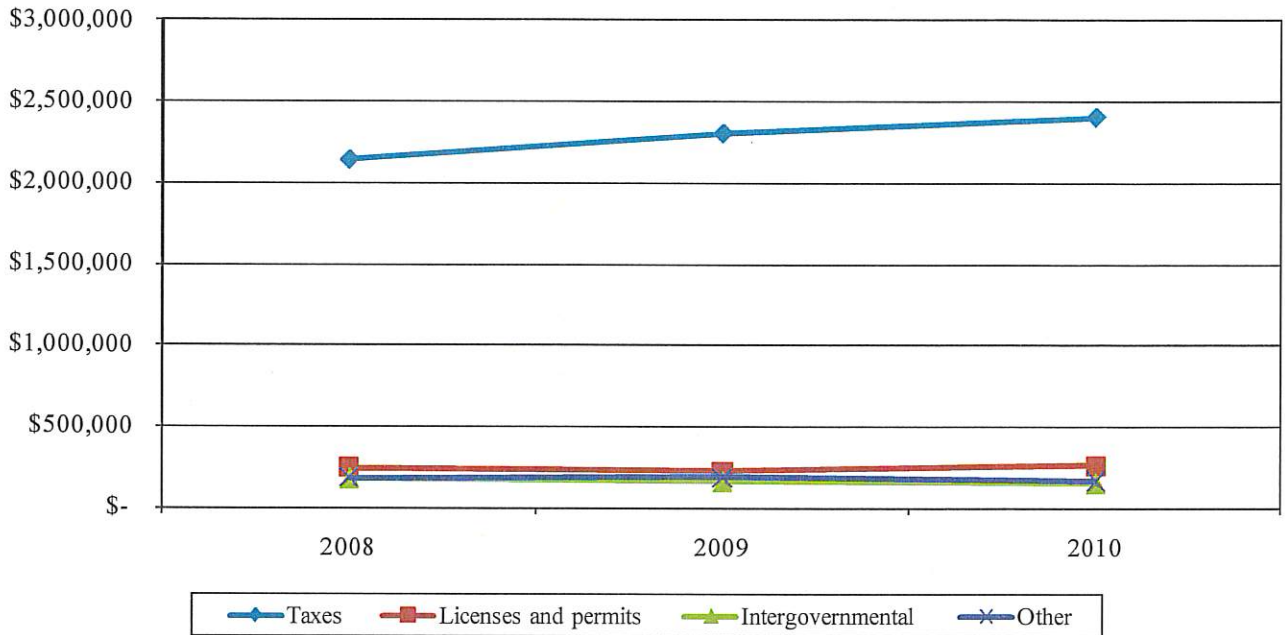


A more detailed comparison of General fund revenue with the prior years is as follows:

Source	2008	2009	2010	Percent of Total	Per Capita
Taxes	\$ 2,146,818	\$ 2,309,821	\$ 2,409,509	80.6 %	\$ 289
Licenses and permits	242,074	225,166	261,450	8.7	31
Intergovernmental	179,888	165,708	155,293	5.2	19
Charges for services	15,623	11,433	11,616	0.4	1
Fines and forfeitures	60,919	54,052	68,897	2.3	8
Investment earnings	78,028	72,715	59,711	2.0	7
Miscellaneous	28,365	50,327	25,333	0.8	3
<b>Total revenues</b>	<b>\$ 2,751,715</b>	<b>\$ 2,889,222</b>	<b>\$ 2,991,809</b>	<b>100.0 %</b>	<b>\$ 358</b>

The revenues summarized above are presented graphically as follows:

### Revenues





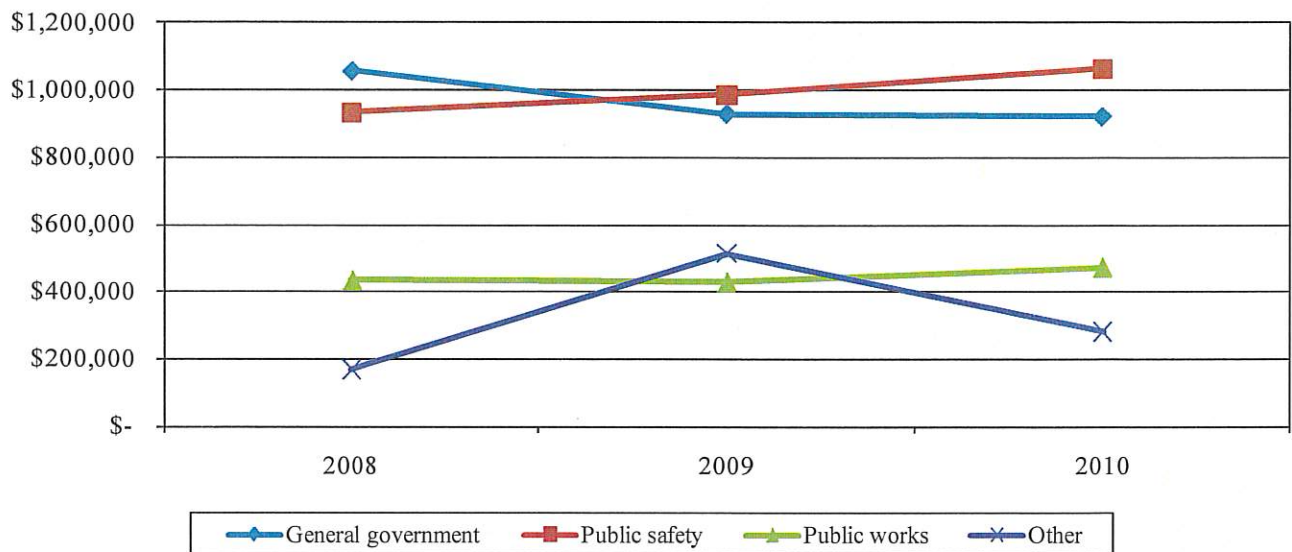
A more detailed comparison of expenditures with the prior years is as follows:

Program	2008	2009	2010	Percent of Total	Per Capita	Peer Group Per Capita
General government	\$ 1,057,492	\$ 929,960	\$ 921,590	33.6 %	\$ 111	\$ 129
Public safety	933,380	988,082	1,064,176	38.8	128	206
Public works	435,277	430,832	473,293	17.3	57	113
Culture and recreation	141,520	165,644	155,549	5.7	19	50
Capital outlay	19,655	-	-	-	-	22
Transfers out	8,500	349,735	126,850	4.6	15	-
<b>Total expenditures and transfers</b>	<b>\$ 2,595,824</b>	<b>\$ 2,864,253</b>	<b>\$ 2,741,458</b>	<b>100.0 %</b>	<b>\$ 330</b>	<b>\$ 520</b>

The above chart compares the amount the City spends per capita, in comparison to a peer group. We have compiled peer group average fund balance information from approximately 120 fourth class cities (populations of 2,500 to 10,000). The peer group average is derived from information available on the website of the Office of the State Auditor.

The expenditures and transfers summarized above are presented graphically as follows:

### Expenditures



**Debt Service Funds**

Debt service funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than enterprise fund debt).

Debt service funds may have one or a combination of the following revenue sources pledged to retire debt as follows:

- Property taxes - Primarily for general City benefit projects such as parks and municipal buildings. Property taxes may also be used to fund special assessment bonds which are not fully assessed.
- Capitalized interest portion of bond proceeds - After the sale of bonds, the project may not produce revenue (tax increments or special assessments) for a period of one to two years. Bonds are issued with this timing difference considered in the form of capitalized interest.
- Special assessments - Charges to benefited properties for various improvements.

In addition to the above pledged assets, other funding sources may be received by Debt Service funds as follows:

- Residual project proceeds from the related capital projects fund
- Investment earnings
- State or federal grants
- Transfers from other funds

Debt Description	December 31, 2010			Final Maturity Date
	Total Cash	Total Assets	Bonds Outstanding	
312 2002 G.O. Improvement Bond	\$ 58,429	\$ 79,671	\$ 40,000	2012
313 2004 G.O. CIP Bond	3,391,204	3,393,987	3,375,000	2013
314 2006 G.O. Equipment Certificates of Indebtness	14,847	14,847	240,000	2015
315 2009A G.O. Refunding Bond	-	400,000	400,000	2016
316 2009B G.O. Improvement Bond	141,745	214,495	575,000	2020
N/A 2010A G.O. Improvement Bond	-	-	710,000	2025
N/A 2010B G.O. CIP Crossover Refunding Bond	-	-	1,970,000	2025
<b>Total All Debt Service Funds</b>	<b>\$ 3,606,225</b>	<b>\$ 4,103,000</b>	<b>\$ 7,310,000</b>	

The 2004 G.O. CIP Bond has been refunded by the 2010B G.O. Crossover Refunding Bond. The cash with fiscal agent balance is primarily set aside for the future principal payment of \$2,845,000 in 2013.



### Special Revenue Funds

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinance to finance particular functions or activities of government. A summary of fund balances follows:

Fund	Fund Balances December 31,		Increase (Decrease)
	2010	2009	
Nonmajor			
Development	\$ 15,973	\$ 43,836	\$ (27,863)
Fall Festival	11,351	6,609	4,742
Total	<u>\$ 27,324</u>	<u>\$ 50,445</u>	<u>\$ (23,121)</u>

The decrease in the Development fund was mostly due to public works capital outlay expenditures. The Fall Festival fund remained stable during 2010.

### Capital Projects Funds

These funds accumulate resources to finance major capital acquisition and construction projects. A recap of each fund and fund balances (deficits) follows:

Fund	Fund Balances (Deficits) December 31,		Increase (Decrease)
	2010	2009	
Major			
Village Project	\$ (1,146,241)	\$ (1,016,403)	\$ (129,838)
2010 Street Improvements	39,669	(19,037)	58,706
Nonmajor			
Park Dedication	949,345	993,669	(44,324)
Infrastructure Reserve	44,145	235,468	(191,323)
Vehicle Acquisition	363,012	280,231	82,781
City Facilities	276,501	518,614	(242,113)
Manning Avenue/Highway 36	(7,701)	(8,806)	1,105
2009 Street Improvements	-	34,960	(34,960)
Tablyn Park Entrance	-	8,518	(8,518)
2011 Street Improvements	(41,948)	-	(41,948)
Total	<u>\$ 476,782</u>	<u>\$ 1,027,214</u>	<u>\$ (550,432)</u>

As projects are completed the City should transfer the remaining resources to the original funding source or to a permanent reserve fund. As mentioned above, all funds should maintain a balance sufficient to provide for project costs. A deficit indicates a shortfall and Council should monitor the original financing plans.





**Enterprise Funds**

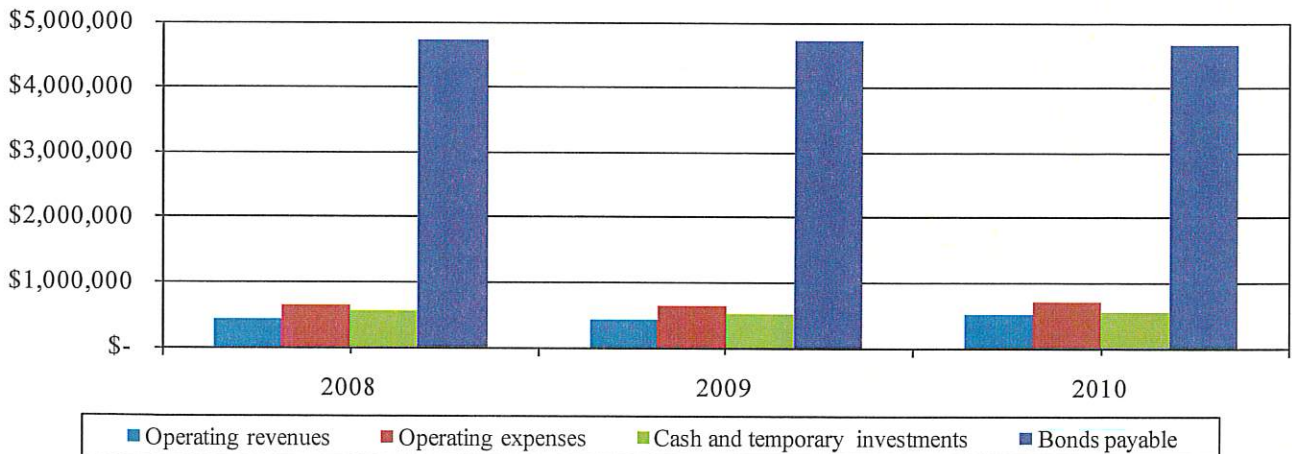
The Water Utility, Sewer Utility and Storm Sewer Utilities make up this fund type.

**Water Utility Fund**

A three year comparison for the Water Utilities fund follows:

	2008		2009		2010	
	Total	Percent	Total	Percent	Total	Percent
Operating revenues	\$ 441,543	100.0 %	\$ 437,255	100.0 %	\$ 517,359	100.0 %
Operating expenses	640,515	145.1	641,293	146.7	699,745	135.3
Operating loss	(198,972)	(45.1)	(204,038)	(46.7)	(182,386)	(35.3)
Nonoperating expenses	(112,887)	(25.6)	(70,465)	(16.1)	(64,768)	(12.5)
Transfers in	-	-	-	-	50,000	9.7
Capital contributions	669,031	151.5	411,553	94.1	187,401	36.2
Change in net assets	<u>\$ 357,172</u>	<u>80.8 %</u>	<u>\$ 137,050</u>	<u>31.3 %</u>	<u>\$ (9,753)</u>	<u>(1.9) %</u>
Cash and temporary investments	<u>\$ 562,825</u>		<u>\$ 533,346</u>		<u>\$ 565,407</u>	
Bonds payable	<u>\$ 4,730,000</u>		<u>\$ 4,715,000</u>		<u>\$ 4,680,000</u>	

**Water Utility Fund**



Net assets of the Water fund remained relatively stable when compared to the prior year; however, developer contributions and asset contributions from other funds have been decreasing. The fund incurred an operating loss for the sixth consecutive year. Cash increased approximately \$30,000 due to cash provided by operations and interfund activity. Annual cash payments for debt service are above \$225,000. We recommend that an annual rate study be completed to determine the adequacy of rates related to costs of the fund.

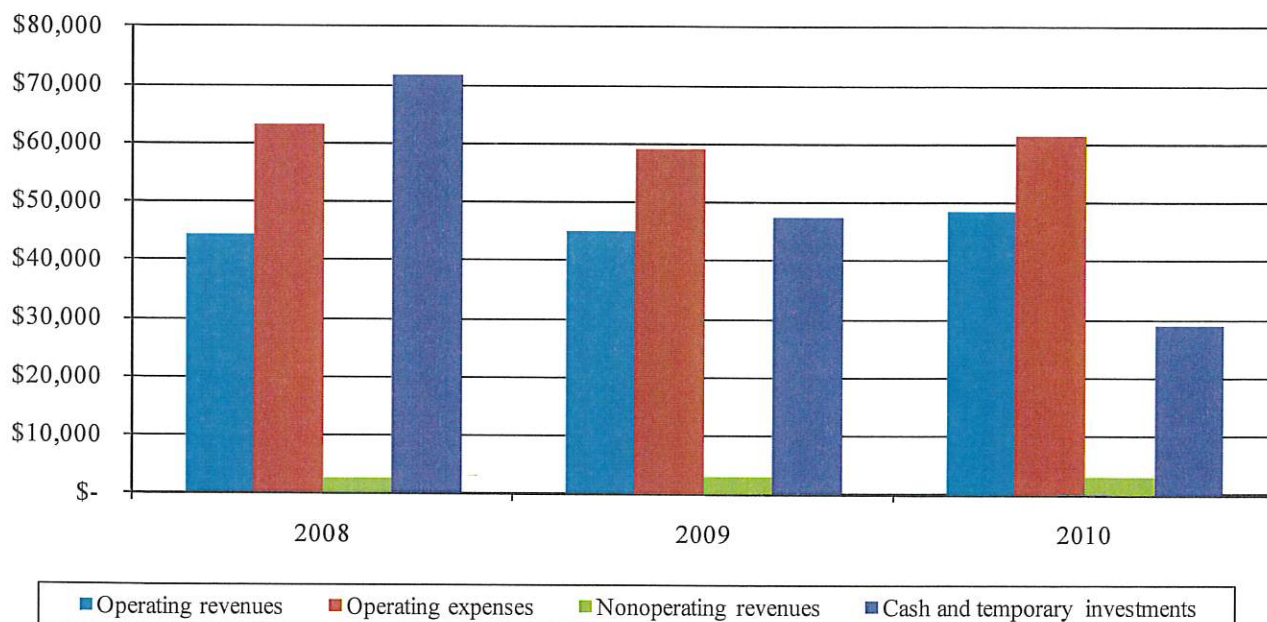


### Sewer Utility Fund

A three year comparison for the Sewer Utility fund follows:

	2008		2009		2010	
	Total	Percent	Total	Percent	Total	Percent
Operating revenues	\$ 44,568	100.0 %	\$ 45,146	100.0 %	\$ 48,508	100.0 %
Operating expenses	63,400	142.3	59,243	131.2	61,513	126.8
Operating loss	(18,832)	(42.3)	(14,097)	(31.2)	(13,005)	(26.8)
Nonoperating revenues	2,636	5.9	3,083	6.8	3,032	6.3
Change in net assets	<u>(16,196)</u>	<u>(36.4) %</u>	<u>(11,014)</u>	<u>(24.4) %</u>	<u>(9,973)</u>	<u>(20.5) %</u>
Cash and temporary investments	<u>\$ 71,750</u>		<u>\$ 47,474</u>		<u>\$ 29,226</u>	

### Sewer Utility Fund



The Sewer fund showed an operating loss for the fourth consecutive year and a decrease in cash and temporary investments for the third consecutive year. The City needs to ensure their current rate structure is sufficient to cover operations of the fund.



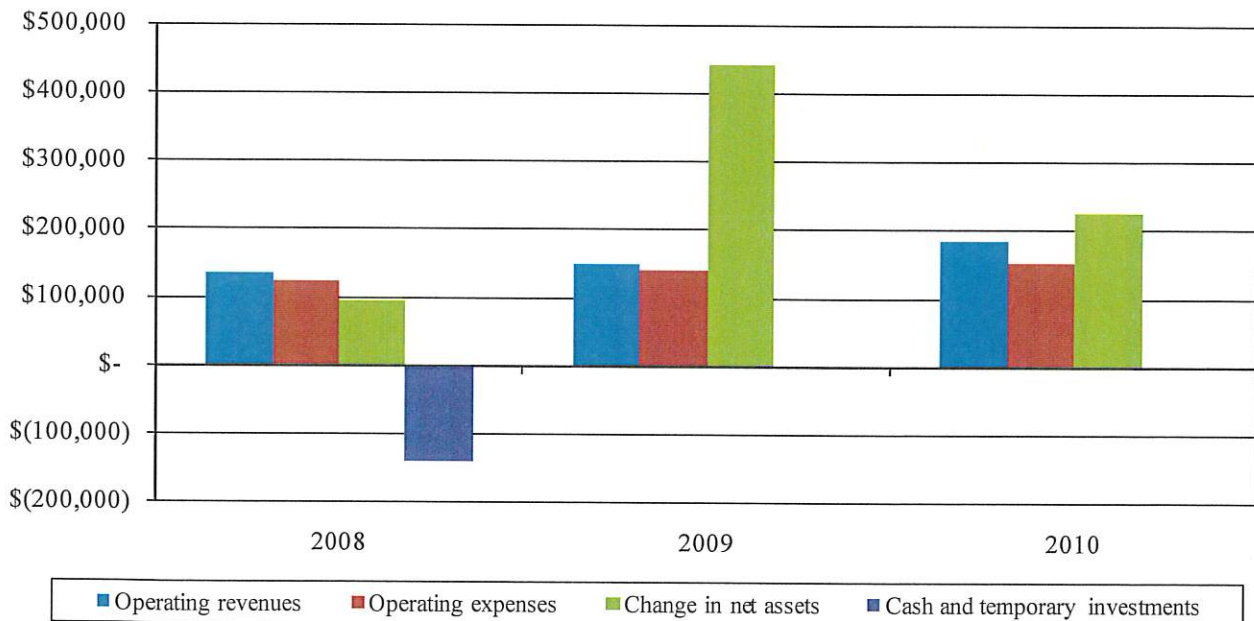


**Storm Sewer Utility**

A three year comparison for the Storm Sewer Utility fund follows:

	2008		2009		2010	
	Total	Percent	Total	Percent	Total	Percent
Operating revenues	\$ 134,674	100.0 %	\$ 149,347	100.0 %	\$ 185,425	100.0 %
Operating expenses	123,902	92.0	140,365	94.0	151,384	81.6
Operating income	10,772	8.0	8,982	6.0	34,041	18.4
Nonoperating revenues (expenses)	(3,426)	(2.5)	(3,188)	(2.1)	32,638	17.6
Transfers in	-	-	100,000	67.0	-	-
Capital contributions	85,900	63.8	336,624	225.4	158,546	85.5
Change in net assets	<u>\$ 93,246</u>	<u>69.3 %</u>	<u>\$ 442,418</u>	<u>296.3 %</u>	<u>\$ 225,225</u>	<u>121.5 %</u>
Cash and temporary investments (deficits)	<u>\$ (140,520)</u>		<u>\$ -</u>		<u>\$ -</u>	
Due to other funds	<u>\$ -</u>		<u>\$ 80,154</u>		<u>\$ 56,226</u>	

**Storm Sewer Utility Fund**



Operating income increased as a result of revenues increasing at a higher rate than operating expenses, but the change in net assets was lower than the prior year due to less capital contributions. Although the fund is showing operating income, the fund has no cash balance. This improvement from a deficit cash balance in 2008 is a result of an interfund loan from the Water fund. The City needs to review operations of the fund to ensure the future of the fund is positive.



## Ratio Analysis

The following captures a few ratios from the City's financial statements that give some additional information for trend and peer group analysis. The peer group average is derived from information available on the website of the Office of the State Auditor for City's of the fourth class, which have populations from 2,500 – 10,000. The majority of these ratios facilitate the use of economic resources focus and accrual basis of accounting at the government-wide level. A combination of solvency (ability to pay its long-term obligations), funding (comparison of financial amounts and economic indicators to measure changes in financial capacity over time) and common-size (comparison of financial data with other cities regardless of size) ratios are shown below.

Ratio	Calculation	Source	2007	2008	2009	2010
Debt to assets	Total liabilities/total assets	Government-wide	37.8%	34.2%	33.3%	37.3%
			36.2%	33.5%	33.5%	N/A
Debt service coverage	Net cash provided by operations/ enterprise fund debt payments	Enterprise funds	25.5%	38.1%	75.0%	57.2%
			180.9%	163.3%	261.3%	N/A
Debt per capita	Bonded debt/population	Government-wide	\$ 1,275	\$ 1,155	\$ 1,151	\$ 1,440
			\$ 2,673	\$ 2,677	\$ 2,713	N/A
Taxes per capita	Tax revenues/population	Government-wide	\$ 262	\$ 310	\$ 320	\$ 321
			\$ 382	\$ 401	\$ 399	N/A
Current expenditures per capita	Governmental fund current expenditures / population	Governmental funds	\$ 331	\$ 316	\$ 305	\$ 316
			\$ 553	\$ 663	\$ 625	N/A
Capital expenditures per capita	Governmental fund capital expenditures / population	Governmental funds	\$ 297	\$ 109	\$ 119	\$ 145
			\$ 409	\$ 323	\$ 310	N/A
Capital assets % left to depreciate - Governmental	Net capital assets/ gross capital assets	Government-wide	84.2%	83.2%	81.8%	79.9%
			70.4%	70.0%	68.3%	N/A
Capital assets % left to depreciate - Business-type	Net capital assets/ gross capital assets	Government-wide	90.8%	89.0%	87.1%	84.9%
			68.3%	66.6%	67.3%	N/A

Represents the City of Lake Elmo

Peer Group ratio

### Debt-to-Assets Leverage Ratio (Solvency Ratio)

The debt-to-assets leverage ratio is a comparison of a city's total liabilities to its total assets or the percentage of total assets that are provided by creditors. It indicates the degree to which the City's assets are financed through borrowings and other long-term obligations (i.e. a ratio of 50 percent would indicate half of the assets are financed with outstanding debt).

### Debt Service Coverage Ratio (Solvency Ratio)

The debt coverage ratio is a comparison of cash generated by operations to total debt service payments (principal and interest) of enterprise funds. This ratio indicates if there are sufficient cash flows from operations to meet debt service obligations. Except in cases where other nonoperating revenues (i.e. taxes, assessments, transfers from other funds, etc.) are used to fund debt service payments, an acceptable ratio would be above 100 percent.

**Bonded Debt per Capita (Funding Ratio)**

This dollar amount is arrived at by dividing the total bonded debt by the population of the city and represents the amount of bonded debt obligation for each citizen of the city at the end of the year. The higher the amount, the more resources are needed in the future to retire these obligations through taxes, assessments or user fees.

**Taxes per Capita (Funding Ratio)**

This dollar amount is arrived at by dividing the total tax revenues by the population of the city and represents the amount of taxes for each citizen of the city for the year. The higher this amount is, the more reliant the city is on taxes to fund its operations.

**Current Expenditures per Capita (Funding Ratio)**

This dollar amount is arrived at by dividing the total current governmental expenditures by the population of the City and represents the amount of governmental expenditure for each citizen of the City during the year. Since this is generally based on ongoing expenditures, we would expect consistent annual per capita results.

**Capital Expenditures per Capita (Funding Ratio)**

This dollar amount is arrived at by dividing the total governmental capital outlay expenditures by the population of the City and represents the amount of capital expenditure for each citizen of the City during the year. Since projects are not always recurring, the per capita amount will fluctuate from year to year.

**Capital Assets Percentage (Common-size Ratio)**

This percentage represents the percent of governmental or business-type capital assets that are left to be depreciated. The lower this percentage, the older the city's capital assets are and may need major repairs or replacements in the near future. A higher percentage may indicate newer assets being constructed or purchased and may coincide with higher debt ratios or bonded debt per capita.



## Items for Improvement

### Utility Billing Adjustments

- Condition:** During analysis of revenues, we noted approximately \$79,000 of adjustments recorded to the City's utility billing system in 2010, including one adjustment of nearly \$41,000 to a single commercial utility customer who had been inadvertently over-billed for usage and then billed penalties for late payment. Roughly \$13,000 was from delinquent bills certified to the County for collection, and approximately \$21,000 was identified as necessary adjustments to correct other mechanical errors (ex. meter malfunction, software error from calculating usage, correction of estimated usage, etc.). There does not appear to be a clear written policy or procedure regarding how these adjustments are calculated or approved.
- Criteria:** Internal controls should include standardized procedures on how adjustments are made as well as a process to catch these errors prior to the bills being sent.
- Cause:** Lack of defined monitoring process.
- Effect:** As evident in the amount of adjustments made in 2010, the City is exposed to the risk of billing error. Also, significant time has been spent by staff to identify and correct these errors.
- Recommendation:** We recommend a documented procedures policy be adopted to ensure proper monitoring is in place. This has become more important as the City's utility function continues to grow and evolve. A few procedure to consider would be 1) setting a dollar limit of adjustments needing prior approval from the Finance Director, City Administrator, or even Council prior to being entered into the system, 2) having either the Finance Director or City administrator approve a monthly report of billing adjustments, and 3) review billing register summaries for reasonableness compared to previous register summaries prior to mailing the billing statements.
- Management Response:** Management acknowledges that utility billing errors occur and are corrected via billing adjustments. Staff will work on internal controls to prevent these types of errors before they occur in the future and proper policies are documented and followed. Management will also review the above recommendations taking into consideration costs versus benefits.



## Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements:

### **GASB Statement No. 54 - *Fund Balance***

This statement was issued in March of 2009 and is effective for periods beginning after June 15, 2010.

This new standard is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and clarifying the definitions of existing governmental fund types.

GASB No. 54 distinguishes fund balance between amounts that are considered non-spendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent.

The following classifications and definitions will be used:

- *Restricted* - amounts constrained by external parties, constitutional provision, or enabling legislation
- *Committed* - amounts constrained by a government using its highest level of decision-making authority
- *Assigned* - amounts a government *intends* to use for a particular purpose
- *Unassigned* - amounts that are not constrained at all will be reported in the general fund.

In addition to the classifications of fund balance, the standard clarified the definitions of individual governmental fund types, for example, special revenue funds, debt service funds, and capital project funds.

### **GASB Statement No. 59 – *Financial Instruments Omnibus***

#### *Summary*

The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This Statement provides for the following amendments:

- Statement 31 is clarified to indicate that a 2a7-like pool, as described in Statement 31, is an external investment pool that operates in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended.
- Statement No. 40, Deposit and Investment Risk Disclosures, is amended to indicate that interest rate risk information should be disclosed only for debt investment pools—such as bond mutual funds and external bond investment pools—that do not meet the requirements to be reported as a 2a7-like pool.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010. Earlier application is encouraged.



*How the Changes in This Statement Will Improve Financial Reporting*

The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. Emphasizing the applicability of SEC requirements to 2a7-like external investment pools provides practitioners with improved guidance. Finally, limiting interest rate risk disclosures for investments in mutual funds, external investment pools, and other pooled investments to debt investment pools provides better guidance regarding the applicability of interest rate risk disclosures.

\* \* \* \* \*

This report is intended solely for the information and use of City Council, management, and the Minnesota Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

ABDO, EICK & MEYERS, LLP  
*Certified Public Accountants*

June 7, 2011  
Minneapolis, Minnesota



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
REGULAR  
ITEM: 13  
PUBLIC HEARING  
RESOLUTION 2011-027

**AGENDA ITEM:** Appeal Hearing on Denial of a Fence Permit Application for a Proposed 6 Foot High Solid Fence in the Side Yard of the Property at 12418 Marquess Way North.

**SUBMITTED BY:** Kelli Matzek, City Planner

**THROUGH:** Bruce Messelt, City Administrator *BMM*

**REVIEWED BY:** Dave Snyder, City Attorney  
Kyle Klatt, Planning Director

---

**SUMMARY AND ACTION REQUESTED:** The Board of Appeals is respectfully requested to determine whether Staff's interpretation of the City Code related to the applicant's proposed fence construction at 12418 Marquess Way North, is in conformance with the existing regulations, as written. The property owner, Mr. Konop, has requested to build a solid 6 foot high fence around the perimeter of his rear yard.

The applicants ask that the Board of Appeals consider Staff's interpretation of Section 154.120 *Fence Height and Location* and Section 154.125 *Fences as Screening and Security, As Required*.

The recommended motion to act on this is as follows:

***"Move to approve Resolution 2011-027 confirming staff's denial of a fence permit to allow a solid, six foot high fence along the side property lines adjacent to other residential properties at 12418 Marquess Way North."***

**BACKGROUND INFORMATION:** On June 7<sup>th</sup>, 2011, the City Council approved, by a vote of 4 to 1, to approve amendments to the Fence Ordinance. One applicable change to the ordinance added the following language:

Section 154.120 (C) 2. "When the rear property line of a through lot abuts a public street classified as either a principal arterial, A minor arterial, or B minor arterial in the City's Transportation Plan, a fence parallel to that property line may be constructed up to 72 inches in height, but is not required to be open to light and

air. A corner lot must continue to meet safety requirements of 96.03 (B) 19 regarding the obstruction of view of traffic.”

This alteration in code allows a specific exemption to the requirement that fences in rear yards could be built up to 72 inches in height (6 feet), **but** that any portion of such fence above 42 inches measured from grade shall be open to light and air over 75 percent of the surface area.

(Existing language, not changed at the June 7<sup>th</sup> meeting):

Section 154.120 (B) *Fence height in interior yards.*

“No fence shall be constructed exceeding 72 inches in height measured from grade in interior yards; and, any portion of such fence above 42 inches measured from grade shall be open to light and air over 75% of the surface area.”

AND

(Existing language, with minor changes at the June 7<sup>th</sup> meeting):

Section 154.120 (C) 1. Lots with frontage along improved public streets at both the rear yard and the front yard (through lots) may apply the standards of division (B) above for fences paralleling the rear yard.

Another section of code regulates when solid fences are allowed for screening purposes as required by code. Examples of such are when residential lots share a common property line with commercial uses or when equipment and outside items such as boats must be screened.

(Existing language, not changed at June 7<sup>th</sup> meeting):

Section 154.125 *Fences as Screening and Security, as Required*

“(A) *Generally.* The Lake Elmo City Code and this chapter include prescribed physical circumstances of a site where screening of uses, equipment, and outside storage is required. In those prescribed circumstances, fence not to exceed 72 inches in height measured from grade may be installed, subject to the following standards:

(1) Required fences for screening and security purposes in Agricultural and Residential zoning districts shall be set back from all property lines equal to the required structure set back of the zoning district in which they are located, except where residential zoned lots share a common property line with commercial uses, or commercial zoning districts and only on the common property line between the residential and commercial parcels.”

This last section of code does not apply to Mr. Konop’s property with regards to the side property lines adjacent to other residential property. **IF** it did apply, the fence would not be allowed to be constructed along the property line as requested, but would need to be 10 feet off the property line (the applicable structure setback).



**STAFF REPORT:** The Board of Adjustment and Appeals is asked to examine the finding of noncompliance with the existing code which resulted in denial of the fence permit. Determination that staff erred in interpreting the code, and that the fence permit should be issued for 12418 Marquess Way N without a variance, must be substantiated by findings of fact. When conducting this review, the Board is asked to keep the following in mind:

1. This is not a policy decision by the Board of Adjustment and Appeal; it is a determination as to whether the City Code has been properly interpreted as written with regards to fence heights allowed in specific yard types.
2. The Board of Appeals cannot find the proposed fence is conforming to code based on what may or may not be present on other property within the City. The proposed fence either conforms to code as written or it does not.
3. This is not a policy decision about the clarity or appropriateness of zoning code sections related to the proposed fence. The Board of Appeals and Adjustments is not a policy making body. Such a finding must have no bearing on the determination as to whether the structure is conforming or nonconforming with current codes as written. Please note that the Board may recommend that the City Council direct staff to make changes to the ordinance to address any identified concerns or the Planning Commission to further review the ordinance.

Mr. Konop has requested to build a solid 6 foot high fence around the perimeter of his rear yard. Staff has read and interpreted the City Code to not allow his request and therefore, denied his fence permit application for the following reasons:

1. A solid fence constructed in the interior side yard, adjacent to other residential properties would be allowed to be constructed up to 72 inches in height and any portion of such fence above 42 inches measured from grade shall be open to light and air over 75 percent of the surface area. *Referencing Section 154.120 B.*
2. The fence proposed along the rear property line (adjacent to State Highway 5) would be permitted by City Code up to 72 inches in height as a solid wall. State Highway 5 is considered an A Minor Arterial by code and would therefore be considered for this exception. This portion of the fence would be permitted. *Referencing Section 154.120 (C) 2.*
3. The fence proposed along the property line adjacent to the property used for commercial purposes could be constructed up to 72 inches in height as a solid wall.

In addition, it should be noted, that if Mr. Konop would proceed with applying for a fence (of any size) to be constructed within a City easement, an Easement Encroachment Agreement would be required to be signed by the applicant and approved by the City Council prior to construction of the fence.

Should the City Council agree with staff that the ordinance does not permit the fence Mr. Konop is proposing, an alternate option would be for Mr. Konop to apply for a variance. A variance

allows an exception to the rules in unique circumstances whereas an appeal states that staff is interpreting the city code incorrectly.

**RECOMMENDATION:** Based upon the above background information and staff report, it is recommended that the City Council confirm Staff's interpretation that the proposed fence would not be allowed to be constructed up to 72 inches in height around the rear yard of Mr. Konop's property at 12418 Marquess Way N by undertaking the following action:

***“Move to approve Resolution 2011-027 confirming staff’s denial of a fence permit to allow a solid, six foot high fence along the side property lines adjacent to other residential properties at 12418 Marquess Way North.”***

Should the Board of Appeals agree with Staff's finding, the applicants are still able to apply for a variance to allow the proposed fence.

**ATTACHMENTS:**

1. Applicants' Submittals
2. Copy of Letter from Planning Director Klatt Denying Permit; 6-20-11
3. Applicable Sections of Code
4. Resolution 2011-027

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Administrator
- Report/Presentation..... Planning Department
- Questions from Council to Staff ..... Mayor Facilitates
- Public Hearing as Board of Appeals ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion ..... Mayor Facilitates



<b>CITY OF LAKE ELMO</b> <b>FENCE PERMIT APPLICATION</b>  <i>Lake Elmo City Hall</i> <i>3800 Laverne Ave. No.</i> <i>Lake Elmo, MN 55042</i>	Permit No.
	Date
	Fee
	Receipt #

Voice: 651-777-5510

Fax: 651-777-9615

Applicant(s) <u>Robert Kump</u>	Appn VALUE \$ <u>12,500</u>
Property Address <u>12418 Marquess Way N</u>	
Phone Numbers <u>651-430-2834 (H) 651-295-8178 (C)</u>	
Comments <u>slid wall privacy fence (72") - Yard backs up to HWY 5</u>	
Owner(s) <u>Robert Kump</u>	

Material	Wood <input type="radio"/>	Metal <input type="radio"/>	Chain Link <input type="radio"/>	Other <input checked="" type="radio"/>	Describe <u>Vinyl</u>	
	Purpose				Describe	
Height in Feet	Privacy <input checked="" type="radio"/>	Security <input checked="" type="radio"/>	Containment <input checked="" type="radio"/>	Other <input type="radio"/>		
	<u>72"</u>	<u>72"</u>	<u>72"</u>	<u>72"</u>	<u>72"</u>	<u>72"</u>
Width in Feet	From Corner Back Rear	Side 1	Side 2	Side 3	Side 4	
	<u>28'</u>	<u>112'</u>	<u>15'</u>	<u>39'</u>	<u>27'</u>	<u>14'</u>

\* A Certificate of Survey by a Licensed Land Surveyor showing parcel boundaries may be required. \*

I hereby acknowledge the following:

I have received, read, and understand the requirements of *Lake Elmo Ordinance 302* regarding the construction and maintenance of fences. I will build my fence in accordance with the Ordinance. I will build my permitted fence entirely on my property, and the fence will not encroach on adjacent properties.

When installing any part of this permitted fence within a dedicated easement, written permission of the grantor of the easement is required.

By granting this permit, the City is not guaranteeing the accuracy of the survey or the representation of the applicants regarding location of lot boundaries.

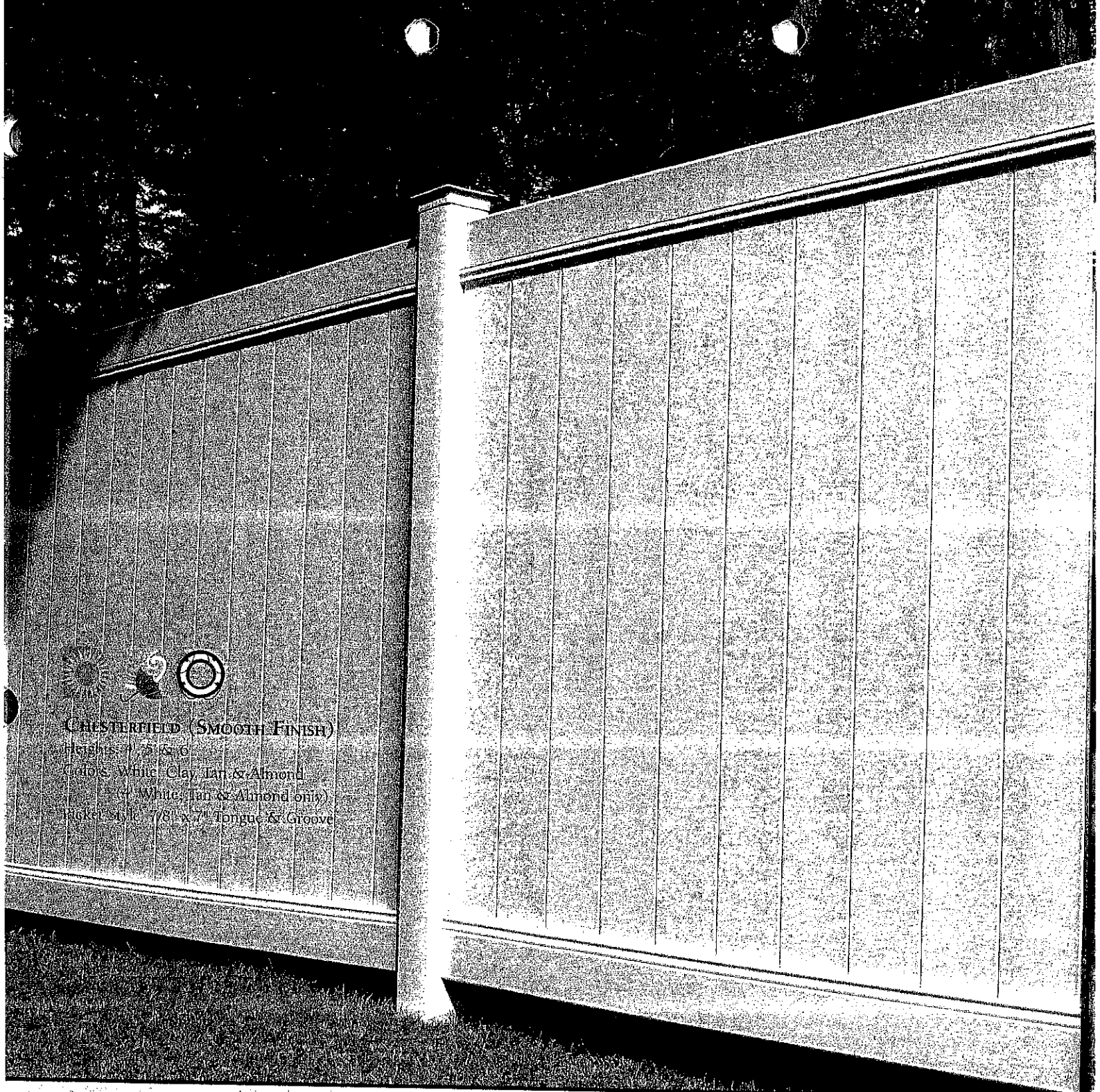
Signature of Owner(s) [Signature]

Fences will be inspected ONCE: 1) FINAL Inspection.

Call the Building Dept. at least **24 hours in advance** of an inspection request. 651-777-5510

To avoid underground utilities, telephone Gopher State One Call at 454-0002 before you dig!

Signature [Signature] Date 6/9/2011

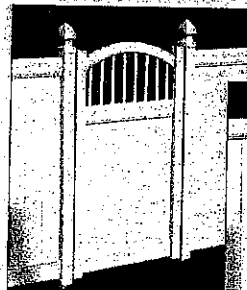


**CHESTERFIELD (SMOOTH FINISH)**

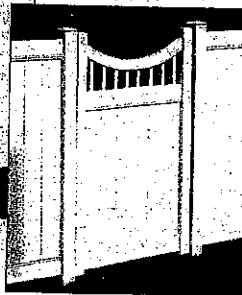
Heights: 4', 5' & 6'  
 Colors: White, Clay, Tan & Almond  
 Gate Colors: White, Tan & Almond only  
 Picket style: 7/8" x 7" Tongue & Groove

**Chesterfield Gates**

Personalize your fence design with decorative elements from Bufftech. Designed to coordinate with our 6' Chesterfield style fence, Bufftech concave and convex style gates combine Victorian elegance with a durable design. Bufftech's premium gate includes a heavy-duty internal aluminum frame and safety features such as self-closing hinges and lockable latches.



*Convex*



*Concave*

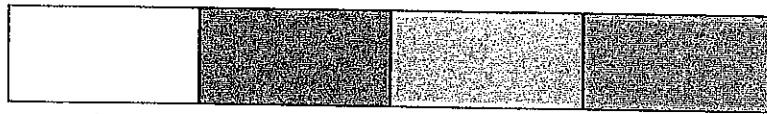
**CHESTERFIELD STRAIGHT (NOT SHOWN), CONCAVE AND CONVEX GATE**

Straight Heights: 4', 5' & 6'  
 Straight Colors: White, Clay, Tan & Almond  
 Concave and Convex Height: 6'  
 Concave and Convex Color: White

# PRIVACY

The perfect choice for complete privacy

available in  
Smooth finish:



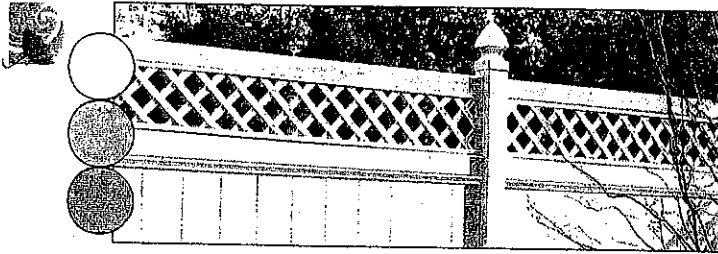
White

Clay\*

Tan

Almond

## CHESTERFIELD SMOOTH FINISH ACCENTS

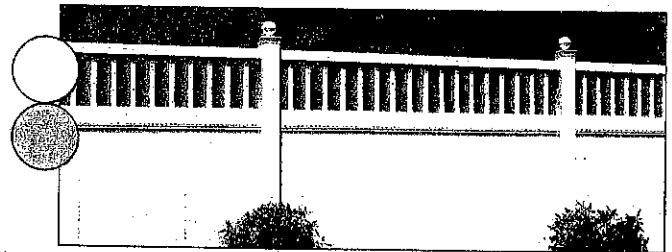


### CHESTERFIELD WITH LATTICE ACCENT

Heights: 4' 8" plus 1' 4" Accent & 3' 8" plus 1' 4" Accent

Colors: White, Tan & Almond

Picket Style: 7/8" x 7" Tongue & Groove

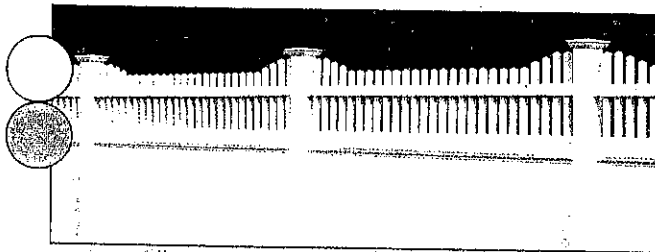


### CHESTERFIELD WITH VICTORIAN ACCENT

Heights: 4' 8" plus 1' 4" Accent

Colors: White & Tan

Picket Style: 7/8" x 7" Tongue & Groove and 7/8" x 1-1/2"

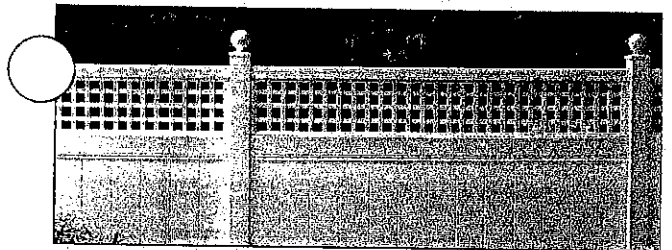


### CHESTERFIELD WITH HUNTINGTON ACCENT

Heights: 4' 8" plus 1' 4" Accent

Colors: White & Tan

Picket Styles: 7/8" x 7" Tongue & Groove and 1-1/2" Square



### CHESTERFIELD WITH WESTMINSTER ACCENT

Heights: 4' 8" plus 1' 4" Accent

Colors: White

Picket Style: 7/8" x 7" Tongue & Groove

## Chesterfield Swoop and S Curve Fence

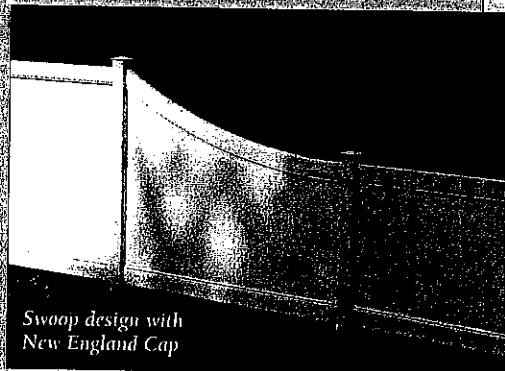
Bufftech offers a functional yet stylish way to change the height of your fence with our Swoop and S Curve fence sections. Available in White or Tan. The Swoop and S Curve are ideal for transitioning from low to high areas of fencing.

### CHESTERFIELD SWOOP AND S CURVE FENCE

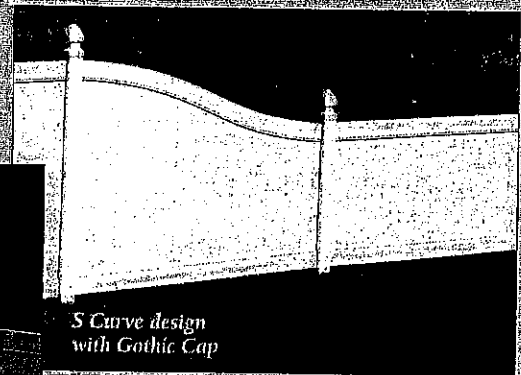
Heights: Transitions from 6' to 4'

Colors: White & Tan

Picket Style: 7/8" x 7" Tongue & Groove



Swoop design with New England Cap



S Curve design with Gothic Cap

Julie Palmer  
12432 Marquess Way N  
Lake Elmo, MN 55042-4428

July 15, 2011

Kyle Klatt  
Director of Planning and Development  
City of Lake Elmo  
3800 Laverne Avenue North  
Lake Elmo, MN 55042

**RE: Konop Fence Permit Application**

Dear Mr. Klatt,

Recently our neighbors, Rob & Jodi Konop informed us of their desire to build a fence in their backyard. They have a young son, Carson who enjoys playing in the backyard on his jungle gym. They also recently added a puppy to their family. They explained to us that the desire to build a six foot privacy fence has become a longer process than anticipated due to changes in the city ordinances and need to appeal the permit rejection to get a permit to build. Two of the three lots in Carriage Station that directly abut Highway 5 have existing six foot privacy fences that were built before the ordinance changed.

In our conversation, they told us the biggest concern they had was for the safety of their son and new puppy. Although many large pine trees along the back lot line provide some privacy, a secure six foot fence is needed to ensure the safety of children and animals in the backyard. They asked us our opinion on the six foot fence to ensure that we felt it would not be an obstruction or distract from the aesthetically pleasing view of the neighborhood. As their lot is a walkout, the fence in the backyard would not be in view from the street or front of the house which is where the neighbors often gather socially. We also feel that allowing a 6 foot privacy fence in the back along the road but require them to install a 42 inch privacy fence on the sides would create a fence that is not appealing. We told Rob & Jodi that we would have no issues with a complete six foot privacy fence and feel that it would fit in with the already existing structures along the lots of Carriage Station abutting Highway 5.

We are writing this letter in support of Rob & Jodi Konop's request to build a six foot privacy fence. Please consider our thoughts as you address this issue.

Sincerely,

Julie Palmer

Robert and Jodi Konop

12418 Marquess Way N  
Lake Elmo, MN 55042-4428

June 23, 2011

Kyle Klatt  
Director of Planning and Development  
City of Lake Elmo  
3800 Laverne Avenue North  
Lake Elmo, MN 55042

**RE: Konop Fence Permit Application**

Dear Mr. Klatt,

Recently our neighbors, Rob & Jodi Konop informed us of their desire to build a fence in their backyard. They have a young son, Carson who enjoys playing in the backyard on his jungle gym. They also recently added a puppy to their family. They explained to us that the desire to build a six foot privacy fence has become a longer process than anticipated due to changes in the city ordinances and need to appeal the permit rejection to get a permit to build. Two of the three lots in Carriage Station that directly abut Highway 5 have existing six foot privacy fences that were built before the ordinance changed.

In our conversation, they told us the biggest concern they had was for the safety of their son and new puppy. Although many large pine trees along the back lot line provide some privacy, a secure six foot fence is needed to ensure the safety of children and animals in the backyard. They asked us our opinion on the six foot fence to ensure that we felt it would not be an obstruction or distract from the aesthetically pleasing view of the neighborhood. As their lot is a walkout, the fence in the backyard would not be in view from the street or front of the house which is where the neighbors often gather socially. We also feel that allowing a 6 foot privacy fence in the back along the road but require them to install a 42 inch privacy fence on the sides would create a fence that is not appealing. We told Rob & Jodi that we would have no issues with a complete six foot privacy fence and feel that it would fit in with the already existing structures along the lots of Carriage Station abutting Highway 5.

We are writing this letter in support of Rob & Jodi Konop's request to build a six foot privacy fence. Please consider our thoughts as you address this issue.

Sincerely,





**Washington County**

PUBLIC WORKS DEPARTMENT  
 SURVEY AND LAND MANAGEMENT DIVISION  
 14949 62nd Street North, P.O. Box 6  
 Stillwater, Minnesota 55082-0006  
 (651) 430-6875  
 surveyor@co.washington.mn.us  
 www.co.washington.mn.us

○ Proposed Fence  
 ✕ Proposed Fence (Based on Contour)  
 LEGEND

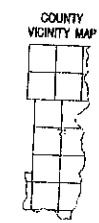
- DNR PROTECTED WATERS
- DNR PROTECTED WETLAND
- DNR PROTECTED WATERCOURSE
- MUNICIPAL BOUNDARY
- PARK BOUNDARY



SCALE: 1 inch = 30 feet

SECTION-TOWNSHIP-RANGE INDEX

3603021	3103020	3203020
0102921	0602920	0502920
1202921	0702920	0802920



\* - LOCATION OF THIS MAP

SECTION VICINITY MAP

22	21	12	11
NW	+	NE	
23	24	13	14
37	31	42	41
SW	+	SE	
33	34	43	44

PROPERTY IDENTIFICATION NUMBER FORMAT (GEOCODE)

SECTION NUMBER	TOWNSHIP NUMBER	RANGE NUMBER	QUARTER	DEEDID PARCEL
##	##	##	##	####

(0001) - LAST FOUR DIGITS OF PROPERTY IDENTIFICATION NUMBER

THIS DRAWING IS THE RESULT OF A COMPILATION AND REPRODUCTION OF LAND RECORDS AS THEY APPEAR IN VARIOUS WASHINGTON COUNTY OFFICES. WASHINGTON COUNTY IS NOT RESPONSIBLE FOR ANY INACCURACIES. PROPERTY LINES AS SHOWN ARE FOR REFERENCE PURPOSES AND MAY NOT REPRESENT ACTUAL LOCATIONS.  
 MAP LAST UPDATED: January 26, 2011  
 NO ADDITIONAL CHANGES HAVE BEEN REPORTED TO DATE  
 DATE OF CONTOURS: April, 2000 DATE OF PHOTOGRAPHY: April, 2009





# City of Lake Elmo

651/777-5510

3800 Laverne Avenue North / Lake Elmo, MN 55042

June 20, 2011

Robert Konop  
12418 Marquess Way North  
Lake Elmo, MN 55042

## RE: FENCE PERMIT APPLICATION

Dear Mr. Konop:

Our office has reviewed your request to construct a six-foot solid wall privacy fence within the rear portion of your yard at 21418 Marquess Way North and determined that portions of the proposed fence do not comply with the City's fence regulations. Section 154.120 through Section 154.128 of the City Code (which was recently revised) specifies the requirements for fences, and includes the following provisions:

- [Section 154.120, Subd. B] Fence height in interior yards. No fence shall be constructed exceeding 72 inches in height measured from grade in interior yards; and, any portion of such fence above 42 inches measured from grade shall be open to light and air over 75% of the surface area.
- [Section 154.120, Subd. C] Fences on through lots.
  - (1) Lots with frontage along improved public streets at both the rear yard and the front yard (through lots) may apply the standards of division (B) above for fences paralleling the rear yard.
  - (2) When the rear property line of a through lot abuts a public street classified as either a principal arterial, A minor arterial, or B minor arterial in the City's Transportation Plan, a fence parallel to that property line may be constructed up to 72 inches in



height, but is not required to be open to light and air. A corner lot must continue to meet safety requirements of 96.03 (B) 19 regarding the obstruction of view of traffic.

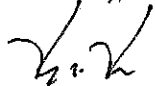
Based on this language, you would be allowed to construct a solid-wall privacy fence up to six feet in height along or near your property boundary with Minnesota State Highway 5 (which is classified as an "A-minor Arterial Road in the City's Transportation Plan), but you could not construct such a privacy fence within any other portion of your lot. There are additional provisions in the Fence Ordinance that allow for a screening fence to be installed along the border between commercial and residential zoning districts; however, the site plan you submitted does not show any portion of the proposed fence extending to the commercial property line that abuts your parcel.

As depicted on your site plan, the fence that is planned along the eastern portion of your property (at the edge of the existing evergreen landscaping) is permitted; however, the additional portions of the fence that are shown along the property line separating your lot from the adjacent Lot 5, Block 1 of Carriage Station and additional extensions of this fence that would connect between the side property lines and your principal structure are not allowed to exceed 42 inches in height as a solid wall.

For the reasons noted above, your request for permission to construct a six-foot high solid wall privacy fence at 12418 Marquess Way North is hereby denied.

Please contact me at 651-233-5402 if you have any questions about the City Code, to further discuss the provisions cited in this letter, or if you would like to discuss options for bringing this request into compliance with the City Code.

Sincerely,



Kyle Klatt  
Planning Director

cc: Karl Horning, Acting Building Official  
Dave Snyder, City Attorney

**CITY OF LAKE ELMO  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA**

**ORDINANCE NO. 08-044A**

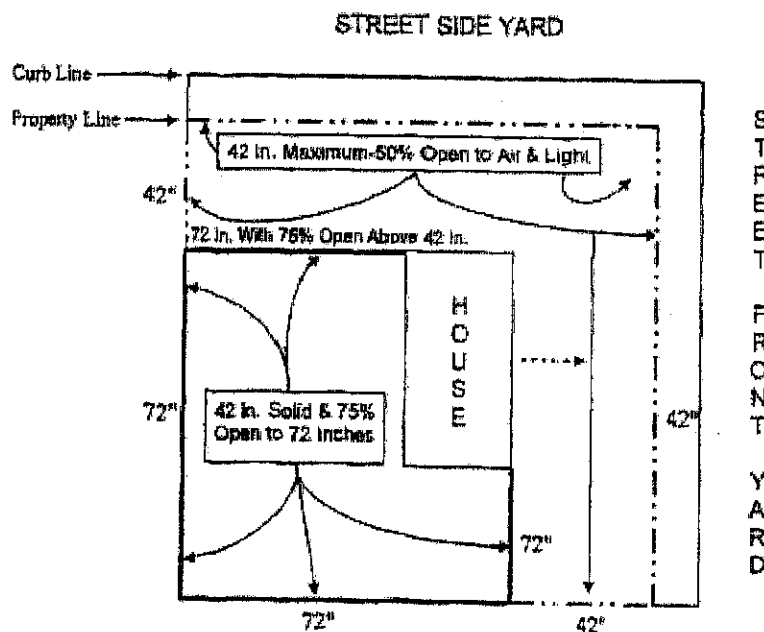
**AN ORDINANCE AMENDING THE FENCE REQUIREMENTS OF  
SECTION 154.120 THROUGH SECTION 154.128 TO ALLOW  
SOLID FENCES IN CERTAIN SITUATIONS AND TO CLARIFY  
THE INTENT OF OTHER SECTIONS**

**SECTION 1.** The City Council of the City of Lake Elmo hereby amends Title XV: Land Usage; Chapter 154: Zoning Code, by amending the following language:

**§ 154.120 FENCE HEIGHT AND LOCATION.**

(A) *Fence height in street setbacks.* No fence shall be constructed exceeding 42 inches in height measured from grade within any front, side (corner), or rear street setback. Fences constructed within the prescribed street setback areas shall be at least 50% open to air and light. (See Figure 154.120)

*Figure 154.120: Height of Fencing*



(B) *Fence height in interior yards.* No fence shall be constructed exceeding 72 inches in height measured from grade in interior yards; and, any portion of such fence

above 42 inches measured from grade shall be open to light and air over 75% of the surface area.

(C) *Fences on double front-through lots.*

(1) Lots with ~~fronting~~ frontage along improved public streets at both the rear yard and the front yard (through lots) may apply the standards of division (B) above for fences paralleling the rear yard.

(2) When the rear property line of a through lot abuts a public street classified as either a principal arterial, A minor arterial, or B minor arterial in the City's Transportation Plan, a fence parallel to that property line may be constructed up to 72 inches in height, but is not required to be open to light and air. A corner lot must continue to meet safety requirements of 96.03 (B) 19 regarding the obstruction of view of traffic.

(D) *Grade defined.* The grade from which fence height measurements are calculated shall only be from either natural grade or grade modified responsive to a grading plan approved by the city; and, shall not include the height of berms or introduced increases in ground elevation that would raise the effective fence height over that which would be otherwise permitted by this subchapter, except that a combination of raised grade and fence that would exceed in sum the fence height permitted by this section may be specifically approved by the City Council as an element of a subdivision plat or commercial site plan approval establishing specific property grading and topography.

(E) *Easement encroachment.* Where allowed by other divisions of the fence ordinance and other applicable sections, a fence may be constructed up to one foot off a property line unless an easement is present or it is determined a fence would obstruct a drainage area. An Easement Encroachment Agreement, along with a fence permit, allows a fence to be constructed within a city easement after it has been reviewed and approved by the City Engineer and City Council and the applicable fee has been received.

(Ord. 97-137, passed 8-4-2004)

§ 154.121 MATERIALS.

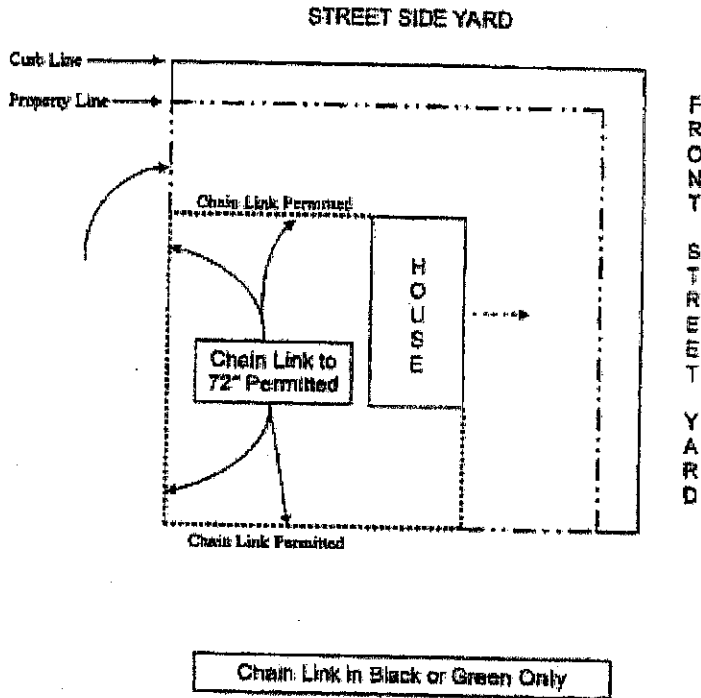
(A) *Permitted fence materials.* Permitted fence materials shall be limited to brick, stone, wood planks, split rail, wrought iron, and as regulated by § 154.123. Vinyl or composite material fences shall also be permitted.

(B) *Finished face of fence.* That side of the fence considered to be the face (finished side as opposed to structural supports and frame) shall face abutting property and public streets.

(C) *Chain link or cyclone fences.* Chain link, and wire mesh fences are permitted to a maximum height of 72 inches measured from grade. No chain link, cyclone or wire

mesh fence shall be permitted in any front, side (corner), or rear street setback. (See Figure 154.121)

**Figure 154.121: Cyclone/Chain Link Fencing**



(Ord. 97-137, passed 8-4-2004)

**§ 154.122 FENCES IN THE SHORELAND OVERLAY DISTRICT.**

No fence shall be permitted in the OHW setback of any parcel located in Shoreland, as defined by § 11.01, except where the principal structure is entirely located within the OHW setback. Where the principal structure is at least partially located within the OHW setback, fences complying with the standards of § 154.120(B) may be constructed within the side yard area of the principal structure, but not extending beyond the front and rear exterior walls of the principal structure. Decks, porches and landings of any type shall not be considered a part of the principal structure for the purpose of determining allowable fence.

(Ord. 97-137, passed 8-4-2004)

**§ 154.123 TEMPORARY FENCES.**

(A) *Defined.* For the purposes of this subchapter temporary fences are those that are installed and removed on a seasonal basis, such as snow fences and garden fences.

Temporary fences shall be open to light and air over not less than 40% of the fence surface area.

(B) *Duration and limitation.* No snow fence shall or posts therefore shall be installed prior to November 1, and must be removed prior to April 15.

(C) *Height and location.* Temporary fences shall comply with the fence and fence location standards of § 154.120, except that snow fences shall be set back at least 50 feet from any south or east property line, or such additional distance as may be required to prevent the accumulation of snow on public streets or adjoining property, as determined by the Building Official.

(Ord. 97-137, passed 8-4-2004)

### § 154.124 AGRICULTURAL EXEMPTION.

Fences constructed on parcels in excess of 5 acres for the keeping of horses; and fences constructed on parcels in excess of 10 acres for the keeping of other livestock, as defined by § 11.01, are specifically exempted from the provisions of this subchapter. Any such agricultural fencing shall be at least 75% open to air and light.

(Ord. 97-137, passed 8-4-2004)

### § 154.125 FENCES AS SCREENING AND SECURITY, AS REQUIRED.

(A) *Generally.* The Lake Elmo City Code and this chapter include prescribed physical circumstances of a site where screening of uses, equipment, and outside storage is required. In those prescribed circumstances, fence not to exceed 72 inches in height measured from grade may be installed, subject to the following standards:

(1) Required fences for screening and security purposes in Agricultural and Residential zoning districts shall be set back from all property lines equal to the required structure set back of the zoning district in which they are located, except where residential zoned lots share a common property line with commercial uses, or commercial zoning districts and only on the common property line between the residential and commercial parcels.

(Am. Ord. 97-169, passed 5-2-2006)

(2) The provisions of § 154.120 regarding fence height measurement from grade shall apply. No combination of earthen berm and fence may exceed the 72-inch maximum height for screening.

(3) Materials used for screening shall be limited to those specified by § 154.121.

(4) No such screening shall be roofed or covered in any manner.

(Ord. 97-137, passed 8-4-2004)

(5) Solid fence not to exceed 72 inches in height measured from grade may be installed, subject to the following standards:

(a) The total area of any parcel enclosed by solid fencing shall not exceed the maximum allowable area for an accessory structure in the zoning district in which the parcel is located, less the sum of the area of any accessory structures located on the same tax parcel.

(b) The area enclosed by screen fencing shall maintain a ratio of width to length of no greater than 2:1. (See § 154.093).

(c) A screening fence that is not enclosed may be allowed provided the total length of said fence does not exceed the perimeter of the largest accessory building permitted in the zoning district in which the parcel is located, less the sum of the area (or perimeter) of any accessory structures located on the same tax parcel.

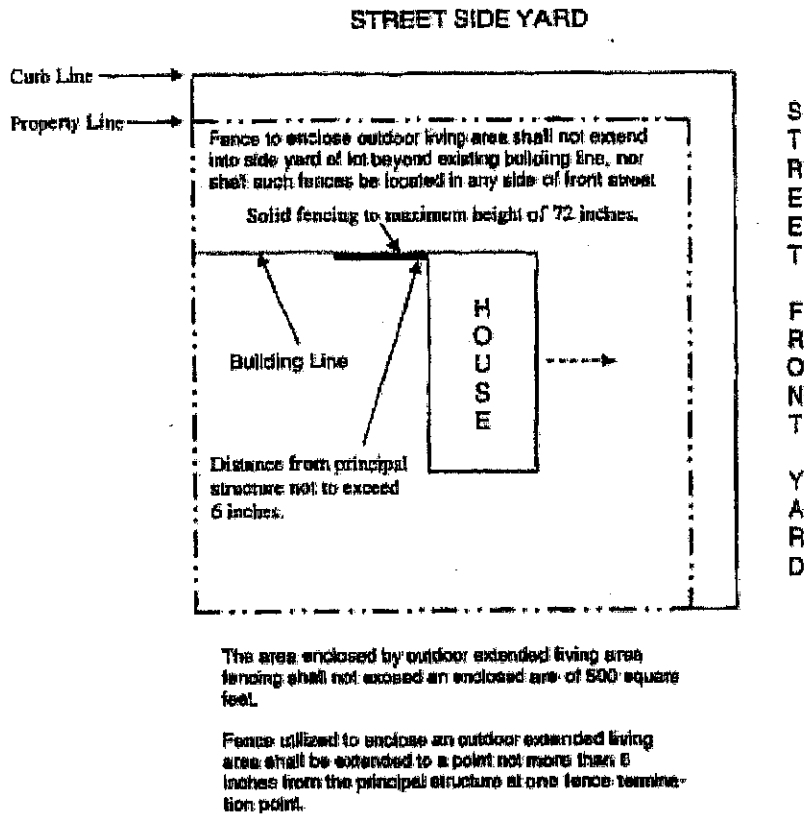
(B) *Outdoor living area extensions.* Solid fencing to a maximum height of 72 inches may be used to enclose outdoor extended living areas of a principal structure, subject to the following standards:

(1) The area enclosed by outdoor extended living area fencing shall not exceed an enclosed area of 500 square feet.

(2) Fence utilized to enclose an outdoor extended living area shall be extended to a point not more than 6 inches from the principal structure at 1 fence termination point.

(3) Fence utilized to enclose an outdoor extended living area shall not extend into side yard of a lot beyond the existing building line of the existing principal structure, nor shall such fences be located in any side or front street yard. (See Figure 154.125)

***Figure 154.125: Fencing for Outdoor Living Area***



(Am. Ord. 97-155, passed 4-19-2005)

**§ 154.126 PERMITS REQUIRED.**

(A) Except as noted herein, installation of all fences requires a fence permit issued by the City of Lake Elmo. This permit shall be applied for on such forms, include such documentation, and include such fees to the city for processing as may be prescribed from time to time by the City Council. Fences exempt from requiring an installation permit are limited to the following:

(1) Fences of any type installed for the sole purpose of the keeping of domestic farm animals, as defined by § 11.01, and regulated by § 154.104(E) of this Code. All such fences shall be removed by the property owner within 6 months of the termination of the keeping of domestic farm animals, unless an extension is specifically authorized by City Council action; and

(2) Fences of any type installed by municipal, county or state governments and public utilities for facility security or the delineation and/or protection of public rights-of-way.

(B) Failure to obtain a city fence permit prior to the installation of any fence subject to this regulation shall result in an automatic double permit fee, in addition to any



corrective measures to bring the fence into compliance with the standards for fences prescribed by this chapter.

(Ord. 97-137, passed 8-4-2004)

**§ 154.127 FENCES AS NON-CONFORMING/HAZARDOUS STRUCTURES.**

Fences shall be considered to be structures for the purposes of applying the terms of the non- conforming structure provisions of this chapter, and the hazardous structures provisions of city code and state statute.

(Ord. 97-137, passed 8-4-2004)

**§ 154.128 OTHER PROVISIONS; CONFLICTS.**

To the extent that provisions of this chapter may conflict with other provisions of the city code regarding the regulation of fences and screening, the provisions of this chapter only shall apply.

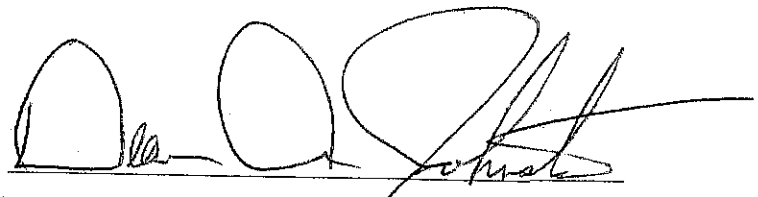
(Ord. 97-137, passed 8-4-2004)

**SECTION 3. Effective Date**

This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

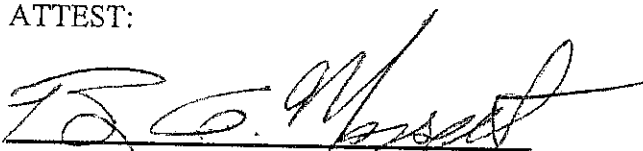
**SECTION 4. Adoption Date**

This Ordinance No. 08-044 was adopted on this 7<sup>th</sup> day of June 2011, by a vote of 4 Ayes and 1 Nays. (Smith)



Mayor Dean A. Johnston

ATTEST:



Bruce Messelt  
City Administrator

**CITY OF LAKE ELMO  
Washington County, Minnesota**

**BOARD OF ADJUSTMENTS AND APPEALS**

**RESOLUTION NO. 2011-027**

**A RESOLUTION STATING FINDINGS OF FACT  
RELATED TO AN APPEAL ON THE DETERMINATION NOT TO APPROVE A FENCE  
PERMIT FOR PROPERTY AT 12418 MARQUESS WAY NORTH**

WHEREAS, the owners of property at 12418 Marquess Way North, Robert and Jodi Konop, made application for a fence permit to construct a solid, 6 foot high fence in the rear yard of their property and;

WHEREAS, the City staff determined that the fence permit could not be approved due to the following circumstances:

- 1) The residential property 12418 Marquess Way North abuts two residential properties along the interior side property lines – Lot 5, Block 1 to the north and Lot 3, Block 1 to the south. The applicant's property also abuts State Highway 5 to the east and has a small segment of property line on the north that is adjacent to property used for non-residential purposes.
- 2) The fence ordinance requires fences on through lots to follow those requirements of interior yards when listed exemptions do not apply.
- 3) When the listed exemptions apply, a solid fence is permitted to be constructed up to 72 inches in height.
- 4) The allowed exemptions are when screening is required by code or when a rear property line abuts a principal arterial, A minor arterial, or B minor arterial road in the City's Transportation Plan.
- 5) The listed exemptions do not apply to the proposed fence not parallel with State Highway 5. Therefore, a fence is allowed to be constructed up to 72 inches in height with any portion of such fence above 42 inches measured from grade and shall be open to light and air over 75% of the surface area in those areas.
- 6) As the proposed fence not parallel to State Highway 5 is proposed to be 72 inches in height and a solid fence, staff informed the applicants on June 20, 2011, that the fence permit could not be approved.

WHEREAS, the applicants submitted an appeal to the Board of Adjustments and Appeals regarding the determination not to issue the fence permit for the proposed fence, and request that the Board find that the permit should be issued; and

WHEREAS, the Board heard the applicants and the City's staff and counsel on July 19, 2011, and considered the facts of this case.

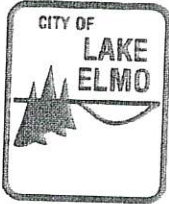
NOW, THEREFORE, BE IT RESOLVED, by the Board of Appeals and Adjustments of the City of Lake Elmo, that the Board concurs with the reasons not to approve the issuance of the building permit for the proposed fence at 12418 Marquess Way North, as stated in 1) through 6) above.

ADOPTED BY THE BOARD OF ADJUSTMENTS AND APPEALS of the City of Lake Elmo this 5<sup>th</sup> day of July, 2011.

\_\_\_\_\_  
Dean A. Johnston, Mayor

Attest:

\_\_\_\_\_  
Bruce A. Messelt, City Administrator



# MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
**REGULAR**  
ITEM #: 14  
**MOTION**

**AGENDA ITEM:** Request to extend the deadline for submission of a Preliminary Development Plan related to a Senior Living/Farm School development at 9434 Stillwater Boulevard

**SUBMITTED BY:** Kyle Klatt, Planning Director

**THROUGH:** Bruce Messelt, City Administrator *Baum*

**REVIEWED BY:** Kelli Matzek, City Planner

---

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully asked to consider a request by Tammy Malmquist, 8549 Ironwood Trail North, for an extension to the deadline required to submit an application for a Preliminary Development Plan related to a Senior Living/Farm School project at 9434 Stillwater Boulevard. Mrs. Malmquist has requested an extension of one additional year from the date of the concept plan approval.

The City Council approved the a concept plans for a Planned Unit Development (PUD) and OP – Open Space Conservation Development at a meeting on July 20, 2010, and the City Code requires the submission of a Preliminary Development plan within one year of this date in order for the approved plan to remain valid. The recommended motion to act on this is as follows:

***“Move to approve a request to extend the deadline for submission of Preliminary Development Plan for the PUD/OP Development related to a senior living/farm school project at 9434 Stillwater Boulevard North from July 20, 2011 until July 20, 2021”***

**BACKGROUND INFORMATION:** Please find attached a copy of Resolution No. 2010-036A approving an OP – Open Space Development Concept Plan and a Planned Unit Development General Concept Plan related to Senior Living/Farm School development, which contains a significant amount of the background information concerning this request, including the findings documented by the City Council at the time of approval.

In addition to the concept plans, the City Council previously approved a Comprehensive Plan amendment and a Zoning Text amendment to allow the application to proceed at its proposed location. Should the City Council either deny the preliminary or final plans (or conversely allow the one-year deadline for filing the preliminary plans expire) the Comprehensive Plan

amendment would no longer be valid as well due to the conditions imposed on the applicant when the amendment was approved. A brief timeline of the City approvals that were granted to move this development forward is as follows:

- |               |  |
|---------------|--|
| June 1, 2010  | Comprehensive Plan Amendment to amend the future land use map designation of the subject property to RAD2 (Rural Agricultural Density – 2 units per acre)    |
| June 1, 2010  | Adoption of an Ordinance adding an OP-2 Open Space Overlay District to the City Code.  |
| July 20, 2010 | Approval of an OP – Open Space Development Concept Plan and a Planned Unit Development General Concept Plan related to Senior Living/Farm School development |

The City Code establishes the deadlines related to the approval of a Concept Plan for both an OP and PUD development as follows:

*Limitation of approval.* Unless an OP development preliminary plan is submitted within 12 months from the date on which the City Council approved the OP development concept plan, the concept plan approval shall expire. The City Council, in its sole discretion, may extend the filing deadline for an OP development preliminary plan and conditional use permit if an application for extension is filed and approved by the City Council before the OP development concept plan approval expires.

*Limitation of approval.* Unless a Development Stage Plan covering at least 10 dwelling units or the area designated in the General Concept Plan as the first stage of the PUD, whichever is greater, has been filed within 12 months from the date Council grants General Concept Plan approval, or in any case where the applicant fails to file development stage and final plans and to proceed with development in accordance with the provisions of this chapter and of an approved General Concept Plan, the approval shall expire. The Council, at its discretion, may extend the filing deadline for a development stage plan, when, for good cause shown, the extension is necessary.

**STAFF REPORT:** The City's consideration of the applicant's request for an OP/PUD Development Plan included a very lengthy review period to not only process the concept plans, but also the Comprehensive Plan and Zoning Ordinance amendments that were necessary for this project to move forward. The concept plan approval also included a long and detailed list of conditions associated with the approval, all of which will require significant effort by the applicant to prepare. Given the complexity of the original application and review, Staff does not believe that it would be unreasonable to grant the requested extension.

The current market conditions have certainly not been favorable for the applicant, either, who is trying to promote a project that fits a very unique and specific niche within the local (and

regional) housing market. It would have been beneficial to neither the City nor the applicant for an application to be rushed for submission to comply with the deadlines noted above, especially since the City code only notes that an application has to be submitted (or filed) by the application deadline.

**RECOMMENDATION:** Based upon the above background information and staff report, it is recommended that the City Council grant the request to extend the deadline for filing an application for a Preliminary Development plan by undertaking the following action

***“Move to approve a request to extend the deadline for submission of Preliminary Development Plan for the PUD/OP Development related to a senior living/farm school project at 9434 Stillwater Boulevard North from July 20, 2011 until July 20, 2021”***

Alternatively, the City Council may consider the following options as it deems appropriate:

- Grant an extension for an amount of time that differs from what has been requested by the applicant. Staff would suggest a timeline of three months (until October 20, 2011) or until the end of the year (December 31, 2011) as reasonable alternatives.
- Deny the extension request based on reasons that the Council specifies at its meeting.

**ATTACHMENTS:**

1. Letter from Applicant Requesting Extension of Deadline for PUD Plan Application
2. Resolution No. 2010-036A

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Administrator
- Report/Presentation..... City Administrator
- Questions from Council to Staff..... Mayor Facilitates
- Public Input, if Appropriate ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

July 12, 2011

Honorable Mayor and Council Members,

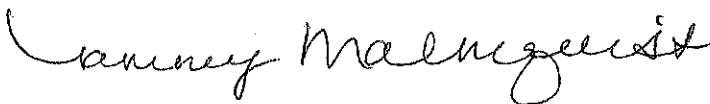
This correspondence is regarding the PUD and Open Space preliminary plat deadlines for my Senior Living/Farm School project located at 9434 Stillwater Blvd.

Since receiving City approval, great strides have been made to move the project forward. I have assembled a strong development team comprised of my general contractor, architect, engineer and sales/marketing. I also had a market analysis done to identify supply and demand, as well as what kind of housing options seniors are currently looking for. Finally, our team created a Broker Book to help attain financing.

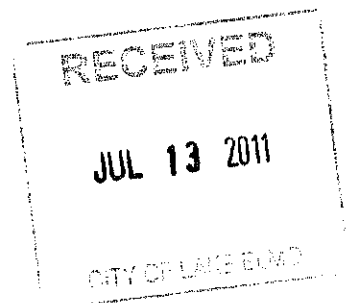
I am currently pursuing financial options that include grants and private investors to continue moving this project forward. As you can well imagine, given the current economic climate this is taking longer than expected. At this time I respectfully request a 12 month extension, which will allow time to secure financing.

Thank You for your consideration in this matter.

Sincerely,



Tammy Malmquist



## CITY OF LAKE ELMO

### RESOLUTION NO. 2010-036A

*A RESOLUTION APPROVING AN OP – OPEN SPACE DEVELOPMENT CONCEPT PLAN  
AND PLANNED UNIT DEVELOPMENT GENERAL CONCEPT PLAN RELATED TO A  
SENIOR LIVING/FARM SCHOOL DEVELOPMENT*

**WHEREAS**, Tammy Malmquist, 8549 Ironwood Trail North (“Applicant”) has submitted an application to the City of Lake Elmo (“City”) for a OP – Open Space Development Concept Plan and General Concept Plan for a Planned Unit Development (PUD), a copy of which is on file in the Lake Elmo Planning Department; and

**WHEREAS**, the proposed OP – Open Space Development Concept Plan and General Concept Plan for a PUD is to construct a senior living complex consisting of a multifamily residential structure and separate townhouse units along with a farm-themed preschool that also preserves an existing single family residence and farm outbuildings on a 24.4 acre parcel at 9434 Stillwater Boulevard North; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on May 11, 2010 and continued this hearing until its May 25, 2010 and June 14, 2010 meetings to consider the OP Development Concept Plan and General Concept Plan for a PUD; and

**WHEREAS**, on June 14, 2010 the Lake Elmo Planning Commission adopted a motion to recommend that the City Council approve the OP Development Concept Plan and General Concept Plan for a PUD with conditions; and

**WHEREAS**, the Lake Elmo Planning Commission submitted its report and recommendation to the City Council as part of a memorandum from the Planning Department dated July 13, 2010; and

**WHEREAS**, the City Council reviewed the recommendation of the Planning Commission and the OP Development Concept Plan and General Concept Plan for a PUD at a workshop meeting held on July 13, 2010 and at its regular meeting on July 20, 2010.

**NOW, THEREFORE**, based upon the testimony elicited and information received, the City Council makes the following:

#### FINDINGS

- 1) That the procedure for obtaining approval of said OP Development Concept Plan is found in the Lake Elmo City Code, Section 150.182.
- 2) That the procedure for obtaining approval of said General Concept Plan for a PUD is found in the Lake Elmo City Code, Section 154.074.



- 3) That all the requirements of said City Code Sections 150.182 and 154.074 related to the OP Development Concept Plan and General Concept Plan for a PUD have been met by the Applicant.
- 4) That the proposed Concept Plan would allow the construction of a senior living complex consisting of a multifamily residential structure and separate townhouse units along with a farm-themed preschool that also preserves an existing single family residence and farm outbuildings on property legally described on the attached Exhibit "A" and commonly known as 9434 Stillwater Boulevard North.
- 5) That the proposed OP – Open Space Development Concept Plan:
  - a) Is in conformance with the Comprehensive Plan for the City and that the uses proposed are consistent with the RAD2 – Rural Agricultural Development (2 units per acre) land use designation shown for the area on the official Comprehensive Land Use Plan.
  - b) Satisfies the intent and purpose of City's land use, zoning, and subdivision regulations, with certain exceptions to these regulations as permitted in accordance with the City's PUD requirements.
  - c) Would not negatively affect the public health, safety, and general welfare of occupants of surrounding lands.
- 6) That the proposed General Concept Plan for a PUD:
  - a) Is consistent with the goals, objectives, and policies of the Comprehensive Plan.
  - b) Is consistent with the purpose of Section 150.175 et seq. of the City Code.
  - c) Complies with the development standards of Section 150.175 et seq. of the City Code.
- 7) That the proposed PUD will allow a more flexible, creative, and efficient approach to the use of the land than if the applicant was required to conform to the standards of the existing zoning districts on this property.
- 8) That the uses proposed in the PUD will not have an adverse impact on the reasonable enjoyment of neighboring property and will not be detrimental to potential surrounding uses.
- 9) That the PUD is of sufficient size, composition, and arrangement that construction, marketing, and operation are feasible as a complete unit, and that provision and construction of dwelling units and open space are balanced and coordinated.

- 10) That the PUD will not create an excessive burden on parks, schools, streets, and other public facilities and utilities, which serve or are proposed to serve the development.
- 11) That the PUD is designed in such a manner as to form a desirable and unified environment within its own boundaries.

### CONCLUSIONS AND DECISION

1. Based on the foregoing, the Applicant's OP – Open Space Development Concept Plan and General Concept Plan for a senior living complex consisting of a multifamily residential structure and separate townhouse units along with a farm-themed preschool that also preserves an existing single family residence and farm outbuildings is hereby approved, subject to the following:
  - a. The Applicant shall provide the City with a statement of acknowledgement and consent from the holder of the power line easement that runs along the northern portion of the development site granting permission for the placement of a community septic system and trails within this easement. As an alternative, the Applicant may provide an agreement that permits certain encroachments into the easement. The homeowner's association must be made aware of any issues as part of its articles of incorporation that could require future maintenance or repairs (or other actions that could have financial implications) to the drainfield area because of its location within said easement.
  - b. The applicant shall submit a storm water and erosion and sediment control plan as part of the preliminary plan submissions that complies with the City's recently adopted Storm Water and Erosion and Sediment Control Ordinance.
  - c. All storm water facilities and access required as part of the Storm Water Management Plan for the site that the City Engineer recommends be maintained by the City shall be platted as outlots and deeded to the City. The size and location of the outlots shall be sufficient to provide an adequate level of buffering from adjacent properties to the satisfaction of the City Engineer. The pond areas shall be counted as part of the required open space for the project.
  - d. In order to meet requirements for fire protection and adequate water service levels for the proposed buildings, the utility plans shall provide for an adequately sized connection back to an existing City water main. The plans for this connection will be subject to review and approval by the City Engineer. The developer shall be responsible for all costs associated with providing a minimum water service size of eight inches to an existing main of a larger size. The final plans and financing, including any potential oversizing above eight inches requested by the City, shall be included as part of a developer's agreement for the project.
  - e. The applicant shall provide a secondary vehicular access to the proposed development in the form of a private road connection to Jamaca Court North, to be devised and

developed in conjunction with the City Planner and City Engineer. The applicant shall also provide an easement for a future road connection to the property immediately to the north of the project site.

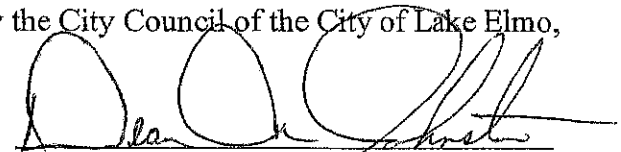
- f. The applicant shall be responsible for the installation of all improvements to Stillwater Boulevard North (State Highway 5) required by MnDOT and specified in a letter to the City of Lake Elmo dated April 19, 2010. These improvements shall be included as part of the construction plans submitted as part of a developer's agreement for the project.
- g. The interior City Streets shall meet all concerns provided by the City of Oakdale Fire Chief, acting on behalf of the City's emergency services personnel, in a letter to the City dated April 14, 2010.
- h. The preliminary plans shall incorporate appropriate Buffers, Setbacks and Building Heights, as determined by the Planning Commission and City staff, taking into consideration the necessity of a secondary vehicular access, the proposed massing of development structures, and the impact of such on adjoining properties, including, but not limited to, the following specific issues:
  - 1) Front yard setbacks to the proposed roads within the development area.
  - 2) Buffering between the proposed development and open space preservation areas and neighboring properties.
  - 3) Setbacks from the proposed animal buildings and neighboring parcels.
- i. Any buildings required as part of the community septic system shall be screened from view from adjacent properties.
- j. The keeping of animals associated with the agricultural activities on the site shall comply with all applicable City and Minnesota Pollution Control Agency requirements for the keeping of domestic farm animals.
- k. The open space preservation areas shall be reviewed for potential inclusion as part of a conservation easement protected by the Minnesota Land Trust.
- l. The preliminary plans shall incorporate the calculation of proposed development density calculations NOT utilizing right-of-way area dedicated for State Highway 5.
- m. The Planned Unit Development (PUD) and/or Development Agreement shall include specific definitions for Senior Housing and Farm School and incorporate provisions for any future changes regarding such uses to be reviewed and acted upon by the City Council as amendments to the PUD.
- n. The Planned Unit Development (PUD) and/or Development Agreement shall include specific development phases and/or expectations for timely onset of development and

construction activity, beginning no later than 1 (one) year following final City approval of said development, and provision for any future changes regarding such to be reviewed and acted upon by the City Council and to include any future requirement(s) for participation in program designed by the City to transfer density or development rights in accordance with the Comprehensive Plan, Zoning and related ordinances, and development programs in effect at that time.


- o. A part of the preliminary (development stage) plans, the applicant will:
  - 1) Maximize the setback of the communal septic system from neighboring property lines and provide necessary fencing and an additional landscape buffer around the perimeter of the drainfield site.
  - 2) Maximize the road and structure setbacks from the property lines adjacent to the development as much as possible, focusing on the area west and southwest of the proposed townhouses and along the eastern property lines. The City will consider flexibility and variation for interior setbacks to facilitate the above exterior buffer setback minimizations.
  - 3) Augment the vegetative buffer provided along external property lines.
  - 4) Demonstrate the ability to provide adequate grazing areas for the animals that will be housed on the site in addition to providing suitable access to these areas.
- p. The maximum size permitted for the new barn structure shall be limited to 3,000 square feet consistent with the maximum accessory building size permitted in a Rural Residential zoning district.
- q. The areas surrounding the school, school accessory buildings, and new barn structure shall not be included in the residential density calculations for the site, currently estimated at 48 units plus one additional unit. Bonuses, if any, for density otherwise permitted in the City Code, including, but not limited to, flexibility allowed through a PUD submission, historic barn preservation, or other means, shall be taken into account before establishing the overall density for the project.
- r. The preliminary (development stage) plans shall include a PUD agreement that will incorporate the following provisions:
  - 1) The new barn, existing farm structures, and storm water facilities shall be permitted within open space/conservation land.
  - 2) The applicant will provide an accurate description of the proposed agricultural activities that will take place on the site.

- 3) The applicant will provide information concerning the farm school structure, the operation of the school, the state licensing requirements for preschools, the size of the proposed facility, and the qualifications for the instructors within the school.
  - 4) The overall residential density (expressed in number of dwelling units) permitted on the site shall be specified.
- s. Detailed submissions for the preliminary (sketch) plan review phase will include, but not be limited to, plans addressing architectural design and materials, lighting, landscaping, grading, and storm water and erosion control, all of which are subject to review and approval by the City of Lake Elmo.
  - t. The foregoing conditions shall be performed according to the satisfaction of the City of Lake Elmo.

Passed and duly adopted this 20<sup>th</sup> day of July 2010 by the City Council of the City of Lake Elmo, Minnesota.

  
Dean Johnston, Mayor

ATTEST:

  
Bruce Messelt, City Administrator

JUL 19 2011

CITY OF LAKE ELMO

To: Mayor and Council  
 From: Ed Nielsen and Larry Weiss  
 Date: July 18, 2011

**First – We heard that these are the reasons why the Council approved Tammy's project last July:**

1. Immediate need for low maintenance, high density housing to serve a mixture of City residents over 55 who need to move, and want a rural feel.
2. Land not available in New Village soon enough to allow for fast-track development.
3. Anticipated market will not want to live in Old Village.
4. Fulfill a dream of longtime property owner Irv Friedrich to have his farmland developed and used for a place where residents over 55 could interact with toddlers.
5. Need for more and better early childhood learning.
6. Provide a mechanism for the heirs to the 23 acres to realize greater financial gain than allowed by the underlying zoning of either continued agriculture or subdivision for 2 houses on minimum 10 acre lots.
7. Support from all adjacent property owners except one in a zoning dispute with the City.
8. July 2010 letter to City from DNR about requirement to remediate loss of 110 acres adjacent to Sunfish Lake Park confiscated by MPCA was set aside.
9. The council did not have the dimensions of the primary structure when the building was given Concept Plan approval.
10. Sound financial and engineering plans promised to enable groundbreaking by October 2010, if immediate Council approval of the Concept Plan was given, even though the Concept Plan was inadequate to meet Zoning Code requirements.
11. The applicant stated that the traffic on Hwy 5 would be partially "calmed" by the completion of the traffic circle at Jamaca.
12. The applicant met with most adjacent property owners and informed the Council that the nearby residents support her project.

**Second – the existing application should be terminated per the following:**

1. Market has dried up for proposed project at required sales prices.
2. New Village now being planned with Committee created by Council with senior housing a priority, particularly since most of the interested parties currently live in single family housing in the Old Village and the Committee is anticipating substantially more land in open space than some were suggesting last year.
3. The most interested buyers are now known to be in their 70's, not 50's and will need access to goods and services not available on isolated farmland.
4. Story about Irv Friedrich now known to be made up and false.
5. Efforts by Mahtomedi and Stillwater Area school districts to create early childhood centers has focused attention to the need for mind stimulating pre-school education rather than old fashioned day care that does not prepare children for Kindergarten. Model farm school is in West Lakeland where staff has college degrees and at least one has a teaching certificate. The overwhelming majority of nearby City residents now oppose this project. They see the project as a "bait and switch", where they were promised no change in neighborhood character and no change in traffic impacts and now we have learned that the final approved concept plan calls for a very visible complex with significant traffic concerns.
6. An example of misleading information follows:

In early April, 2010 Tammy Malmquist asked to come to Ed and Vicki Nielsen's home to explain her senior living center. She pointed to a large oak tree approximately 100 yards away on a hill and said the land drops behind the tree, the parking garages will be below ground, and said "you will barely see the building". I asked for the length, width, and height of the apartment building. Tammy said the building dimensions are not set, but she will provide them.

About 3 months later, at the 7/13/2010 Council Workshop I again asked Tammy for the length, width and height of the apartment building; Tammy gave no answer. At the meeting,

Councilman DeLapp estimated that the building would be longer than the new City Maintenance Building. I said to Councilman Emmons, during a meeting break, that if the apartment building is the size defined by Councilman DeLapp, I am strongly opposed to the Project.

About 6 months later, on October 26, 2010 Larry Wiess asked Tammy Malmquist to meet with us to answer lingering questions we have. She suggested we attend her sales event at Gormans. At the end of the program Ed asked for the length, width and height of the apartment building. Her engineer said the building would be 1 ½ times as long as the Maintenance Building (450 feet). The height would be between 42 and 52 feet and the width would be 62 feet. The engineer agreed this building would be very obvious. Tammy lied and deceived us and other residents for her gain.

7. July 2010 letter from DNR was reviewed in June 2011 and the City is now learning the consequences that can be expected to have the MPCA pay Lake Elmo to purchase an additional 110 acres of land adjacent to Sunfish Lake Park to remediate the loss of 110 acres due to the quarantined landfill. There are only 3 undeveloped properties adjacent to Sunfish Lake Park, and the one proposed for high density development is one of them. Obviously, the adjacent property owners would prefer this land to become parkland and Irvin Friedrich's heirs would have a guaranteed compensation.
8. The soils ability to "perk" were questioned before concept plan approval was given. In the subsequent year, no testing has been accomplished at the site.
9. The applicant was asked to demonstrate to adjacent property owners the location and height of the proposed apartment complex by use of helium balloons or a truck with a 50 foot ladder. There was not enough time in summer 2010, but in the past 12 months nothing has been demonstrated.
10. The traffic circle at Jamaca has been completed and adjacent property owners do not detect any significant speed reduction at the location of the proposed highway access.
11. From the time of approval to October, 2010, the applicant did not accomplish a single promised part of the development.
12. Not only was work never started on the Preliminary Plat, needed before any construction or buyer down payments accepted, but the incomplete, but approved Concept Plan was not finished.
13. The apartment and townhouse buildings sizes and locations are not known and the size and scope of the daycare facilities is not known.
14. In the 12 months since Concept Plan approval was granted, the applicant has not contacted the City once.
15. The only reason the applicant is before the Council today is that the City contacted the applicant to inform her that her time to submit an accepted Preliminary Plat was about to expire.

### **Third – Recommendation**

1. No ground has been broken on this land. We recommend this land be incorporated into Sunfish Lake Park for landfill remediation purposes.
2. City Staff can find an appropriate location for Tammy Malmquist's development.

JAMACA AVE. N.

10971

3501

3467

3476

3435

3498

3415 9055 9050 9029 9110 9130 9150

9434

JAMACA CT. N.

3351 9033

9089 9165 9185

9170

9179

9184  
9189

9250

9280

9302

9494

HYS

9340

9402

9442 9497

9447 9519 9521 9523

□ - DENOTES RESIDENCE SENIOR LIVING/FARM SCHOOL PROJECT.  
RELOCATE PROJECT IN CITY ZONED FOR THIS USE.  
X - UNABLE TO MAKE CONTACT

SURVEY CONDUCTED BY LARRY WEISS



To: Mayor and Council

July 19, 2011

I POLLED ALL THE NEIGHBORS RELATIVE TO THIS ISSUE, THE OVERWHELMING MAJORITY ARE AGAINST THIS PROJECT.

Here we are one year later and not as naive as we were when we were deceived with this senior living concept plan. The original concept plan was rushed by the people before anyone had any idea of what it all entailed.

We definitely know at this time we do not want this project in our neighborhood. This project will ruin our rural lifestyle.

This 450' long by 62' wide by 53' tall building will be intrusive in the country landscape. This building will be 1½ times the size of the LE Maintenance Bldg.

The light created by this 53' tall building will be easily in sight looking over our backyards. How does the landscape remain peaceful with this monstrosity in our area?

We do not need the excessive amount of traffic this type of project will bring to our neighborhood. A project of this magnitude belongs nearer to the city, not in our backyards.

I urge you to listen to our points of view and reject the request for an extension permanently. Stop playing games and giving special privileges to certain people.

The residents near this proposed project deserve to have the rural character of their neighborhood kept in tact.

Larry E. Weiss  
Lake Elmo, MN resident

Petition #1

SENIOR LIVING / FARM SCHOOL PROJECT

The project is surrounded on three sides by long established residential dwellings. Can you believe the main building is expected to be three stories high? That would be a lot of intrusive light in our quiet, rural neighborhood. 54 ft. tall - 48 units. How did that happen? What about buffers? 30 ft., 10 ft. We can't let this go any further. Come on give us some real numbers.

The traffic... We can expect to see as many as 400 cars and trucks increase per day. Can you image that on an already busy Highway 5? How is it acceptable to also burden a peaceful cul-de-sac with any extra traffic? Think about it.... You would not like it if you lived there.

The City Council has to open their eyes. The applicant has manipulated the City Council into supporting this incompatible development. Pretty pictures of the project but way too vague. Give some real facts and numbers. Not just promises that don't seem to mean anything at this point.

We have to show the City Council our DISCONTENT with letting this Senior Living / Farm School Project be built on these 24 acres in Lake Elmo.

If you are in agreement with this objection to this Senior Living Project, please list you name and address below:

- Larry E Weiss #26/10 9302 Stillwater Blvd
- John M. ... #125/2010 9340 STILLWATER BLVD No.
- John W. Buhl 9280 STILLWATER BLVD No.
- Paul M. ... 10971 88TH ST. North.
- Robert L. Speltz 9250 Stillwater Blvd N.
- Ramon E. Speltz " " " "
- Joe Long 9492 Stillwater Blvd N.
- Wayne J. ... 9519 Stillwater Blvd N.
- Joni Taylor 955 W. 31st Hastings MN.
- Harry Becker 9521 STILLWATER BLVD N
- Marge Hawk 9523 Stillwater Blvd No
- Jack Hawk " " " "
- Mike ... 9447 " " " "
- Steve ... 9494 Stillwater Blvd No.

21/08/07

I am in agreement with this objection to this Senior Living Project,  
please list your name and address below:

Harold H Nady  
Judith Menden  
Beverly H Weiss 9/11/10

4832 Babson Dr NHA, MA 01831  
4832 Babson Dr. <sup>100</sup> Fitch, MA.  
9302 Stillwater Blvd

SENIOR LIVING / FARM SCHOOL PROJECT

The project is surrounded on three sides by long established residential dwellings. Can you believe the main building is expected to be three stories high? That would be a lot of intrusive light in our quiet, rural neighborhood. 54 ft. tall - 48 units. How did that happen? What about buffers? 30 ft., 10 ft. We can't let this go any further. Come on give us some real numbers.

The traffic... We can expect to see as many as 400 cars and trucks increase per day. Can you image that on an already busy Highway 5? How is it acceptable to also burden a peaceful cul-de-sac with any extra traffic? Think about it. . . . You would not like it if you lived there.

The City Council has to open their eyes. The applicant has manipulated the City Council into supporting this incompatible development. Pretty pictures of the project but way too vague. Give some real facts and numbers. Not just promises that don't seem to mean anything at this point.

We have to show the City Council our DISCONTENT with letting this Senior Living / Farm School Project be built on these 24 acres in Lake Elmo.

**If you are in agreement with this objection to this Senior Living Project, please list you name and address below:**

- |                            |                             |
|----------------------------|-----------------------------|
| <u>TIM SAURO</u>           | <u>9060 JAMACA CT. No.</u>  |
| <u>STAN HAUSER</u>         | <u>9110 JAMACA CT. No.</u>  |
| <u>Anne Doman</u>          | <u>9055 Jamaica Ct. No.</u> |
| <u>Matt Doman</u>          | <u>9055 Jamaica Ct. N</u>   |
| <u>Samantha Hall</u>       | <u>9090 Jamaica ct. N</u>   |
| <u>Nick Hall</u>           | <u>9090 Jamaica ct. N</u>   |
| <u>Brian Hall</u>          | <u>9090 JAMACA CT N</u>     |
| <u>Michelle Ditzmiller</u> | <u>9089 Jamaica CT N</u>    |
| <u>STEVE ROMANEZ</u>       | <u>9089 Jamaica CT N</u>    |
| <u>Sydney Romanetz</u>     | <u>9089 Jamaica CT N</u>    |
| <u>Terry Duke</u>          | <u>9186 Jamaica CT N</u>    |
| <u>Cary Duke</u>           | <u>9186 Jamaica CT N.</u>   |
| <u>Kyle Heim</u>           | <u>9184 Jamaica CT N.</u>   |
| <u>Gregg Petersen</u>      | <u>9184 Jamaica CT. N.</u>  |





## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
REGULAR  
ITEM #: 15  
RESOLUTION

**AGENDA ITEM:** Accessory Building Variance – 5761 Keats Avenue

**SUBMITTED BY:** Kyle Klatt, Planning Director

**THROUGH:** Bruce Messelt, City Administrator *BAM*

**REVIEWED BY:** Planning Commission  
Kelli Matzek, City Planner

---

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully requested to consider a variance request from Steve and Joan Ziertman, 5761 Keats Avenue, to allow the construction of a second 2,400 square foot accessory building on their property. A variance has been requested because the applicants already have built a 2,310 square-foot building on their property, and the RR – Rural Residential Zoning District only allows one such accessory building on their property.

The proposed building would be used to house equipment related to the growing and selling of agricultural products (primarily pumpkins). The recommended motion to act on this is as follows:

*“Move adopt Resolution Number 2011-028 approving a variance to allow the construction of a new 2,400 square foot accessory building at 5761 Keats Avenue in addition to an existing 2,310 square foot building on the property”*

**BACKGROUND INFORMATION:** The attached Staff report includes a detailed review of the application along with a description of the Staff and Planning Commission recommendation.

For variance applications, the burden is on the applicant to demonstrate why this situation is unique and necessitates flexibility to code requirements. To make this case, a variance can only be granted by the city when strict enforcement would cause practical difficulties because of circumstances unique to the individual property under consideration and then only when it is demonstrated that such actions will be in keeping with the spirit and intent of this chapter. The criteria that are included in the City Code for making such a decision include the following:

*Practical Difficulties.* A variance to the provision of this chapter may be granted by the Board of Adjustment upon the application by the owner of the affected property where the strict enforcement of this chapter would cause practical difficulties because of circumstances unique to the individual property under consideration and then only when it is demonstrated that such actions will be in keeping with the spirit and intent of this chapter.

- Definition of practical difficulties. "Practical difficulties," as used in connection with the granting of a variance, means that the property owner proposes to use the property in a reasonable manner not permitted by an official control.

*Unique Circumstances.* The plight of the landowner is due to circumstances unique to the property not created by the landowner

*Character of locality.* The proposed variance will not alter the essential character of the locality in which the property in question is located.

*Adjacent properties and traffic.* The proposed variance will not impair an adequate supply of light and air to property adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood.

In reviewing the request against the four criteria listed above, staff determined that not of all of these criteria were met and recommended denial of the request based on the suggested findings included in the attached Staff report.

**PLANNING COMMISSION REPORT:** The Planning Commission reviewed the variance request at its July 11, 2011 meeting and conducted a public hearing at this time. The Commission received four letters/emails in support of the variance prior to the meeting, and received two additional letters/emails of support that were read at the meeting. All of these comments are attached for consideration by the City Council.

Because this application is the first that has been submitted under the updated variance standards, the Planning Commission spent a fair amount of time reviewing the application against the new criteria and findings that must be made before a variance can be granted. The Commission received a detailed presentation from the applicants describing their current operation and offering suggested findings to approve the variance.

The Commission debated whether or not the proposed application met the new variance standards, and ultimately recommended approval of the request with the findings for approval as drafted by Staff and with two additional findings to support this recommendation. These findings specifically noted that the size of the produce being grown on the premises and the history of the farm in this area were factors unique to the applicants' site.

The Planning Commission recommended approval of the variance request with two conditions of approval. Because she owns the land that is subject to the variance with her husband, Commissioner Ziertman excused herself from the proceedings, and therefore did not vote on this matter. The final vote of the Commission on this matter was 5 ayes and 1 nay.

**PLANNING COMMISSION RECOMMENDATION:** Based upon the above background information, staff report and Planning Commission recommendation, it is recommended that the City Council approve the variance request from Steve and Joan Ziertman, 5761 Keats Avenue, to allow the construction of a second 2,400 square foot accessory building on their property by undertaking the following action:

*“Move adopt Resolution Number 2011-028 approving a variance to allow the construction of a new 2,400 square foot accessory building at 5761 Keats Avenue in addition to an existing 2,310 square foot building on the property”*

Alternatively, the City Council may table taking action on the application and direct either staff or the applicant to provide additional information concerning the request.

The Council may also consider denying the variance and should develop findings of fact to support a motion for denial based on the evidence presented during the course of the City review and could use the draft findings for denial outlined in the staff report as a basis for this action.

**ATTACHMENTS:**

1. Resolution No 2011-028
2. Staff Report
3. Application form
4. Applicants narrative and proposed findings (with Comprehensive Plan excerpts)
5. Site Plan
6. Site photographs
7. Aerial image of site
8. Comments and maintenance change worksheet from City Assessor
9. Letters of support (6)

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Administrator
- Report/Presentation..... City Planner
- Questions from Council to Staff ..... Mayor Facilitates



- Public Input, if Appropriate ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION NO. 2011-028**

*A RESOLUTION APPROVING A VARIANCE TO ALLOW THE CONSTRUCTION OF A  
SECOND DETACHED ACCESSORY BUILDING IN A RURAL RESIDENTIAL  
ZONING DISTRICT*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Steve and Joan Ziertman, 5761 Keats Avenue (the "Applicants") have submitted an application to the City of Lake Elmo (the "City") for a variance to allow the construction of a second 2,400 square foot detached accessory building on their property zoned RR – Rural Residential, a copy of which is on file with the City; and

**WHEREAS**, notice has been published, mailed and posted pursuant to the Lake Elmo Zoning Ordinance, Section 154.017; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on said matter on July 11, 2011; and

**WHEREAS**, the Lake Elmo Planning Commission has submitted its report and recommendation to the City Council as part of a Staff Memorandum dated July 19, 2011; and

**WHEREAS**, the City Council considered said matter at its July 19, 2011 meeting.

**NOW, THEREFORE**, based on the testimony elicited and information received, the City Council makes the following:

**FINDINGS**

- 1) That the procedures for obtaining said Variance are found in the Lake Elmo Zoning Ordinance, Section 154.017.
- 2) That all the submission requirements of said 154.017 have been met by the Applicant.
- 3) That the proposed variance is to allow the construction of a second 2,400 square foot accessory building on their property. A variance has been requested because the applicants already have built a 2,310 square-foot building on their property, and the RR – Rural Residential Zoning District only allows one such accessory building on their

property. The proposed building would be used to house equipment related to the growing and selling of agricultural products.

- 4) That the Variance will be located on property legally described as the North 425 feet of the South 1550 feet of the West 1100 feet of the Northwest Quarter of Section 2, Township 29, Range 21, Washington County, Minnesota. Subject to an easement over the West 33 feet thereof for Keats Avenue. Commonly known as 5761 Keats Avenue.
- 5) That the strict enforcement of Zoning Ordinance would cause practical difficulties and that the property owner proposes to use the property in a reasonable manner not permitted by an official control. ***Specific findings:***

- a) ***The proposed use is reasonable because the applicants have demonstrated the need for additional agricultural storage on their property beyond what can be accommodated in the current buildings on the site.***
- b) ***The accessory building is located on a portion of the site that is not directly visible from the any roads, and would be well screened from adjacent properties.***
- c) ***Because most of the site is being used to grow agricultural products, the property functions as an operating farm which has different usage and storage requirements than a property that is only used for residential purposes.***

- 6) That the plight of the landowner is due to circumstances unique to the property not created by the landowner. ***Specific findings:***

- a) ***The applicants are using the property for agricultural purposes and have been classified as such by the Washington County Assessor's office. Very few properties that are less than 20 acres in size are used and/or classified in this manner.***
- b) ***Because nearly all of the property is being actively farmed, the equipment and storage needs for this parcel are much greater than other sites that are not under active agricultural production.***
- c) ***The produce that is grown on the applicants' site, including pumpkins, is larger than typical agricultural crops and therefore has unique storage needs.***
- d) ***The applicants' parcel was part of a larger, established family farm that has been in continuous operation for nearly 40 years.***

- 7) That the proposed variance will not alter the essential character of the locality in which the property in question is located. ***Specific findings:***

- a) ***The area surrounding the applicants' property has historically been used for active farming, including open space land that is part of an open space development to the north and east of this property.***
- b) ***The proposed building will be located in such a manner that it will not be directly visible from surrounding properties, and will be located behind a row of evergreen trees that will provide year round buffering.***

c) *Former farm sites with multiple accessory buildings are not uncommon in this area and many of these sites have been successfully incorporated into residential subdivisions.*

- 8) That the proposed variance will not impair an adequate supply of light and air to property adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood.

### CONCLUSIONS AND DECISION

Based on the foregoing, the Applicants' application for a Variance is granted with the following conditions:

- 1) That the use of the proposed accessory building be restricted to agricultural activities only, and that it not be used for the storage of personal automobiles, home based business activities, or other non-agricultural equipment.
- 2) That a substantial portion of the acreage will continue to be used for farming.

Passed and duly adopted this 19<sup>th</sup> day of July 2011 by the City Council of the City of Lake Elmo, Minnesota.

\_\_\_\_\_  
Dean A. Johnston, Mayor

ATTEST:

\_\_\_\_\_  
Bruce Messelt, City Administrator

City of Lake Elmo Planning Department  
**Variance Request**

---

*To:* **City Council**

*From:* **Kyle Klatt, Planning Director**

*Meeting Date:* **7/19/11**

*Applicant:* **Steve and Joan Ziertman**

*Location:* **5761 Keats Avenue**

*Zoning:* **RR – Rural Residential**

***Introductory Information***

---

***Application Summary:***

The City of Lake Elmo has received a variance request from Steve and Joan Ziertman, 5761 Keats Avenue, to allow the construction of a new 2,400 square foot accessory building on their property. A variance has been requested because the applicants already have built a 2,310 square-foot building on their property, and the RR – Rural Residential Zoning District only allows one such accessory building on their property. The proposed building would be used to house equipment related to the growing and selling of agricultural products (primarily pumpkins).

***Property Information:***

The applicants' property and neighboring property at 5699 Keats Avenue were split from their family's farm in 1989, with houses being constructed on these lots a short time later. The original farmstead, including the house and barn, were later sold to the organization that built the Rockpoint Church in 2006; which also received approval at this time for a preliminary plat for an open space subdivision named Hidden Meadows. This 25-lot development has not yet received final plat approval from the City, and therefore, all property immediately to the north and west of the applicants' property is either vacant or being rented out for agricultural production (except for the church and parking lot). In the future, there will be residential lots to the east of the applicants' property, with open space/conservation land planned to the north.

The applicants' property at 5761 Keats Avenue is approximately 10.7 acres in size, and in addition to the principal residential structure, there is a detached accessory building that was built in two phases at different times. These accessory buildings are now joined together by a breezeway, in which case they are viewed as one detached structure in accordance with the Building Code and Zoning Ordinance. Most of the property located to the rear of the house is used for the growing of agricultural products, including pumpkins, gourds, hay, corn stalks, ornamental corn, and other products, which are then sold on the premises as part of an agricultural sales operation. There is currently some equipment being stored outside that does not meet the City Code requirements for such exterior storage, but most of this equipment is located

behind a screening fence on near the northern property line, and because it is screened from view, it does comply with the City requirements.

Because the Ziertmans requested time at the Planning Commission meeting to review their request with the Commission, Staff will not be providing a detailed description of the farming activity taking place on the site as part of this report.

**Applicable Codes:**

**Section 150.017 Variances.**

(A-I) Variances. Identifies procedures and requirements for the processing and review of a variance application. Please note that this section was recently updated by the City to comply with revisions to Minnesota State Statutes.

**Section 154.036 RR- Rural Residential.**

(A-F) RR – Rural Residential Zoning District. Specifies the permitted uses, district requirements, and minimum district requirements for the RR zoning district.

**Section 154.092 Accessory Buildings and Structures.**

Describes the types of accessory buildings and regulations based on building type.

**Section 154.093 Number/Size of Accessory Buildings**

Specifies the number and size of accessory buildings that are allowed in each zoning district based on the size of the property.

**Findings & General Site Overview**

**Site Data:**

*Lot Size:* 10.7 acres

*Existing Use:* Residential/Agricultural

*Existing Zoning:* RR – Rural Residential;

*Property Identification Number (PID):* 02.029.21.22.0001

**Application Review:**

**Applicable Definitions:**

**BUILDING.** Any structure either temporary or permanent, having a roof and used or built for the shelter or enclosure of any person, animal, or movable property of any kind. When any portion of a building is completely separate from every other part of a building by area separation, each portion of the building shall be deemed as a separate building.

**DETACHED RURAL STORAGE BUILDING.** A 1-story accessory building used or intended for the storage of hobby tools, garden equipment, workshop equipment and the like. Exterior materials shall match the principal structure in exterior color or be of an earthen tone.

**AGRICULTURAL FARM BUILDING.** An accessory building used or intended

for use on an active commercial food-producing farm operation of more than 20 acres, a Minnesota Pollution Control Agency permit may be required.

**DWELLING, SINGLE-FAMILY.** A residential structure designed for or used exclusively as 1 dwelling unit of permanent occupancy.

**PRACTICAL DIFFICULTIES** "Practical difficulties," as used in connection with the granting of a variance, means that the property owner proposes to use the property in a reasonable manner not permitted by an official control.

**UNIQUE CIRCUMSTANCES.** The plight of the landowner is due to circumstances unique to the property not created by the landowner

**AGRICULTURAL SALES BUSINESS.** The retail sale of fresh fruits, vegetables, flowers, herbs, trees, or other agricultural, floricultural, or horticultural products produced on the premises. The operation may be indoors or outdoors, include pick-your-own or cut-your-own opportunities include pick-your-own opportunities, and may involve the ancillary sale of items considered accessory to the agricultural products being sold or accessory sales of unprocessed foodstuffs; home processed food products such as jams, jellies, pickles, sauces; or baked goods and homemade handicrafts. The floor area devoted to the sale of accessory items shall not exceed 25% of the total floor area. No commercially packaged handicrafts or commercially processed or packaged foodstuffs shall be sold as accessory items. No activities other than the sale of goods as outlined above shall be allowed as part of the AGRICULTURAL SALES BUSINESS.

**WAYSIDE STAND.** A temporary structure or vehicle used for the seasonal retail sale of agricultural goods, floriculture, and horticulture produced by the operator of the WAYSIDE STAND on site, which is clearly a secondary use of the premises and does not change the character thereof.

**AGRICULTURE.** The production of livestock, dairy animals, dairy products, fur-bearing animals, horticultural and floricultural nursery stock, fruits of all kinds, vegetables, forage, grains, bees, and apiary products.

**AGRICULTURAL BUILDING.** A structure on agricultural land, as defined below in the definition for FARM, RURAL of this section, designed, constructed, and used to house farm implements, livestock, or agricultural produce or products grown by the owner, lessee, or sublessee of the building and members of their immediate families, their employees, and persons engaged in the pickup or delivery of agricultural produce or products.

**FARM, RURAL.** The portion of a 10 or more acre parcel of land which is devoted to agriculture by the property owner or by a lessee of the property owner.

<p><b>Variance Review:</b></p>	<p>The applicants are proposing to construct a second accessory building on their property that would be 2,400 square feet in size and located 25 feet off of the southern property line. It would be situated in back of the existing buildings on the property and at a lower elevation than the existing structures as well. There is a fairly substantial buffer of evergreen trees between the proposed building location and neighboring property, which would greatly reduce the visibility of the structure from the south. The applicants have stated that they need additional space to store agricultural equipment used as part of their farming operation, partially because they are losing the use of the historic barn that was part of their family's original homestead. No driveway is proposed to provide access to the structure since it will be primarily be used to store equipment used in the adjacent fields.</p> <p>The City's Zoning regulations limit the number of accessory buildings that can be established in a Rural Residential District to no more than one such building with 2,500 square feet for parcels that are between 10 and 15 acres in size. The proposed accessory building would be the second such building on the site, and therefore would not be allowed under the terms of the RR Zoning District regulations and Accessory Building requirements.</p> <p>Please note that the City Code does include differing definitions and requirements for various agricultural buildings and activities. Specifically, the code contains three definitions that could fit this building, including <b>AGRICULTURAL BUILDING</b>, <b>DETACHED RURAL STORAGE BUILDING</b>, and <b>AGRICULTURAL FARM BUILDING</b>. Because the term used in the accessory building section of the Code is "agricultural farm building", it is Staff's interpretation that a farming operation would need to have at least 20 acres of land in order to be exempt from the City's zoning requirements (such agricultural buildings are exempt from the City's zoning requirements).</p>
<p><b>Variance Criteria:</b></p>	<p>An applicant must establish and demonstrate compliance with the variance criteria set forth in Lake Elmo City Code Section 154.017 before an exception or modification to city code requirements can be granted. Because the City has not yet reviewed a variance under the ordinance, some of these required findings will be new to both staff and the City Council. These criteria are listed below, along with comments from Staff regarding applicability of these criteria to the applicants' request.</p> <ol style="list-style-type: none"><li><i><b>1. Practical Difficulties.</b> A variance to the provision of this chapter may be granted by the Board of Adjustment upon the application by the owner of the affected property where the strict enforcement of this chapter would cause practical difficulties because of circumstances unique to the individual property under consideration and then only when it is demonstrated that such actions will be in keeping with the spirit and intent of this chapter. Definition of practical difficulties - "Practical difficulties" as used in connection with the granting of a variance, means that the property owner proposes to use the property in a</i></li></ol>



*reasonable manner not permitted by an official control.*

The language concerning “practical difficulties” represents the bulk of the new provisions that were amended in the City Code. Under this standard, the City would need to find that the construction of a second accessory building at 5761 Keats Avenue is a reasonable use of the property not otherwise permitted under the zoning ordinance. Staff has found that the proposed building would exceed the number and size of permitted accessory buildings on the site, and therefore, the Planning Commission will need to consider the “reasonableness” of the proposal as submitted by the applicants. Under this criteria, Staff would suggest the following findings that could be made either in support or opposition to the variance:

APPROVE: That the proposed use is reasonable because the applicants have demonstrated the need for additional agricultural storage on their property beyond what can be accommodated in the current buildings on the site. The accessory building is located on a portion of the site that is not directly visible from the any roads, and would be well screened from adjacent properties. Because most of the site is being used to grow agricultural products, the property functions as an operating farm which has different usage and storage requirements than a property that is only used for residential purposes.

DENY: That the proposed use is not reasonable because the applicants already have a large accessory building in use on the property in addition to an attached garage. There are other alternatives to storing wagons and other agricultural equipment on the site, including renting out space from another agricultural property as they have been doing in the past. The operation of a farming operation of ten acres in size can be accommodated within the allowed building size limits.

2. *Unique Circumstances. The plight of the landowner is due to circumstances unique to the property not created by the landowner.*

This standard is relatively unchanged from the previous variance provisions, but represents the most problematic aspect of the variance request from Staff’s perspective. In this case, the language is very specific to the “property” and not the “use” of the property, and therefore, the City Council should be thinking about how this site is different and unique from any other property that is zoned RR in the City. Variances are typically used to address issues specific to the site, for instance, a property with a large ravine or irregular lot lines that make compliance with the zoning standards difficult. Again, some is suggesting some findings that could be considered by the City Council either in support or opposition to the variance:

APPROVE: That the applicants are using the property for agricultural purposes and have been classified as such by the Washington County Assessor’s office. Very few properties that are less than 20 acres in size are used and/or classified in this manner. Because nearly all of the property is being actively farmed, the

equipment and storage needs for this parcel are much greater than other sites that are not under active agricultural production.

DENY: That the plight of the land owner is *not* due to circumstances unique to the property (and not created by the landowner). There is very little that differentiates the applicants' 10.7 acre parcel from any other parcel of this size in the community other than how this property is being used, which is something directly under the applicants control. Any property owner in the RR – Rural Residential District can use their property for agricultural purposes, and therefore, the use of the property is not something that is unique to this parcel.

3. ***Character of locality.*** *The proposed variance will not alter the essential character of the locality in which the property in question is located.*

Depending on how the City Council interprets the term "locality", the proposed building may or may not meet this criterion. Staff is suggesting that the Commission focus on the land immediately surrounding the applicants' property since these parcels would be most directly impacted by the construction of a larger building on this site. If a broader view is used, the site may not be as appropriate for a larger structure given the existing and proposed residential development that ultimately will surround this land. Staff is again suggesting findings that could be used either in support or opposition of the request.

APPROVE: The area surrounding the applicants' property has historically been used for active farming, including open space land that is part of an open space development to the north and east of this property. The proposed building will be located in such a manner that it will not be directly visible from surrounding properties, and will be located behind a row of evergreen trees that will provide year round buffering. Former farm sites with multiple accessory buildings are not uncommon in this area and many of these sites have been successfully incorporated into residential subdivisions.

DENY: The area surrounding the applicants' property is guided for rural agricultural density (open space) development, and land to the north, east, and west of their property has already been developed in this manner. Large accessory buildings are not consistent with the current or future expected character of this area.

4. ***Adjacent properties and traffic.*** *The proposed variance will not impair an adequate supply of light and air to property adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood.*

Staff has found that the proposed accessory building will comply with this provision since it is located in a manner that will minimize direct impacts to adjacent properties and will not create any additional traffic on the streets

surrounding the applicants' property.

Considering the potential findings of fact as suggested in the preceding section, Staff is recommending denial of the variance request based on the findings noted under "denial" in items 1, 2, and 3 above. The most significant issue in this case concerns the uniqueness of the property, and Staff is not able to identify any particular factors associated with this site that are specific to the site under consideration and no other property. Should the City Council disagree with this assessment based on the information included with this report or other information presented and discussed the public hearing, Staff has included draft findings in the report that could be used as a basis for a recommendation of approval.

The Planning Commission reviewed the request at its July 11, 2011 meeting and recommended approval of the request based on the findings for approval as drafted by Staff. The Commission also added additional findings to note that the size of the produce being grown on the premises and the fact that this farm has been in operation for a long period of time are unique to this site.

Staff recommended at least two conditions of approval to help ensure that the intent of the Zoning Ordinance is upheld once the building is constructed. The Commission did not recommend one of these conditions related to screening, and instead suggested an alternate condition that would require a substantial portion of the acreage on the property continue to be used for farming. The recommended conditions therefore include the following:

- That the use of the proposed accessory building be restricted to agricultural activities only, and that it not be used for the storage of personal automobiles, home based business activities, or other non-agricultural equipment.
- That a substantial portion of the acreage will continue to be used for farming.

**Variance  
Conclusions:**

Based on the analysis of the review criteria in City Code, the Planning Commission recommends **approval of the accessory building request** for 5671 Keats Avenue with two conditions of approval.

**Resident  
Concerns:**

Staff has received four letters/emails in support of the variance. Two additional letter were submitted and read at the public hearing. These are attached for review by the City Council.

**Additional  
Information:**

The City Engineer has reviewed the proposed location of the building and has not expressed any concerns regarding the proposed construction site.

**Conclusion:**

The applicants are seeking approval of a variance to allow the construction of a second detached agricultural farm building on their property at 5761 Keats Avenue.

**City Council  
Options:**

The City Council has the following options:

- A) Approve of the variance request as per the Planning Commission recommendation and based on the findings as drafted by the Commission;
- B) Deny the variance request based on the findings suggested by Staff or other findings as deemed appropriate by the Council.;
- C) Table the request and direct staff or the applicant to provide additional information concerning this application.

The deadline for a Council decision on this item is August 14, 2011, which can be extended an additional 60-days if needed.

**Rec:**

**The Planning Commission is recommending approval** of the variance to allow the construction of a second detached agricultural farm building on their property at 5761 Keats Avenue based on the findings documented as part of this report and with two conditions of approval.

**Approval  
Motion**

To approve the request, you may use the following motion as a guide:

**Template:**

**I move to approve of the request for a variance to allow the construction of a second detached agricultural farm building on property at 5761 Keats Avenue ...*(please site reasons for the recommendation)***

**...with the conditions outlined in the staff report.**

**Approval  
Motion**

To deny the request, you may use the following motion as a guide:

**Template:**

**I move to deny the request for a variance to allow the construction of a second detached agricultural farm building on property at 5761 Keats Avenue ...*(or cite your own)***

cc: Steve and Joan Ziertman, 5761 Keats Avenue

**City of Lake Elmo  
DEVELOPMENT APPLICATION FORM**

Fee \$ \_\_\_\_\_

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Comprehensive Plan Amendment              | <input checked="" type="checkbox"/> Variance * (See below)           | <input type="checkbox"/> Residential Subdivision Preliminary/Final Plat |
| <input type="checkbox"/> Zoning District Amendment                 | <input type="checkbox"/> Minor Subdivision                           | <input type="checkbox"/> 01 - 10 Lots                                   |
| <input type="checkbox"/> Text Amendment                            | <input type="checkbox"/> Lot Line Adjustment                         | <input type="checkbox"/> 11 - 20 Lots                                   |
| <input type="checkbox"/> Flood Plain C.U.P. Conditional Use Permit | <input type="checkbox"/> Residential Subdivision Sketch/Concept Plan | <input type="checkbox"/> 21 Lots or More                                |
| <input type="checkbox"/> Conditional Use Permit (C.U.P.)           | <input type="checkbox"/> Site & Building Plan Review                 | <input type="checkbox"/> Excavating & Grading Permit                    |
|  |  | <input type="checkbox"/> Appeal   |
|  |  | <input type="checkbox"/> PUD  |

APPLICANT: Steve & Joan Zierman 5761 Keats Ave 55042  
(Name) (Mailing Address) (Zip)

TELEPHONES: 779-9134 2954600 (Steve) 295-1982 (Joan)  
(Home) (Work) (Mobile) (Fax)

FEE OWNER: Same  
(Name) (Mailing Address)

TELEPHONES: \_\_\_\_\_  
(Home) (Work) (Mobile) (Fax)

**RECEIVED**  
**JUN 15 2011**

PROPERTY LOCATION (Address and Complete (Long) Legal Description):  
See Attached

DETAILED REASON FOR REQUEST:  
See Attached

\*VARIANCE REQUESTS: As outlined in Section 301.060 C. of the Lake Elmo Municipal Code, the Applicant must demonstrate a hardship before a variance can be granted. The hardship related to this application is as follows:

In signing this application, I hereby acknowledge that I have read and fully understand the applicable provisions of the Zoning and Subdivision Ordinances and current administrative procedures. I further acknowledge the fee explanation as outlined in the application procedures and hereby agree to pay all statements received from the City pertaining to additional application expense.

Joan Zierman 6/14/11  
Signature of Applicant Date

Steve Zierman 6-17-11  
Signature of Applicant Date

**5761 Keats Avenue N Variance Application Information:**

**Written Statements:**

**A. Owners: Joan & Steve Ziertman**

**B. Legal Description: PT NW1/4 BEING THE N 425 FT OF THE S 1550 FT OF THE W 1100 FT OF SD NW1/4 OF SEC 2 - SUBJ TO SUBJ TO EASEMENT OVER W33FT THEREOF FOR KEATS AVE SECTION 02 TOWNSHIP 029 RANGE 021**

**PARCEL ID #02.029.21.22.0001**

**PARCEL SIZE: 10.78 Acres or 466,092 Sq Feet**

**Existing use of the land: Residential/Agricultural (Tax Class will be agricultural as we meet the state statute requirements)**

**Current Zoning: Rural Residential**

**C. The provision of the code that we seek a variance from is: 154.092 Accessory Buildings and Structures**

**D. We are asking to build an additional 2400 Square foot building on our property (see site plan). In our zoning district, we are only allowed one 2500 square foot building, and we currently have a 2310 square feet.**

**E. I spoke with Kyle and Bruce regarding our situation. We have been informed by Rockpoint Church that we can no longer store anything in their building. In order to continue with our farm, we need a building to store our farm equipment and produce. Staff informed us that we had a couple of directions to go. We could go for a zoning text amendment or a variance. At that time, the variance was not going to happen because of strict criteria. I then thought**

being rezoned might be an option and talked to staff about that. We were going to go that direction until we heard that Governor Dayton had signed the new criteria for variances that gives us a better chance to get the building that we need to stay viable. We feel this is a better option as it doesn't make our lot non conforming.

**F. We will speak to the practical difficulties of the new variance standards.**

**1. Is the variance consistent with the comp plan? Yes. Very much so. Our 2030 Comp plan states this: "The following general planning and development policies will guide development in a manner that will allow reasonable growth to take place, while preserving and enhancing the rural character and features of Lake Elmo that make the City a unique and desirable community." The comp plan further talks about agricultural preservation. "In keeping with the general policies enumerated above, existing operating agricultural uses and qualifying alternative uses that preserve the open space within the community shall be supported. These uses shall be encouraged to continue operations and to retain large land holdings that contribute to operating efficiency. In keeping with the general policies enumerated above, the city shall affirmatively establish and pursue specific strategies and seek resources to assist existing agricultural uses in remaining a viable alternative to urbanization for landowners, consistent with the concept of right to farm. The provisions of municipal infrastructure and services to areas of the city where operating agriculture exists shall not be in a manner that results in an economic or operational disincentive to continue agricultural use of the land." In summary, the Comp plan requires the city to help us keep our farm viable which this building will do.**

**2. Does the proposal put the property to use in a reasonable manner? Yes. This is a reasonable use for our property. Farming is an allowed use in RR. It is logical that an agricultural use would need a building to store farm equipment and produce. Every property in RR is**

allowed certain sized buildings for personal property whether they farm or not. It only makes sense that if someone farms and is allowed to farm by our code and is classified as agriculture by the county, they should be allowed to have an agricultural building. By state statute, what we do meets the criteria of agriculture and Washington County recently tax classified us as AG. The zoning in this city is somewhat random and there are properties zoned RR that should be AG based on size and AG properties that should be zoned RR based on size. If we look at the future zoning map for our part of the City, all the property whether it is currently AG or RR is all RAD and there was even talk of combining AG and RR into one zoning for performance zoning. I think in our situation it is reasonable to base this decision on the use of our property and not the zone.

3. Will the variance if granted alter the essential character of the neighborhood. No. The proposed building will not be seen from Keats. There is an extensive tree line to the south as well as the neighbors own building to screen from their view. There are other parcels around us that either have more or larger buildings than is currently allowed because the buildings were not required to be taken down as property was subdivided. This is the rural portion of our city and people expect to see barns and buildings.

4. Are there unique circumstances to the property? Our farm has been around for a long time and is a unique part of the community. It was part of a larger family farm that was also a pumpkin farm starting in 1972. Without this building, we can't continue with the farm. We are an integral part of the community and according to the comp plan, the City needs to assist us in remaining viable, which is allowing us the tools ie: the building to do so.



In addition to the points already made, I would like to make a few more. I would like to speak to the point that is always brought up when talking about variances which is will this set a precedent. I do not feel that it will. We are truly asking to build an agricultural building based on the fact that the use of our property is AG. This is reaffirmed by state statute and Washington county agreed with us. In order for another RR parcel to ask for an additional "AG" building, they would need to prove that they are a true and existing agricultural use and be tax classified as such.

Another point is that currently AG parcels of 40 acres or more can have a 20,000 square foot building in addition to unlimited AG buildings. That would equate to 5000 square feet on 10 acres without unlimited AG buildings. This is only 1% or the total square footage of the property which is pretty insignificant.

The character of the neighborhood will not be affected as there are many other lots under 40 acres that have more than the currently allowed size or amount of buildings. We are in the rural part of the city and to the north of us all the way to highway 36 will continue to be open space with the Rockpoint church behind us.

I would like to mention that all of our produce is grown on site. Therefore we have a lot of equipment we need to grow our produce. In the fall, the produce needs to be stored inside, or it is suseptible to damage from frost. Our property actually produces a lot of produce. We had many many wagons of regular pumpkins, pie pumpkins, squash, gourds, mini pumpkins, hay, corn stalks, ornamental corn etc. We also produced enough to sell to a local farm that had crop failure.

The state spends a lot of tax dollars every year for the Dept of Agriculture and MN Grown (which we are part of) to ensure that the small farm like ours remain viable. Buy local is huge!! We help to make Lake Elmo unique and contribute to our community. We have donated to the fall festival, regional arts center, regions hospital pediatric burn unit, our church and schools, Susan G. Koman and other organizations important to friends, family and neighbors. We would like to be able to preserve our farm to be able to pay it forward to our community. I think our situation is an example of why Cities, City officials and the League of MN cities fought so hard to get the variance standards changed. So that cities have a much greater say in what is acceptable outside the big box code that is not a one size fits all.

## CITY-WIDE PLANNING POLICY

The following general planning and development policies will guide development in a manner that will allow reasonable growth to take place, while preserving and enhancing the rural character and features of Lake Elmo that make the City a unique and desirable community:

1. Develop land use and infrastructure plans corresponding to the 2030 population forecast of 24,000 in the 2030 Regional Development Framework.
2. Encourage the majority of the new households created in areas north of 10<sup>th</sup> Street North, and outside of the Village Area to be efficiently developed in a rural context in the form of Open Space Development cluster neighborhoods.
3. Guide new community growth in keeping with the geographic assignments and decennial household, population, and employment targets established by the Memorandum of Understanding entered into by the City and the Metropolitan Council in January 2005.
4. Limit Metropolitan Urban Service Area (MUSA) expansion to the area that can be served from the Regional Wastewater Interceptors specified, in the wastewater volumes specified by the aforementioned Memorandum of Understanding, and staged consistent with a City adopted development Staging Plan.
5. Adopt a MUSA expansion development Staging Plan/schedule that will limit total annual City household and employment growth to a use, mix, and scale that remains sustainable in the context of providing municipal services/infrastructure and local government fiscal responsibility.

### **Agricultural Preservation**

In keeping with the general policies enumerated above, existing operating agricultural uses and qualifying alternative uses that preserve the open space within the community shall be supported. These uses shall be encouraged to continue operations and to retain large land holdings that contribute to operating efficiency.

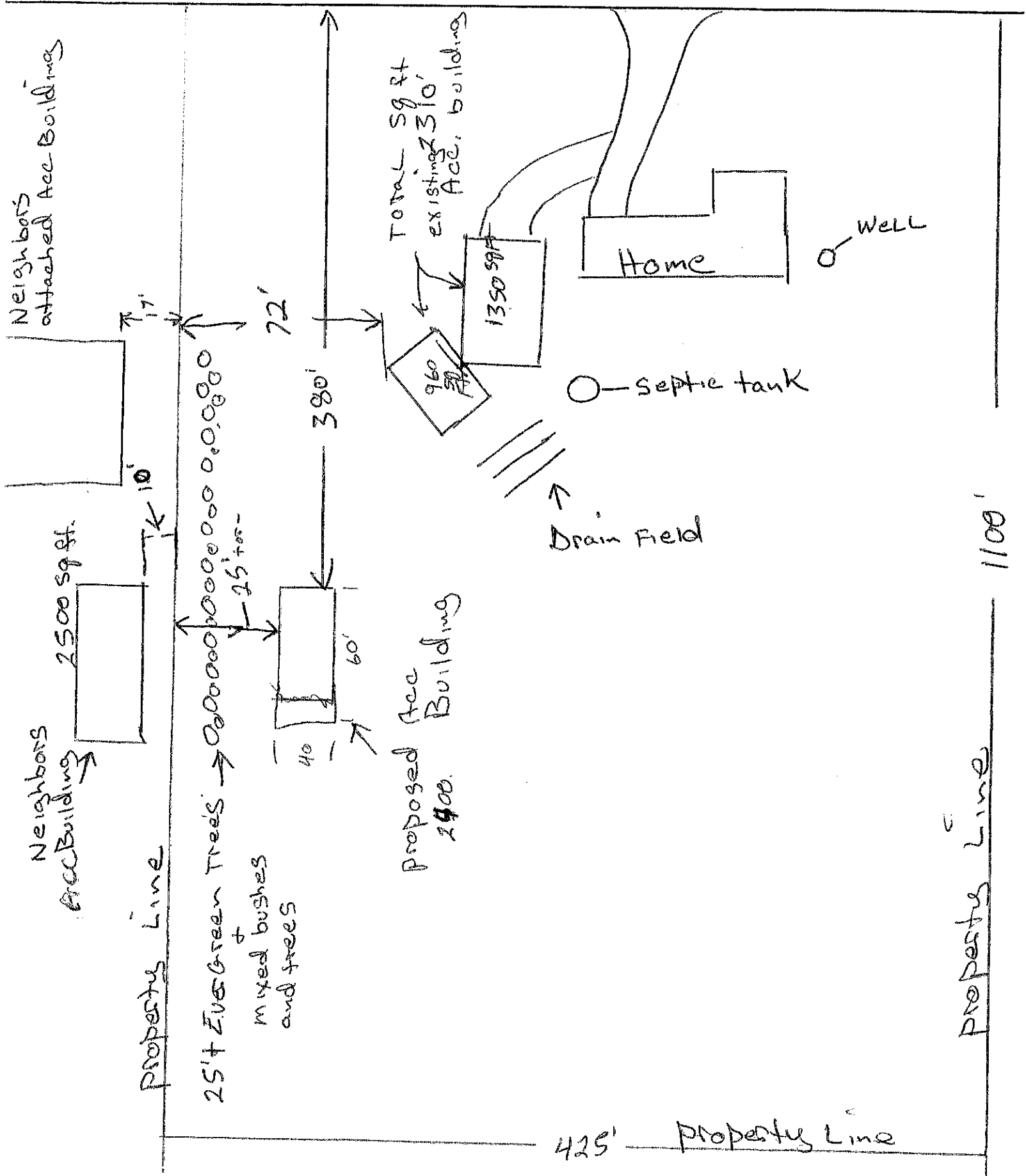
In keeping with the general policies enumerated above, the City shall affirmatively establish and pursue specific strategies and seek resources to assist existing agricultural uses in remaining a viable alternative to urbanization for landowners, consistent with the concept of “a right to farm.” The provision of municipal infrastructure and services to areas of the City where operating agriculture exists shall not be in a manner that results in an economic or operational disincentive to continue agricultural use of the land.

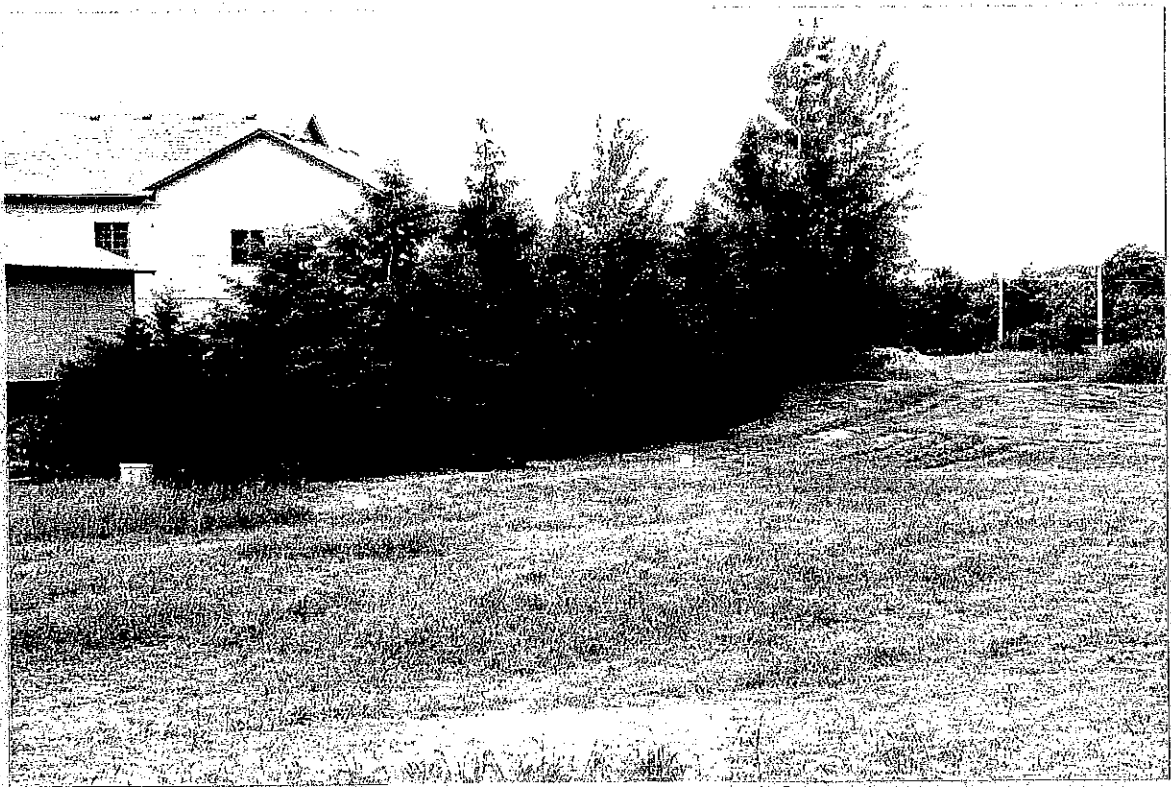
### **Residential Development**

All residential units will be designed, sited, and constructed to conserve energy in lighting, cooling, and heating processes.

The primary style of residential dwelling unit within RAD, RED, RAD2, and NC land

Keats Ave



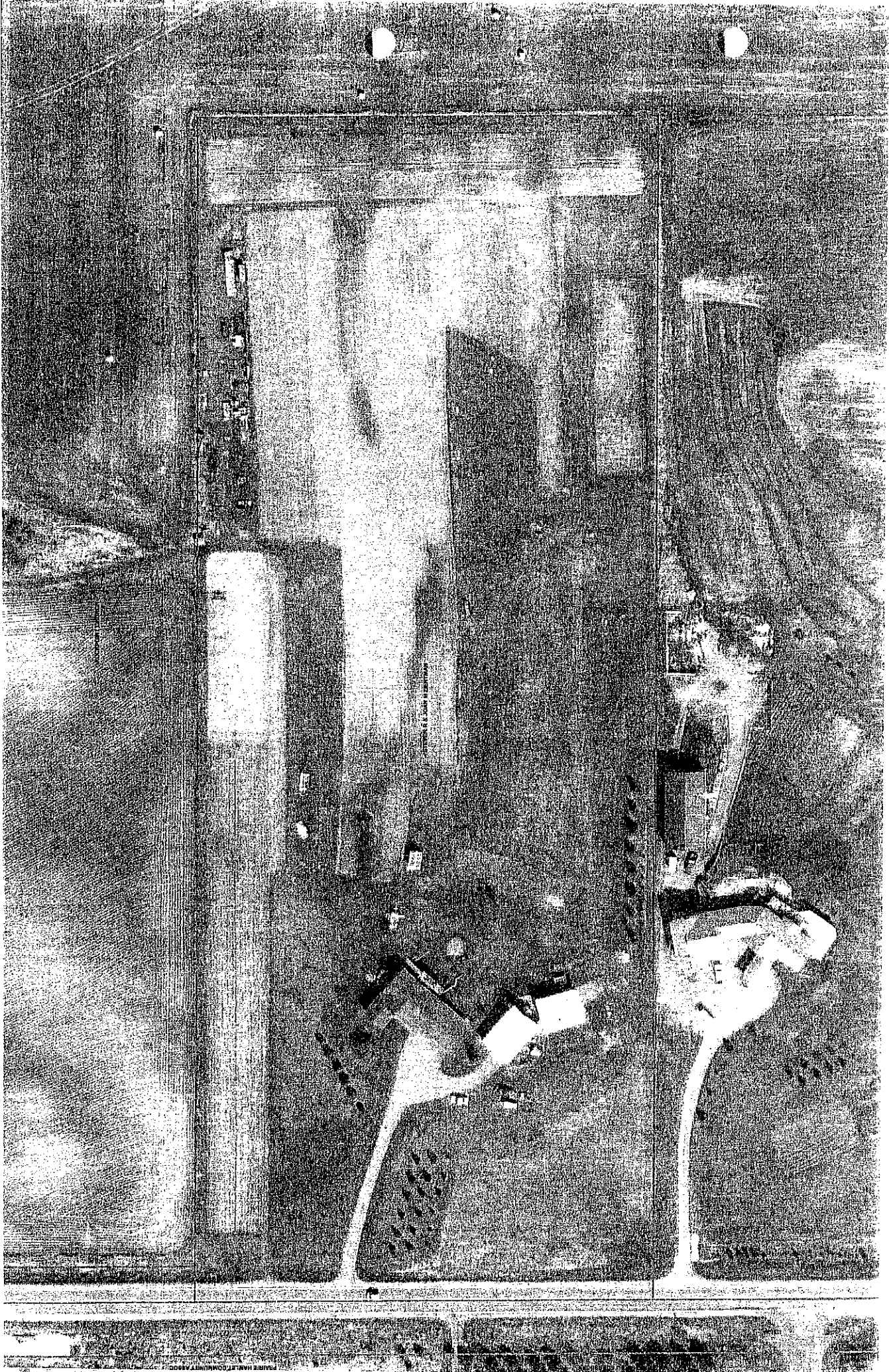












## Kyle Klatt

---

**From:** Frank Langer [Frank.Langer@co.washington.mn.us]  
**Sent:** Friday, July 08, 2011 12:29 PM  
**To:** Kyle Klatt  
**Subject:** AY11\_LAKE ELMO\_ZIERTMAN\_02.029.21.22.0001\_CBAE.xlsx  
**Attachments:** AY11\_LAKE ELMO\_ZIERTMAN\_02.029.21.22.0001\_CBAE.xlsx

Hi Kyle,

Regarding our conversation this morning, it is my understanding that the zoning of property is the allowed legal use of a property. For property tax purpose the tax classification is based on the actual use of the property regardless of what the zoning is. An example of this could be a large agriculturally zoned piece of property where part of it is used for a gravel mining operation. This property would then have a split classification of commercial and agriculture for taxes.

The only time we look at zoning as a guide to help determine the classification for taxes is when there is no use of a property and then we look at the most likely future legal use of the property and use it as a guideline for tax classification.

Frank

# County Board Maintenance Change

APPROVED: DENIED

Submit Date: 5/19/2011  
Submitter Initials: FXL

Review Date:  
Manager Initials:

MUNICIPALITY: LAKE ELMO - 800 ASMT YEAR: 2011 PAYABLE YEAR: 2012 REC'D:

Parcel/Geo Code: 02.029.21.22.0001  
Property Address: 5761 KEATS AVE  
Map Factor: Lake Elmo SFR  
Comments:

Name: ZIERTMAN STEVEN R & JOAN M  
Mailing Address:  
General Class: Residential

LAND IS USED FOR INTENSIVE FARMING OF AG PRODUCTS BY THE OWNER AND SOLD TO LOCAL MARKETS,

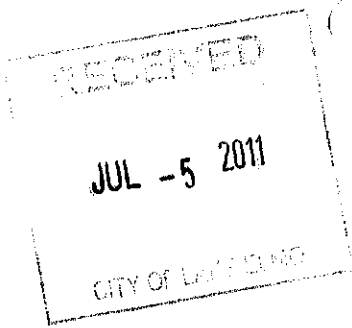
Amd Notice

ORIGINAL DATA:										CHANGE TO DATA:									
Class Code	Valuation Code	Component/Detail	Value	Acres	Class Code	Valuation Code	Component/Detail	Value	Acres	Class Code	Valuation Code	Component/Detail	Value	Acres	Val Var	AC Var			
100 Res 1 unit	Homesite	Land (EMV)	188,700	10.70	100 Res 1 unit	Homesite	Land (EMV)	96,000	1.00	100 Res 1 unit	Homesite	Land (EMV)	96,000	1.00	(92,700)	(9.70)			
100 Res 1 unit	Homesite	Improvement (Bldg)	199,300		100 Res 1 unit	Homesite	Improvement (Bldg)	194,800		100 Res 1 unit	Homesite	Improvement (Bldg)	194,800		(4,500)	0.00			
Linked Grp PIN			# in group		Linked Grp PIN			# in group		Linked Grp PIN			# in group		(97,200)	(9.70)			
Modifiers			0%		Modifiers			0%		Modifiers			0%						
					200 Ag (2a)	Farm	Land (EMV)	94,000	9.40	200 Ag (2a)	Farm	Land (EMV)	94,000	9.40	94,000	9.40			
					200 Ag (2a)	Farm	2a Tillable Acres (EMV)	94,000	9.40	200 Ag (2a)	Farm	2a Tillable Acres (EMV)	94,000	9.40	94,000	9.40			
					200 Ag (2a)	Farm	Improvement (Bldg)	4,500		200 Ag (2a)	Farm	Improvement (Bldg)	4,500		4,500	0.00			
					200 Ag (2a)	Other	2a Tillable Acres (EMV)	100	0.30	200 Ag (2a)	Other	2a Tillable Acres (EMV)	100	0.30	100	0.30			
Linked Grp PIN			# in group		Linked Grp PIN			# in group		Linked Grp PIN			# in group		192,600	19			
Modifiers			0%		Modifiers			0%		Modifiers			0%						
															0	0.00			
															0	0.00			
															0	0.00			
															0	0.00			
															0	0.00			
Linked Grp PIN			# in group		Linked Grp PIN			# in group		Linked Grp PIN			# in group		0	0			
Modifiers			0%		Modifiers			0%		Modifiers			0%						

Line 1

Line 2

Line 3



July 2, 2011

9913 59<sup>th</sup> St. Ct. N.  
Lake Elmo

To the City of Lake Elmo

In regard to the variance to build a 2400 square building on the Ziertman farm.

I believe the Ziertman family to be good stewards of their land and good neighbors. If the building is not visible from Keats and all other requirements are met I have no problem with this structure.

Thank you  
Carolyn Flock

To Whom it May Concern  
9917 59th St. Ct. N Does not have  
a problem with 5761 Heats  
Building a Patch building  
(Joan + Steve Ziertman)  
on there Property.

Linda Koslowski

JUL - 6 2011

## Kyle Klatt

---

**From:** Ronald Hawkins [hawkinsimpala@gmail.com]  
**Sent:** Wednesday, July 06, 2011 8:08 PM  
**To:** Kyle Klatt  
**Cc:** ziertman@msn.com  
**Subject:** variance

Kyle, We have been informed that our neighbor Steve & Joan Ziertman at 5761 Keats Ave. No. would like to build a building to house there farm equipment. They are very good neighbors and keep there property looking very nice.I would much like to see them put the equipment in a building then setting outside.Its nice that they are keeping a little farm operations going along with the pumpkins. We as neighbor would hope that you can give them a variance to build . Thank you Ron & Sue Hawkins 9924 59th St. Ct. No. Lake Elmo

## Kyle Klatt

---

**From:** JOAN ZIERTMAN [ziertman@msn.com]  
**Sent:** Thursday, July 07, 2011 7:15 AM  
**To:** Kyle Klatt  
**Cc:** Kelli Matzek  
**Subject:** Fw: variance for 2400 building

Kyle,

Here is a copy of an email that our neighbor wrote regarding our variance. He had the wrong email for you, so it bounced back. Thanks!

Joan

----- Original Message -----

**From:** Steve Chlebeck  
**To:** [kklah@lakeelmo.org](mailto:kklah@lakeelmo.org)  
**Cc:** [ziertman@msn.com](mailto:ziertman@msn.com)  
**Sent:** Thursday, July 07, 2011 6:40 AM  
**Subject:** variance for 2400 building

I just want to voice my concern that I am in favor to let the Ziertman's build another building on their property.

I do purchase Pumpkins and Corn stalks every year from the pumpkin farm and it very nice to have a small farm still left in our neighborhood. This would be a great lost for all of us if they would close the farm because of a building that they need to store the wagons and other equipment was not allowed. I saw were this building would be erected and this would not every be seen from Keats Ave. I hope the City see that giving the Ziertman's the variance is the correct thing to do.

I live at 9692 57<sup>th</sup> just west of the Ziertman's. Thank you.

---

**Steve Chlebeck**  
Territory Sales Manager

**Phone:** (612) 867-2345  
**Cell:** (612) 867-2345  
**Fax:** (952) 895-5312  
**E-mail:** [schlebeck@forceamerica.com](mailto:schlebeck@forceamerica.com)

**FORCE America Inc.**  
**VariTech Industries**  
**PreCise MRM**

601 East Cliff Road  
Burnsville MN 55337  
[www.forceamerica.com](http://www.forceamerica.com)  
[www.varitech-industries.com](http://www.varitech-industries.com)  
[www.precisemrm.com](http://www.precisemrm.com)

*The Leading Innovator in Mobile Hydraulic Solutions*

The information contained in this message and any attachment may be proprietary, confidential, and privileged or subject to the work product doctrine and thus protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this

communication is strictly prohibited. If you have received this communication in error, please notify me immediately by replying to this message and deleting it and all copies and backups thereof. Thank you.

Disclaimer added by **CodeTwo Exchange Rules**  
[www.codetwo.com](http://www.codetwo.com)

The information contained in this message and any attachment may be proprietary, confidential, and privileged or subject to the work product doctrine and thus protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify me immediately by replying to this message and deleting it and all copies and backups thereof. Thank you.



## Kyle Klatt

---

**From:** JOAN ZIERTMAN [ziertman@msn.com]  
**Sent:** Monday, July 11, 2011 12:34 PM  
**To:** Kyle Klatt; Kelli Matzek  
**Subject:** FW: Variance

Kyle,

Here is another email that we received from a neighbor regarding our variance application. If you could share this with the commission tonight. Thanks!

Joan

---

**From:** [stevemoeller@hotmail.com](mailto:stevemoeller@hotmail.com)  
**To:** [ziertman@msn.com](mailto:ziertman@msn.com)  
**Subject:** Variance  
**Date:** Mon, 11 Jul 2011 17:19:14 +0000

Dear Joan & Steve:

We received your letter about the building and the variance you will need. We have no issues with this, and hope that it works out in your favor. We buy our pumpkins from you every year, and would like to continue to do so. Please use this email to show our support of the variance that is needed so you can continue your pumpkin farm.

Sincerely,

Heidi & Steve Moeller  
9580 53rd Street North  
Lake Elmo, MN 55042

**Kyle Klatt**

---

**From:** ldjuran@q.com  
**Sent:** Sunday, July 10, 2011 9:10 PM  
**To:** Kyle Klatt  
**Cc:** Steve Ziertman  
**Subject:** Variance for Pumpkin Farm

**City of Lake Elmo**

Mr. Kyle Klatt  
Planning Directory  
3800 Laverne Ave.  
Lake Elmo, MN. 55042

Dear Mr. Klatt & Planning Commission:

Please accept this letter as support for Joan & Steve Ziertman's request for a "Variance" for an additional building on there property at 5761 Keats Avenue North. We understand that the new building will be behind there existing home, and will conform in design to existing buildings already on the property. This request is criticial to there continued effort to operate a farm in Lake Elmo, MN. The Ziertman's need to store there machinery on there property especially now they have lost there previous offsite location.

If you need additional information from us, please do not hesitation to let us know.

Sincerely;  
Bonnie & Leonard Juran  
9784-57th St. No.  
Lake Elmo, MN. 55042  
651-773-4883



## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
REGULAR  
ITEM #: 16  
DISCUSSION Ordinance No. 08-047

AGENDA ITEM: Hotel/Motel Water Rates – Discussion & Proposed Ordinance No. 08-047

SUBMITTED BY: Tom Bouthilet, Finance Director

REVIEWED BY: Bruce Messelt, City Administrator *BAM*

---

**SUMMARY AND ACTION REQUESTED:** It is respectfully requested that the City Council receive an update on efforts to address issues related to water service to the Wildwood Lodge and discuss, if appropriate, Staff's evaluation of proposed alternatives to the City's commercial water rate structure to potentially address identified concerns with respect to hotel/motel water users. Additionally, if appropriate, the City Council may wish to consider the following motion:

*“Move to approve Ordinance No. 08-047A (or 08-047B), amending the 2011 fee schedule to include a Commercial Hotel/Motel Water Rate.”*

**BACKGROUND INFORMATION:** On July 5th, 2011, the City Council tabled discussion of this item, pending additional discussion with the Wildwood Lodge relating to past and current water service to the property. Additional discussions were held on July 14th, 2011, resulting in a consensus to share further information and meet again, if necessary, during the week of July 18th. As such, Council action tonight may or may not be timely or appropriate, given ongoing discussions.

On June 21st, 2011, the Lake Elmo City Council directed City Staff to evaluate two alternatives to address identified concerns with respect to hotel/motel water users. Some large commercial water users have reported significant increases in water bills, despite increased conservation efforts. Other considerations included limiting the potential alternatives to non-irrigation water consumption only and making any changes retroactive to January 2011, as well as reviewing the commercial water rate structure later in 2011.

On April 19th, 2011, the City Council had directed Staff to evaluate and prepare for Council review possible changes to the City's Water rate structure to with respect to large Commercial water users. The current Water Conservation rate structure has been in place since December, 2009.

**STAFF REPORT:** A majority of surveyed northern metro cities use the same Increasing Block Rates structure that this City adopted in December, 2009. The two identified potential alternatives for Hotel/Motel consumption include the following:

Modified Commercial Water Rate Structure - The new commercial Water Rate structure for Hotels/Motels could be structured as follows:

Scenario #1		Scenario #2	
Gallons Per Quarter	Cost per 1,000 Gallons	Gallons Per Quarter	Cost per 1,000 Gallons
0 – 15,000 Gallons	\$3.11	0 – 15,000 Gallons	\$3.11
15,001 – 30,000 Gallons	\$3.26	15,001 – 30,000 Gallons	\$3.11
30,001 – 50,000 Gallons	\$3.26	30,001 – 50,000 Gallons	\$3.26
50,001 – 80,000 Gallons	\$3.77	50,001 – 80,000 Gallons	\$3.26
80,001 – 150,000 Gallons	\$3.77	80,001 – 150,000 Gallons	\$3.77
150,000+	\$5.00	150,001 – 200,000 Gallons	\$3.77
		Over 200,000 Gallons	\$5.00

(Quarterly domestic, non-irrigation usage only)

Scenario #1 applies a modified Water Conservation Rate structure, as presented to the City Council on June 21st, with four tiers, versus the current five. Under Scenario #1, one customer is currently identified at potentially benefitting from a separate commercial Hotel/Motel water rate structure. The net revenue reduction is estimated to be \$8,200 to the Utility for the 2011 billing period, or an approximately 25% reduction in currently-estimated revenues from this customer for this period. The identified Hotel/Motel customer has seen an approximately 100% increase in its water bill in both 2010 and 2011, as compared to 2009. With the rate adjustment utilized in Scenario #1, this customer's 2011 water bill is estimated to be 56% higher than 2009 (pre-water conservation rates).

Scenario #2 applies a slightly modified Water Conservation Rate structure than #1, with four more evenly-dispersed tiers. Under Scenario #2, again with only one currently-identified customer, the net revenue reduction is estimated to be \$8,500 to the Utility for the 2011 billing period, or an approximately 26% reduction in currently-estimated revenues from this customer for this period. With the rate adjustment utilized in Scenario #2, this customer's 2011 water bill is estimated to be 53% higher than 2009 (pre-water conservation rates). **Ordinance No. 08-047A** has been prepared for Council consideration, utilizing Scenario #2 and making billing adjustments retroactive to January 2011.

"Multifamily" Commercial Water Rate Structure – According to the Minnesota Department of Natural Resources, another acceptable Water Conservation Rate Structure exists for multiple-family dwellings. While not specific to hotels/motels, this rate structure takes into consideration

the independent consumptive nature of each unit within a larger single-metered facility, as well as meeting space and offices. According to the MN DNR Guidelines:

**Multiple-Family Dwellings:** Total water use in a multiple-family dwelling, which has only one water meter for the entire dwelling, may exceed that of a single-family dwelling. The statute does not require individual water meters for each residential unit within a multiple-family dwelling; however, the required conservation rate at which the multiple-family dwelling's water use is billed must consider the number of residential units within that multiple-family dwelling.

Example: A four-plex uses a total of 18,000 gallons per month or approximately 4,500 gallons per residential unit. Water use for each residential unit falls within the first block (0-6,000 gallons) of the above Excess Use Rate example. A rate of \$2.50/1000 gallons would apply up to a total use of 24,000 gallons for the multiple-family dwelling. Thereafter, the rate increases according to the rate schedule, always considering each residential unit as an individual user.

For this customer, a preliminary calculation, using the Metropolitan Council's formula, yields 55 SAC (REC) Units, based upon the number of hotel rooms and square footage utilized for office space and meeting rooms. Swimming pools for hotel users and mechanical rooms are exempt from this calculation by the Metropolitan Council. It should be noted that the City does not envision creating, at this time, a Multiple-Family Dwellings' rate structure for other than commercial hotels/motels. A more general commercial (and/or residential) rate structure for Multiple-Family Dwellings would likely increase the number of affected customers.

Utilizing the Multiple-Family Dwellings' approach for the only currently-identified hotel/motel customer would yield an estimated net revenue reduction of \$12,400 to the Utility for the 2011 billing period, or an approximately 40% reduction in currently-estimated revenues from this customer for this period. With this rate adjustment, this customer's 2011 water bill is estimated to still be 29% higher than 2009 (pre-water conservation rates). **Ordinance No. 08-047B** has been prepared for Council consideration, utilizing the Multiple-Family Dwellings' approach and making billing adjustments retroactive to January 2011.

Original "Tiered - Bulk" Options - At the request of the customer, City staff has also analyzed in greater detail the original options presented to the City Council for their consideration and identified on June 21st, 2011 as Option A and Option B. These are shown below:

Option A		Option B	
Gallons Per Quarter	Cost per 1,000 Gallons	Gallons Per Quarter	Cost per 1,000 Gallons
0 - 15,000 Gallons	\$3.11	0 - 15,000 Gallons	\$3.11
15,001 - 30,000 Gallons	\$3.26	15,001 - 30,000 Gallons	\$3.26
30,001 - 50,000 Gallons	\$3.77	30,001 - 50,000 Gallons	\$3.77

50,001 – 80,000 Gallons	\$5.00	50,001 – 80,000 Gallons	\$5.00
80,001 – 150,000 Gallons	\$6.63	80,001 – 150,000 Gallons	\$3.26
150,000+	\$3.26	150,001 – 200,000 Gallons	\$3.26
		Over 200,000 Gallons	\$3.26

(Quarterly domestic, non-irrigation usage only)

Option A applies a modified Water Conservation Rate structure, as presented to the City Council on June 21st, with four five tiers, before dropping back to the Bulk Rate for usage over 150,000 gallons. Under Option A, one customer is currently identified at potentially benefitting from a separate commercial Hotel/Motel water rate structure. The net revenue reduction is estimated to be \$14,900 to the Utility for the 2011 billing period, or an approximately 46% reduction in currently-estimated revenues from this customer for this period. The identified Hotel/Motel customer has seen an approximately 100% increase in its water bill in both 2010 and 2011, as compared to 2009. With the rate adjustment utilized in Option A, this customer's 2011 water bill is estimated to be 13% higher than 2009 (pre-water conservation rates).

Option B applies a slightly modified Water Conservation Rate structure than Option A, with four tiers before dropping back to the Bulk Rate for usage over 80,000 gallons. Under Option B, again with only one currently-identified customer, the net revenue reduction is estimated to be \$15,800 to the Utility for the 2011 billing period, or an approximately 49% reduction in currently-estimated revenues from this customer for this period. With the rate adjustment utilized in Option B, this customer's 2011 water bill is estimated to be only 7% higher than 2009 (pre-water conservation rates).

A third similar option, Option C, was not further assessed, as it would have dropped back to a Bulk Rate for usage over 50,000 gallons and only marginally reduces the customer's water bill and impact to the Utility over that assessed in Option B.

**RECOMMENDATION:** It is recommended that the City Council receive a brief update on the status of discussions with the Wildwood Lodge and, if appropriate, further discuss staff's evaluation of proposed alternatives to the City's commercial water rate structure to potentially address identified concerns with respect to hotel/motel water users. If appropriate, the City Council may also wish to consider the following:

*“Move to approve Ordinance No. 08-047A, amending the 2011 fee schedule to include a Commercial Hotel/Motel Water Rate, utilizing a new Water Conservation Rate Structure.”*

or

*“Move to approve Ordinance No. 08-047B, amending the 2011 fee schedule to include a Commercial Hotel/Motel Water Rate Structure, utilizing a Multiple-Family Dwellings' calculation.”*

Alternatively, the City Council may reject, table, further discuss and/or modify this recommendation, as appropriate. If the latter is undertaken, the suggested motion would be:

*“Move to approve Ordinance No. 08-047A (or 08-047B), amending the 2011 fee schedule to include a Commercial Hotel/Motel Water Rate [as agreed upon at tonight’s meeting].”*

**ATTACHMENTS:**

1. Ordinance No. 08-047A
2. Ordinance NO. 08-047B
3. Minnesota DNR Water Conservation Rate Guidelines
4. Met Council SAC Calculations
5. Analysis of Identified Scenarios

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item..... City Administrator
- Report/Presentation.....Finance Director
- Questions from Council to Staff.....Mayor Facilitates
- Public Input.....Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion.....Mayor Facilitates
- Action on Motion..... Mayor & City Council

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**ORDINANCE NO. 08-047A**

**AN ORDINANCE AMENDING MUNICIPAL FEES FOR CALENDAR YEAR 2011**

The Lake Elmo City Council hereby adopts the following fee schedule for calendar year 2011, applicable as services outlined in Appendix A, and directs that it be added to the Lake Elmo Municipal Code as Appendix A.

Appendix A: 2011 Fee Schedule – Commercial Hotel/Motel Water Quarterly Rate

**ADOPTION DATE:** Passed by the Lake Elmo City Council on the 5th day of July, 2011.

CITY OF LAKE ELMO

By: \_\_\_\_\_  
Dean A. Johnston  
Its: Mayor

ATTEST

\_\_\_\_\_  
Sharon Lumby  
City Clerk

**PUBLICATION DATE:**



## City of Lake Elmo 2011 Fee Schedule

	2011	Escrow or Additional Charge
Accessory Bldg Forward of Primary Structure	\$80.00	
Administrative / Fines	\$0.00	
Amateur Radio Antenna	\$875.00	
Appeal (to Board of Adjustment and Appeals)	\$150.00	
Assessment Search	\$25.00	
<b>Building Demolition</b>		
First 1000 Square Feet	\$105.00	Plus 5.00 Surcharge (State Mandated)
Each Additional 1000 sq feet or portion thereof	\$11.00	Plus 5.00 Surcharge (State Mandated)
<b>Burning Permits</b>		
Residential	\$45.00	
Commercial	\$80.00	
Illegal Burn	\$100.00	
Comprehensive Plan Amendment	\$1,300.00	
Conditional Use Permit (CUP)	New \$1,050.00	Wireless Communication Facilities Escrow \$6,000.00
<new or amended>	Amended \$500.00	Flood Plain Ordinance Escrow \$500.00
<b>CONTRACTOR LICENSE FEES</b>		
Blacktopping	\$75.00	
Excavator License	\$75.00	
Heating and A/C	\$75.00	
Sign Installer	\$50.00	Sign Reinspection Fee \$25.00
Solid Waste Hauler	\$120.00	
Tree Contract	\$70.00	
<b>COPY SERVICES</b>		
Copies (B&W)	\$0.35	
Copies (B&W) 11 X 17	\$1.00	
Copies (Color)	\$0.50	
Copies (Color) 11 X 17	\$2.00	
City Map - colored	\$3.15	
City Street Maps 36 X 40	\$20.00	
GIS / Engineering Maps		
Existing Maps	\$5.00	Provided electronically or paper
Custom (Per Hour rate)	\$70.00	Provided electronically or paper
Plan Size Maps Larger than 11 X 17	\$20.00	
Development Standards Specification & Details	\$55.00	
Code Book	\$160.00	
Sections 1, 2, 4, 6-12, 14	\$12.00	
Section 3	\$52.00	
Section 5 and 13	\$27.00	
Comprehensive Plan	\$125.00	
OP Ordinance	\$12.00	
Parks Plan	\$80.00	
Culverts in Developments with Rural Section	\$160.00	
Dog License	\$20.00	
Service Dogs License (dogs with special training to assist individual with disabilities)	\$5.00	Renew on expiration of rabies vaccination
Unlicensed dog (first impound)	\$60.00	Plus Boarding Fee-20.00/Day
Licensed dog (first impound)	\$42.00	Plus Boarding Fee-20.00/Day
Cat Impound (first impound)	\$42.00	Plus Boarding Fee-20.00/Day
Subsequent dog/cat impound	\$85.00	Plus Boarding Fee-20.00/Day
Duplicate License or Tag	\$1.00	
<b>Driveway</b>		
Residential	\$70.00	Plus 5.00 Surcharge (State Mandated)
Commercial	\$160.00	Plus 5.00 Surcharge (State Mandated)
Easement Encroachment	\$100.00	Staff & Recording Fee
Electronic Fund Withdrawal / Bill Payment	Fee & Transaction Charge	
Excavating and Grading	\$125.00	Erosion Control Bond, Escrow, or Letter of Credit: \$1500.00 per acre.
<b>False Alarm</b>		
1 to 3 False alarms		
In excess of 3 up to and including 6 false alarms within a twelve (12) month period		
Residential	\$110.00	
Commercial	\$315.00	

## City of Lake Elmo 2011 Fee Schedule

	2011	Escrow or Additional Charge
In excess of six false alarms within a twelve (12) month period		
Residential	\$185.00	
Commercial	\$520.00	
<b>Fire</b>		
Daycare inspection Fee	\$60.00	Plus 5.00 Surcharge (State Mandated)
Fire Alarm Systems	\$60.00	Plus 1% of Value
Fire Sprinkler System (Inspection Fee)	2% of value of work	Minimum \$100.00
Fire Sprinkler System (Reinspection Fee)	\$50.00	
<b>Flood Plain District Delineation</b>	\$500.00	
<b>Fuel Tank Removal (Underground)</b>	\$100.00	Plus 5.00 Surcharge (State Mandated)
<b>Fuel Tank Install</b>	2% of value of work	Minimum \$100.00
<b>Heating</b>		
New Residential	\$150.00	Plus 5.00 Surcharge (State Mandated)
Addition to Residential	\$75.00	Plus 5.00 Surcharge (State Mandated)
Commercial (New or Addition)	Minimum \$175.00 or 1% of total job	Plus minimum 5.00 Surcharge
<b>Interim Use Permit (IUP)</b>	\$1,050.00	
<b>Interim Use Permit (IUP)-Renewal</b>	\$300.00	
<b>Interim Use Permit (IUP) AG Sales &amp; Entertainment</b>	\$250.00	2011 Only
<b>Lawn Sprinklers</b>	\$125.00	Plus 5.00 Surcharge (State Mandated)
<b>Liquor</b>		
Club On Sale Intoxicating	\$100.00 per year	
Off Sale Intoxicating	\$200.00 per year	
Off-Sale Non-Intoxicating	\$150.00 per year	
On-Sale Intoxicating	\$1500.00 per year	
On-Sale Intoxicating - 2nd Bldg	\$750.00 per year	
On-Sale Investigation	\$350.00	
On-Sale Non-Intoxicating	\$100.00 per year	
On-Sale Sunday Intoxicating	\$200.00 per year	
Temporary Non-Intoxicating	\$25.00 per event	
Wine	\$300.00 per year	
<b>Lot Line Adjustment</b>	\$310.00	
<b>Manufactured Home Parks</b>	\$1,000.00	
New	\$1,200.00	Plus 2500.00 Escrow
Move home out of City	\$100.00	Plus 5.00 Surcharge (State Mandated)
Move into City	\$150.00	Plus 5.00 Surcharge (State Mandated)
<b>Minor Subdivision</b>	\$500.00	
<b>Moving House or Primary Structure into City</b>	\$520.00	Plus bond with amount to be determined by City w/recommendation from Building Official
<b>Moving Accessory Structure into City</b>	\$305.00	Plus Escrow to be determined by the City w/recommendation from Building Official
<b>New Construction Plan Review</b>	Per 1997 UBC (65%)	
<b>Park Dedication (up to 3 lots)</b>	\$3600.00 for each	Four or more lots per Section 400 Formula
<b>Parking Lots</b>		
New Commercial	\$175.00	Plus 5.00 Surcharge (State Mandated)
Existing Commercial	\$100.00	Plus 5.00 Surcharge (State Mandated)
<b>Platting</b>		
Concept (PUD or OP)	\$1,250.00	
Preliminary Plat (and Development Stage)	\$1,850.00	
Final Plat (and Final Plan)	\$1,250.00	Plus 2.5% Administrative Fee Development Agreement
<b>Plumbing</b>		
New Residential	\$150.00	Plus 5.00 Surcharge (State Mandated)
Addition to Residential	\$75.00	Plus 5.00 Surcharge (State Mandated)
Commercial (New or Addition)	175	Plus minimum 5.00 Surcharge (State Mandated)
<b>Private Roads (permitted only in AG zone)</b>	\$150.00	Plus 5.00 Surcharge (State Mandated)
<b>Restrictive Soils and Wetland Restoration Protection and Preservation Permit</b>	\$800.00	1500.00 escrow

## City of Lake Elmo 2011 Fee Schedule

	2011	Escrow or Additional Charge
<b>Right-of-Way Permits</b>		
Annual Registration (1415.05 Subd.1)	\$100.00	
Excavation (1415.11 Subd. 1)	\$230.00	
Each Additional Excavation	\$40.00	
Trench Fee (boring or open cut)	.60 per foot	
Overhead Installation Fee	.60 per foot	
New Subdivisions (Alternate to per foot fee)	\$100.00	
Street Obstruction Fee (1415.11 (Sub 2.)	\$100.00	
Permit Extension	\$100.00	
Delay Penalty	25.00 per day	
<b>Sewage Disposal</b>		
<b>On-Site Septic Systems</b>		
New		Plus 5.00 Surcharge (State Mandated)
Alterations or Repairs		Plus 5.00 Surcharge (State Mandated)
<b>Sewer Availability Charge (SAC)</b>	\$5,730.00	per SAC unit - 2230.00 to Met Council; 3500 to City
<b>Sewer</b>	\$4.50 per 1,000 gallons	
<b>Wetland Treatment</b>		
Hookup to Existing System	\$100.00	Plus 5.00 Surcharge (State Mandated)
Alteration/Repair	\$75.00	Plus 5.00 Surcharge (State Mandated)
<b>201 Off-Site Maintenance Fee</b>	75.00 per unit per quarter	
<b>Signs Permanent</b>	\$180.00	Plus 5.00 Surcharge (State Mandated)
<b>Signs Temporary</b>	\$75.00	Plus 5.00 Surcharge (State Mandated)
<b>Signs Temporary Renewal</b>	\$25.00	Plus 5.00 Surcharge (State Mandated)
<b>Site Plan Review (Chapter 520)</b>	\$980.00	
<b>Special Events Support</b>		
<b>Fire Department Equipment/Personnel</b>	\$250/HR (Engine)	
	\$350/HR (Ladder)	
<b>Public Safety</b>	-NA	As Per Washington County Sheriff's Dept. Fee Schedule
<b>Public Works Support (Traffic Control/Other)</b>	\$100.00	Plus Materials
<b>Street Cleaning Erosion Control</b>		
Escrow	\$5,000.00	
Re-inspection	\$50.00 per hour	Portal to Portal from City Hall. Minimum: 1 hour
Processing Fee		10% of Contractor's Invoice to City
<b>Surface Water</b>		
Residential	\$50.00	
Non-Residential (commercial, ag., etc.)	\$50.00	Utility Rate Factor per code
<b>Tennis Courts</b>	Per 1997 UBC	Plus 5.00 Surcharge (State Mandated)
<b>Vacations (Streets or Easements)</b>		
Easements	\$515.00	\$500.00 Escrow
Streets	\$515.00	\$500.00 Escrow
<b>Variance</b>	\$750.00	
<b>Video Reproduction</b>	\$35.00	
<b>Water</b>		
<b>Residential -- Quarterly Rate</b>	\$25.00 Base	
Plus Rate Per 1000 Gallons		
0-15,000 Gallons	\$2.14	
15,001 - 30,000 Gallons	\$2.86	
30,001 - 50,000 Gallons	\$3.77	
50,001 - 80,000 Gallons	\$5.00	
80,001+ Gallons	\$6.63	
<b>Commercial -- Quarterly Rate</b>	\$25.00 Base	
Plus Rate Per 1000 Gallons		
0-15,000 Gallons	\$3.11	
15,001 - 30,000 Gallons	\$3.26	
30,001 - 50,000 Gallons	\$3.77	
50,001 - 80,000 Gallons	\$5.00	
80,001+ Gallons	\$6.63	

## City of Lake Elmo 2011 Fee Schedule

	2011	Escrow or Additional Charge
<b>Commercial - Hotel/Motel Quarterly Rate</b>	<b>\$.25.00 Base</b>	
Plus Rate Per 1000 Gallons		
0-15,000 Gallons	\$3.11	
15,001 - 30,000 Gallons	\$3.11	
30,001 - 50,000 Gallons	\$3.26	
50,001 - 80,000 Gallons	\$3.26	
80,001 - 150,000 Gallons	\$3.77	
150,001 - 200,000 Gallons	\$3.77	
200,001+ Gallons	\$5.00	
<b>All Connection Permits</b>	<b>\$140.00</b>	
<b>Meters, MIU &amp; Meter Installation Sets</b>	<b>\$300.00</b>	
<b>Delinquent Accounts</b>	<b>6% per quarter</b>	<b>Plus 25.00 or 8%, whichever is greater, if certified to County for collection with taxes</b>
<b>Disconnect Service</b>	<b>\$80.00</b>	
<b>Reconnect Service</b>	<b>\$80.00</b>	
<b>Service Call</b>		
Water Storage Violation	\$15.00 per day	
<b>Bulk Water from Hydrant</b>	<b>\$61.20 for first 5,000 gallons</b>	<b>Plus 3.26 per additional 1000 Gals</b>
<b>Swimming Pool Fill</b>	<b>\$61.20 for first 5,000 gallons</b>	<b>Plus 3.26 per 1000 Gals &amp; \$15.00 per labor hour</b>
<b>Water Availability Charge (WAC)</b>		
Existing Structures within Old Village	\$800.00	
New Development	\$3,900.00	
<b>Wind Generator</b>	<b>\$850.00</b>	<b>\$2000.00 Escrow</b>
<b>Wireless Communication Permit</b>	<b>\$500.00</b>	<b>\$2000.00 Escrow</b>
<b>Zoning Amendment (Text or Map)</b>	<b>\$1,245.00</b>	

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**ORDINANCE NO. 08-047B**

**AN ORDINANCE AMENDING MUNICIPAL FEES FOR CALENDAR YEAR 2011**

The Lake Elmo City Council hereby adopts the following fee schedule for calendar year 2011, applicable as services outlined in Appendix A, and directs that it be added to the Lake Elmo Municipal Code as Appendix A.

Appendix A: 2011 Fee Schedule -- Commercial Hotel/Motel Water Quarterly Rate

**ADOPTION DATE:** Passed by the Lake Elmo City Council on the 5th day of July, 2011.

CITY OF LAKE ELMO

By: \_\_\_\_\_  
Dean A. Johnston  
Its: Mayor

ATTEST

\_\_\_\_\_  
Sharon Lumby  
City Clerk

**PUBLICATION DATE:**

## City of Lake Elmo 2011 Fee Schedule

	2011	Escrow or Additional Charge
Accessory Bldg Forward of Primary Structure	\$80.00	
Administrative / Fines	\$0.00	
Amateur Radio Antenna	\$875.00	
Appeal (to Board of Adjustment and Appeals)	\$150.00	
Assessment Search	\$25.00	
<b>Building Demolition</b>		
First 1000 Square Feet	\$105.00	Plus 5.00 Surcharge (State Mandated)
Each Additional 1000 sq feet or portion thereof	\$11.00	Plus 5.00 Surcharge (State Mandated)
<b>Burning Permits</b>		
Residential	\$45.00	
Commercial	\$80.00	
Illegal Burn	\$100.00	
Comprehensive Plan Amendment	\$1,300.00	
Conditional Use Permit (CUP)	New \$1,050.00	Wireless Communication Facilities Escrow \$6,000.00 Flood
<new or amended>	Amended \$500.00	Plain Ordinance Escrow \$500.00
<b>CONTRACTOR LICENSE FEES</b>		
Blacktopping	\$75.00	
Excavator License	\$75.00	
Heating and A/C	\$75.00	
Sign Installer	\$50.00	Sign Reinspection Fee \$25.00
Solid Waste Hauler	\$120.00	
Tree Contract	\$70.00	
<b>COPY SERVICES</b>		
Copies (B&W)	\$0.35	
Copies (B&W) 11 X 17	\$1.00	
Copies (Color)	\$0.50	
Copies (Color) 11 X 17	\$2.00	
City Map - colored	\$3.15	
City Street Maps 36 X 40	\$20.00	
GIS / Engineering Maps		
Existing Maps	\$5.00	Provided electronically or paper
Custom (Per Hour rate)	\$70.00	Provided electronically or paper
Plan Size Maps Larger than 11 X 17	\$20.00	
Development Standards Specification & Details	\$55.00	
Code Book	\$160.00	
Sections 1, 2, 4, 6-12, 14	\$12.00	
Section 3	\$52.00	
Section 5 and 13	\$27.00	
Comprehensive Plan	\$125.00	
OP Ordinance	\$12.00	
Parks Plan	\$80.00	
Culverts in Developments with Rural Section	\$160.00	
Dog License	\$20.00	
Service Dogs License (dogs with special training to assist individual with disabilities)	\$5.00	Renew on expiration of rabies vaccination
Unlicensed dog (first impound)	\$60.00	Plus Boarding Fee-20.00/Day
Licensed dog (first impound)	\$42.00	Plus Boarding Fee-20.00/Day
Cat Impound (first impound)	\$42.00	Plus Boarding Fee-20.00/Day
Subsequent dog/cat impound	\$85.00	Plus Boarding Fee-20.00/Day
Duplicate License or Tag	\$1.00	
<b>Driveway</b>		
Residential	\$70.00	Plus 5.00 Surcharge (State Mandated)
Commercial	\$160.00	Plus 5.00 Surcharge (State Mandated)
Easement Encroachment	\$100.00	Staff & Recording Fee
Electronic Fund Withdrawal / Bill Payment	Fee & Transaction Charge	
Excavating and Grading	\$125.00	Erosion Control Bond, Escrow, or Letter of Credit: \$1500.00 per acre.
<b>False Alarm</b>		
1 to 3 False alarms		
In excess of 3 up to and including 6 false alarms within a twelve (12) month period		
Residential	\$110.00	
Commercial	\$315.00	

## City of Lake Elmo 2011 Fee Schedule

	2011	Escrow or Additional Charge
In excess of six false alarms within a twelve (12) month period		
Residential	\$185.00	
Commercial	\$520.00	
<b>Fire</b>		
Daycare inspection Fee	\$60.00	Plus 5.00 Surcharge (State Mandated)
Fire Alarm Systems	\$60.00	Plus 1% of Value
Fire Sprinkler System (Inspection Fee)	2% of value of work	Minimum \$100.00
Fire Sprinkler System (Reinspection Fee)	\$50.00	
<b>Flood Plain District Delineation</b>	\$500.00	
<b>Fuel Tank Removal (Underground)</b>	\$100.00	Plus 5.00 Surcharge (State Mandated)
<b>Fuel Tank Install</b>	2% of value of work	Minimum \$100.00
<b>Heating</b>		
New Residential	\$150.00	Plus 5.00 Surcharge (State Mandated)
Addition to Residential	\$75.00	Plus 5.00 Surcharge (State Mandated)
Commercial (New or Addition)	Minimum \$175.00 or 1% of total job	Plus minimum 5.00 Surcharge
<b>Interim Use Permit (IUP)</b>	\$1,050.00	
<b>Interim Use Permit (IUP)-Renewal</b>	\$300.00	
<b>Interim Use Permit (IUP) AG Sales &amp; Entertainment</b>	\$250.00	2011 Only
<b>Lawn Sprinklers</b>	\$125.00	Plus 5.00 Surcharge (State Mandated)
<b>Liquor</b>		
Club On Sale Intoxicating	\$100.00 per year	
Off Sale Intoxicating	\$200.00 per year	
Off-Sale Non-Intoxicating	\$150.00 per year	
On-Sale Intoxicating	\$1500.00 per year	
On-Sale Intoxicating - 2nd Bldg	\$750.00 per year	
On-Sale Investigation	\$350.00	
On-Sale Non-Intoxicating	\$100.00 per year	
On-Sale Sunday Intoxicating	\$200.00 per year	
Temporary Non-Intoxicating	\$25.00 per event	
Wine	\$300.00 per year	
<b>Lot Line Adjustment</b>	\$310.00	
<b>Manufactured Home Parks</b>	\$1,000.00	
New	\$1,200.00	Plus 2500.00 Escrow
Move home out of City	\$100.00	Plus 5.00 Surcharge (State Mandated)
Move into City	\$150.00	Plus 5.00 Surcharge (State Mandated)
<b>Minor Subdivision</b>	\$500.00	
<b>Moving House or Primary Structure into City</b>	\$520.00	Plus bond with amount to be determined by City w/recommendation from Building Official
<b>Moving Accessory Structure into City</b>	\$305.00	Plus Escrow to be determined by the City w/recommendation from Building Official
<b>New Construction Plan Review</b>	Per 1997 UBC (65%)	
<b>Park Dedication (up to 3 lots)</b>	\$3600.00 for each	Four or more lots per Section 400 Formula
<b>Parking Lots</b>		
New Commercial	\$175.00	Plus 5.00 Surcharge (State Mandated)
Existing Commercial	\$100.00	Plus 5.00 Surcharge (State Mandated)
<b>Platting</b>		
Concept (PUD or OP)	\$1,250.00	
Preliminary Plat (and Development Stage)	\$1,850.00	
Final Plat (and Final Plan)	\$1,250.00	Plus 2.5% Administrative Fee Development Agreement
<b>Plumbing</b>		
New Residential	\$150.00	Plus 5.00 Surcharge (State Mandated)
Addition to Residential	\$75.00	Plus 5.00 Surcharge (State Mandated)
Commercial (New or Addition)	175	Plus minimum 5.00 Surcharge (State Mandated)
<b>Private Roads (permitted only in AG zone)</b>	\$150.00	Plus 5.00 Surcharge (State Mandated)
<b>Restrictive Soils and Wetland Restoration Protection and Preservation Permit</b>	\$800.00	1500.00 escrow

## City of Lake Elmo 2011 Fee Schedule

	2011	Escrow or Additional Charge
<b>Right-of-Way Permits</b>		
Annual Registration (1415.05 Subd.1)	\$100.00	
Excavation (1415.11 Subd. 1)	\$230.00	
Each Additional Excavation	\$40.00	
Trench Fee (boring or open cut)	.60 per foot	
Overhead Installation Fee	.60 per foot	
New Subdivisions (Alternate to per foot fee)	\$100.00	
Street Obstruction Fee (1415.11 (Sub 2)	\$100.00	
Permit Extension	\$100.00	
Delay Penalty	25.00 per day	
<b>Sewage Disposal</b>		
<b>On-Site Septic Systems</b>		
New		Plus 5.00 Surcharge (State Mandated)
Alterations or Repairs		Plus 5.00 Surcharge (State Mandated)
Sewer Availability Charge (SAC)	\$5,730.00	per SAC unit - 2230.00 to Met Council; 3500 to City
Sewer	\$4.50 per 1,000 gallons	
<b>Wetland Treatment</b>		
Hookup to Existing System	\$100.00	Plus 5.00 Surcharge (State Mandated)
Alteration/Repair	\$75.00	Plus 5.00 Surcharge (State Mandated)
201 Off-Site Maintenance Fee	75.00 per unit per quarter	
Signs Permanent	\$180.00	Plus 5.00 Surcharge (State Mandated)
Signs Temporary	\$75.00	Plus 5.00 Surcharge (State Mandated)
Signs Temporary Renewal	\$25.00	Plus 5.00 Surcharge (State Mandated)
Site Plan Review (Chapter 520)	\$980.00	
<b>Special Events Support</b>		
Fire Department Equipment/Personnel	\$250/HR (Engine)	
	\$350/HR (Ladder)	
Public Safety	-NA	As Per Washington County Sheriff's Dept. Fee Schedule
Public Works Support (Traffic Control/Other)	\$100.00	Plus Materials
<b>Street Cleaning Erosion Control</b>		
Escrow	\$5,000.00	
Re-inspection	\$50.00 per hour	Portal to Portal from City Hall. Minimum: 1 hour
Processing Fee		10% of Contractor's Invoice to City
<b>Surface Water</b>		
Residential	\$50.00	
Non-Residential (commercial, ag., etc.)	\$50.00	Utility Rate Factor per code
Tennis Courts	Per 1997 UBC	Plus 5.00 Surcharge (State Mandated)
<b>Vacations (Streets or Easements)</b>		
Easements	\$515.00	\$500.00 Escrow
Streets	\$515.00	\$500.00 Escrow
Variance	\$750.00	
Video Reproduction	\$35.00	
<b>Water</b>		
Residential - Quarterly Rate	\$25.00 Base	
Plus Rate Per 1000 Gallons		
0-15,000 Gallons	\$2.14	
15,001 - 30,000 Gallons	\$2.86	
30,001 - 50,000 Gallons	\$3.77	
50,001 - 80,000 Gallons	\$5.00	
80,001+ Gallons	\$6.63	
Commercial - Quarterly Rate	\$25.00 Base	
Plus Rate Per 1000 Gallons		
0-15,000 Gallons	\$3.11	
15,001 - 30,000 Gallons	\$3.26	
30,001 - 50,000 Gallons	\$3.77	
50,001 - 80,000 Gallons	\$5.00	
80,001 + Gallons	\$6.63	



City of Lake Elmo 2011 Fee Schedule		
	2011	Escrow or Additional Charge
Commercial - Hotel/Motel Quarterly Rate	\$25.00 Base	
Plus: Commercial Rate Per 1000 Gallons		Utilizing Multiple Family Dwellings' Calculation - Based Upon REC (SAC) Units
All Connection Permits	\$140.00	
Meters, MIU & Meter Installation Sets	\$300.00	
Delinquent Accounts	6% per quarter	Plus 25.00 or 8%, whichever is greater, if certified to County for collection with taxes
Disconnect Service	\$80.00	
Reconnect Service	\$80.00	
Service Call		
Water Storage Violation	\$15.00 per day	
Bulk Water from Hydrant	\$61.20 for first 5,000 gallons	Plus 3.26 per additional 1000 Gals
Swimming Pool Fill	\$61.20 for first 5,000 gallons	Plus 3.26 per 1000 Gals & \$15.00 per labor hour
Water Availability Charge (WAC)		
Existing Structures within Old Village	\$800.00	
New Development	\$3,900.00	
Wind Generator	\$850.00	\$2000.00 Escrow
Wireless Communication Permit	\$500.00	\$2000.00 Escrow
Zoning Amendment (Text or Map)	\$1,245.00	

## Conservation Rates

*Minnesota Statutes*, section 103G.291, was amended in 2008 to include a requirement for public water suppliers serving more than 1,000 people to adopt a water rate structure that encourages conservation:

*Minnesota Statutes*, section 103G.291, subd. 4. **Conservation rate structure required.** (a) For the purposes of this section, "conservation rate structure" means a rate structure that encourages conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. The rate structure must consider each residential unit as an individual user in multiple-family dwellings.

(b) To encourage conservation, a public water supplier serving more than 1,000 people in the metropolitan area, as defined in section 473.121, subdivision 2, shall use a conservation rate structure by January 1, 2010. All remaining public water suppliers serving more than 1,000 people shall use a conservation rate structure by January 1, 2013.

(c) A public water supplier without the proper measuring equipment to track the amount of water used by its users, as of the effective date of this act, is exempt from this subdivision and the conservation rate structure requirement under subdivision 3, paragraph (c).

In addition, *Minnesota Statutes*, section 103G.291, was further amended to read:

Subd. 3. **Water supply plans; demand reduction.** (c) Public water suppliers serving more than 1,000 people must employ water use demand reduction measures, including a conservation rate structure, as defined in subdivision 4, paragraph (a), unless exempted under subdivision 4, paragraph (c), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. Demand reduction measures must include evaluation of conservation rate structures and a public education program that may include a toilet and showerhead retrofit program.

A conservation rate structure must be employed before requesting well construction approval for a public water supply well or before requesting an increase in permitted volume for their water appropriation permit.

### Examples of Conservation Rates:

Commercial and industrial rates can be based on cost of service and do not necessarily need to be the same rate as that used for residential water users.

Below are examples of rate structures that encourage conservation. Many variations and combinations of these examples are possible.

**NOTE:** Rate structures often include a service charge (base rate) and a volume based charge. Service charges may cover fixed costs (capital improvements) and the volume charge is often for operation and maintenance costs. Volume charges usually use units of 1,000 gallons or 100 cubic feet (748 gallons).

Increasing Block Rates: Cost per unit increases as water use increases within specified "blocks" or volumes. The increase in cost between each block should be significant enough (25% or more and 50% between the last two steps) to encourage conservation.

Example: 0-6,000 gallons = \$2.50/1000 gallons  
6,000-12,000 gallons = \$3.15/1000 gallons  
12,000-24,000 gallons = \$4.00/1000 gallons  
Above 24,000 gallons = \$6.00/1000 gallons.

Seasonal Rates: The rate per unit increases in the summer to encourage the efficient use of water during peak demand periods caused by outdoor water uses. Seasonal rates can take the form of a surcharge added to the normal rate or a separate fee schedule for winter and summer periods.

Example: Surcharge method - \$1.00/1000 gallons is added on top of the regular fee schedule for all water use between May 1 and October 1.

**Time of Use Rates:** Water rates are higher at times of the day when water use demands are high. This rate requires specialized meters that can monitor water use during specified segments of time, for instance, every 15 minutes.

**Example:** Water rates are reduced by \$0.75 for customers that agree not to use water for certain purposes or over a set volume of water during certain times of the day or periods of high water demands.

**Individualized Goal Rate (Water Budget Rate):** A rate with tailored allocations developed for each customer. The rates increase as the allocation is used or exceeded by the customer. The allocation is generally based upon winter or January use.

**Example:** A family of four used 6,200 gallons in January. Summer use is higher than January use so a factor is applied to determine a summer allocation (1.5 x 6,200 gallons = 9,300 gallons).

0-6,000 gallons = \$2.50/1000 gallons

6,000-9,300 gallons = \$2.75/1000 gallons

9,300-18,600 gallons = \$4.00/1000 gallons. (Allocation is exceeded.)

Above 18,600 gallons = \$6.00/1000 gallons.

**Excess Use Rates:** Cost per unit increases greatly above an established level in order to trigger a strong price signal that discourages excessive use. This rate is similar to an increasing block rate but with much higher charges for the larger volume blocks.

**Example:** 0-6,000 gallons = \$2.50/1000 gallons

6,000-12,000 gallons = \$3.15/1000 gallons

12,000-24,000 gallons = \$5.00/1000 gallons (Excessive Use Rate)

Above 24,000 gallons=\$7.50/1000 gallons (Excessive Use Rate)

**Multiple-Family Dwellings:** Total water use in a multiple-family dwelling, which has only one water meter for the entire dwelling, may exceed that of a single-family dwelling. The statute does not require individual water meters for each residential unit within a multiple-family dwelling; however, the required conservation rate at which the multiple-family dwelling's water use is billed must consider the number of residential units within that multiple-family dwelling.

**Example:** A four-plex uses a total of 18,000 gallons per month or approximately 4,500 gallons per residential unit. Water use for each residential unit falls within the first block (0-6,000 gallons) of the above Excess Use Rate example. A rate of \$2.50/1000 gallons would apply up to a total use of 24,000 gallons for the multiple-family dwelling. Thereafter, the rate increases according to the rate schedule, always considering each residential unit as an individual user.

**Non-conservation rate examples:**

**Declining (Decreasing) Block Rates:** The cost per unit of water (cubic foot or gallon) decreases as the water use increases beyond the basic block. This rate structure provides no incentive to conserve because the cost of water per unit decreases with increased use.

**Flat Rates:** A set fee allows the use of an indefinite amount of water. This rate structure is used where water is unmetered and provides no incentive to conserve water because cost is unrelated to volume used.

**Uniform Rates:** The cost per unit is the same regardless of the volume used. This rate structure is considered conservation neutral.

**Service Charge (Base Rate) that includes a Minimum Water Volume:** The inclusion of a minimum volume of water in the service charge (base rate) discourages conservation especially if the minimum volume exceeds average customer usage.

FACILITY	PARAMETER	SAC
<b>Ice Arena</b>		
Shower (if lockers use <i>Locker Room</i> criteria)		
Team Room (plumbing fixture units)	*17 fixture units	1
Bleachers	110 seats	1
Ice resurfacers (if discharge goes to the sanitary sewer)	1 resurfacers	4
<b>Laundromat</b> (required water volume for cycle time x 8 cycles/day x # of washers)	274 gallons	1
<b>Library</b> (subtract book storage areas, file areas; charge for common plumbing fixture units in public areas)		
Reception, book checkout, office	2,400 square feet	1
Meeting room, board room	1,650 square feet	1
<b>Loading Dock</b>	7,000 square feet	1
<b>Locker Room</b> (if showers)	14 lockers/hooks	1
<b>Manufacturing</b> (for remainder use other criteria (i.e. <i>Office</i> criteria)		
Shower (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
Process Discharge	Contact MCES for Determination	
<b>Marina</b> (Dumping Station)		
Areas Open to Public; see <i>other criteria</i>	1 station	1
<b>Massage Room</b>		
Shower	*17 fixture units	1
<b>Meals to Go</b> (prepared bulk meals)		
# meals prepared in one day x 1.5 gallons/meal ( <i>no dishwashing</i> )	274 gallons	1
<b>Meeting Room</b> (conference room)	1,650 square feet	1
<b>Memory Care</b> (see <i>Nursing Home</i> )		
<b>Mini-storage</b> (storage area – no charge)		
Apartment	1 apartment	1
Public Area	*17 fixture units	1
<b>Mobile Home</b>		
<b>Motel and Hotel</b> (assume 2 people/room; no charge for pools, saunas, whirlpools, game rooms, or exercise rooms used exclusively by guests)		
Breakfast only (complimentary)	45 seats	1
Cocktail hour (complimentary)	55 seats	1
Kitchenette (number of kitchenettes x 10 gallons/day)	274 gallons	1
<b>Museum</b>	2,400 square feet	1
<b>Nail Salon</b> (See <i>Beauty Salon</i> )		
<b>Nursing Home</b>	2 beds	1
<b>Office</b>		
General office (deduct mechanical rooms, elevator shafts, stairwells, and restroom areas)	2,400 square feet	1
Shower (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
Meeting Room (conference room)	1,650 square feet	1
Dental and Doctor's office, see Hospital, Outpatient Clinic		
Liquor License (see Banquet Room for the space covered under the liquor license)		
<b>Parking Garage</b> (if connected to sanitary sewer) Minimum 1 SAC; Otherwise use Floor Drain equivalent fixture units for Trench Drain base fixture unit assignments on outlet pipe(s) diameter.		
Vehicle Washing	Contact MCES for Determination	1

03-00000721-00-6 NON-IRRIGATION WATER ACTIVITY

Enter Gallons Used	Q1-11 Bill Amount	Actual Billed	Proposed Option D-1	Proposed Option D-2	Usage @ 55 rec factor	Proposed Option Multi-Fam	Old Pre-bill
1,233,280	1,033,280	\$5,979.90	\$5,979.90	\$5,900.00	22,423.27	\$3,262.00	\$3,441.17
0 - 15,000	15,000	\$70.75	\$72.40	\$71.65	0.00311	11049	\$59.36
15,001 - 30,000	15,000	\$48.90	\$48.90	\$46.65	0.00326	0	\$0.00
30,001 - 50,000	20,000	\$75.40	\$65.20	\$65.20	0.00377	0	\$0.00
50,001 - 80,000	30,000	\$150.00	\$113.10	\$97.80	0.00500	0	\$0.00
80,001 - 150,000	70,000	\$464.10	\$263.90	\$263.90	0.00663	0	\$0.00
150,001 - 200,000	50,000	\$331.50	\$250.00	\$188.50	0.00663	0	\$0.00
over 200,000	1,033,280	\$6,850.65	\$5,166.40	\$5,900.10	0.00663	0	\$0.00
	ST	\$7,991.30	\$5,979.90	\$420.38	times 55	\$3,264.93	\$232.63
		\$8,560.68	\$6,405.97	\$6,320.48	ST	\$3,497.56	\$3,497.56

Enter Gallons Used	Q2-11 Bill Amount	Actual Billed	Proposed Option D-1	Proposed Option D-2	Usage @ 55 rec factor	Proposed Option Multi-Fam	Old Pre-bill
1,080,164	1,033,280	\$5,221.37	\$5,221.37	\$5,134.52	19,639.35	\$3,262.00	\$3,441.17
0 - 15,000	15,000	\$70.75	\$70.75	\$71.65	0.00311	15000	\$71.65
15,001 - 30,000	15,000	\$48.90	\$47.40	\$46.65	0.00326	7952	\$25.92
30,001 - 50,000	20,000	\$75.40	\$75.40	\$65.20	0.00377	0	\$0.00
50,001 - 80,000	30,000	\$150.00	\$113.10	\$97.80	0.00500	0	\$0.00
80,001 - 150,000	70,000	\$464.10	\$263.90	\$263.90	0.00663	0	\$0.00
150,001 - 200,000	50,000	\$331.50	\$250.00	\$188.50	0.00663	0	\$0.00
over 200,000	880,164	\$5,835.49	\$4,400.82	\$4,400.82	0.00663	0	\$0.00
	ST	\$6,976.14	\$5,221.37	\$365.83	times 55	\$5,366.54	\$382.37
		\$7,473.19	\$5,593.39	\$5,500.35	ST	\$5,748.91	\$5,748.91

Enter Gallons Used	Q3-11 Bill Amount	Actual Billed	Proposed Option D-1	Proposed Option D-2	Usage @ 55 rec factor	Proposed Option Multi-Fam	Old Pre-bill
1,450,000	1,250,000	\$9,428.15	\$9,428.15	\$9,428.15	26,363.64	\$3,262.00	\$3,441.17
0 - 15,000	15,000	\$70.75	\$70.75	\$71.65	0.00311	15000	\$71.65
15,001 - 30,000	15,000	\$48.90	\$47.40	\$46.65	0.00326	11896	\$38.78
30,001 - 50,000	20,000	\$75.40	\$75.40	\$65.20	0.00377	0	\$0.00
50,001 - 80,000	30,000	\$150.00	\$113.10	\$97.80	0.00500	0	\$0.00
80,001 - 150,000	70,000	\$464.10	\$263.90	\$263.90	0.00663	0	\$0.00
150,001 - 200,000	50,000	\$331.50	\$250.00	\$188.50	0.00663	0	\$0.00
over 200,000	1,250,000	\$8,287.50	\$6,250.00	\$6,983.70	0.00663	0	\$0.00
	ST	\$9,428.15	\$7,070.55	\$6,983.70	times 55	\$6,073.70	\$432.75
		\$10,099.91	\$7,374.33	\$7,481.29	ST	\$6,506.45	\$6,506.45

Enter Gallons Used	Q4-11 Bill Amount	Actual Billed	Proposed Option D-1	Proposed Option D-2	Usage @ 55 rec factor	Proposed Option Multi-Fam	Old Pre-bill
1,250,000	1,050,000	\$8,102.15	\$8,102.15	\$8,102.15	22,727.27	\$3,262.00	\$3,441.17
0 - 15,000	15,000	\$70.75	\$70.75	\$71.65	0.00311	15000	\$71.65
15,001 - 30,000	15,000	\$48.90	\$47.40	\$46.65	0.00326	8150	\$26.57
30,001 - 50,000	20,000	\$75.40	\$75.40	\$65.20	0.00377	0	\$0.00
50,001 - 80,000	30,000	\$150.00	\$113.10	\$97.80	0.00500	0	\$0.00
80,001 - 150,000	70,000	\$464.10	\$263.90	\$263.90	0.00663	0	\$0.00
150,001 - 200,000	50,000	\$331.50	\$250.00	\$188.50	0.00663	0	\$0.00
over 200,000	1,050,000	\$6,961.50	\$5,250.00	\$5,983.70	0.00663	0	\$0.00
	ST	\$8,102.15	\$6,070.55	\$6,426.34	times 55	\$5,402.05	\$384.50
		\$8,679.43	\$6,503.08	\$6,410.04	ST	\$5,786.94	\$5,786.94

Enter Gallons Used	Q5-11 Bill Amount	Actual Billed	Proposed Option D-1	Proposed Option D-2	Usage @ 55 rec factor	Proposed Option Multi-Fam	Old Pre-bill
1,250,000	1,050,000	\$8,102.15	\$8,102.15	\$8,102.15	22,727.27	\$3,262.00	\$3,441.17
0 - 15,000	15,000	\$70.75	\$70.75	\$71.65	0.00311	15000	\$71.65
15,001 - 30,000	15,000	\$48.90	\$47.40	\$46.65	0.00326	8150	\$26.57
30,001 - 50,000	20,000	\$75.40	\$75.40	\$65.20	0.00377	0	\$0.00
50,001 - 80,000	30,000	\$150.00	\$113.10	\$97.80	0.00500	0	\$0.00
80,001 - 150,000	70,000	\$464.10	\$263.90	\$263.90	0.00663	0	\$0.00
150,001 - 200,000	50,000	\$331.50	\$250.00	\$188.50	0.00663	0	\$0.00
over 200,000	1,050,000	\$6,961.50	\$5,250.00	\$5,983.70	0.00663	0	\$0.00
	ST	\$8,102.15	\$6,070.55	\$6,426.34	times 55	\$5,402.05	\$384.50
		\$8,679.43	\$6,503.08	\$6,410.04	ST	\$5,786.94	\$5,786.94

Total projected annual amount to be billed 2011  
 Dollar amount impact to amount billed  
 % impact to amount billed

Dollar increase from 2009 rate structure  
 % increase from 2009

Actual

\* Includes \$25 base charge

NON-IRRIGATION WATER ACTIVITY

Enter Gallons Used 607,716 **Q1-10** Bill Amount **Actual Billed** Proposed Option D-1 **Proposed** Option Multi-Farm **Old** Pre-tier **Current bill at prior/flat rate structure**

Enter Gallons Used	Bill Amount	Actual Billed	Proposed Option D-1	Proposed Option Multi-Farm	Old Pre-tier	Current bill at prior/flat rate structure
0 - 15,000	15000	\$70.75 *	0.00311 15000 \$72.40	0.00311 15000 \$71.65	0.00305 11049 \$59.36	0.00305 11049 \$59.36
15,001 - 30,000	15000	\$48.00	0.00326 15000 \$48.00	0.00311 15000 \$46.65	0.00320 0 \$0.00	0.00320 0 \$0.00
30,001 - 50,000	20000	\$74.00	0.00326 20000 \$65.20	0.00326 20000 \$65.20	0.00370 0 \$0.00	0.00370 0 \$0.00
50,001 - 80,000	30000	\$147.00	0.00377 30000 \$113.10	0.00326 30000 \$97.80	0.00490 0 \$0.00	0.00490 0 \$0.00
80,001 - 150,000	70000	\$455.00	0.00377 70000 \$263.90	0.00377 70000 \$263.90	0.00650 0 \$0.00	0.00650 0 \$0.00
150,001 - 200,000	50000	\$325.00	0.00500 50000 \$250.00	0.00377 50000 \$188.50	0.00650 0 \$0.00	0.00650 0 \$0.00
over 200,000	407,716	\$2,650.15	0.00500 407,716 \$2,038.58	0.00500 407,716 \$2,038.58	times 55 \$3,264.93	times 55 \$3,264.93
	ST	\$2,688.61	ST \$2,038.58	ST \$2,038.58	ST \$3,264.93	ST \$3,264.93
		\$4,038.51	\$3,055.29	\$2,969.80	\$3,497.56	\$3,497.56

1,262,378 **Q2-10** Bill Amount **Actual Billed** Proposed Option D-1 **Proposed** Option Multi-Farm **Old** Pre-tier **Current bill at prior/flat rate structure**

0 - 15,000	15000	\$70.75 *	0.00316 15000 \$70.75	0.00311 15000 \$71.65	0.00305 15000 \$71.65	0.00305 15000 \$71.65
15,001 - 30,000	15000	\$48.00	0.00316 15000 \$47.40	0.00311 15000 \$46.65	0.00320 7952 \$25.45	0.00320 7952 \$25.45
30,001 - 50,000	20000	\$74.00	0.00377 20000 \$75.40	0.00326 20000 \$65.20	0.00370 0 \$0.00	0.00370 0 \$0.00
50,001 - 80,000	30000	\$147.00	0.00377 30000 \$113.10	0.00326 30000 \$97.80	0.00490 0 \$0.00	0.00490 0 \$0.00
80,001 - 150,000	70000	\$455.00	0.00377 70000 \$263.90	0.00377 70000 \$263.90	0.00650 0 \$0.00	0.00650 0 \$0.00
150,001 - 200,000	50000	\$325.00	0.00500 50000 \$250.00	0.00377 50000 \$188.50	0.00650 0 \$0.00	0.00650 0 \$0.00
over 200,000	1,062,378	\$6,905.46	0.00500 1,062,378 \$6,132.44	0.00500 1,062,378 \$5,311.89	times 55 \$5,340.30	times 55 \$5,340.30
	ST	\$571.80	ST \$436.94	ST \$430.75	ST \$380.50	ST \$380.50
		\$8,597.00	\$6,569.38	\$6,476.34	\$5,720.80	\$5,720.80

1,479,297 **Q3-10** Bill Amount **Actual Billed** Proposed Option D-1 **Proposed** Option Multi-Farm **Old** Pre-tier **Current bill at prior/flat rate structure**

0 - 15,000	15000	\$70.75 *	0.00316 15000 \$70.75	0.00311 15000 \$71.65	0.00305 15000 \$71.65	0.00305 15000 \$71.65
15,001 - 30,000	15000	\$48.00	0.00316 15000 \$47.40	0.00311 15000 \$46.65	0.00320 11896 \$38.07	0.00320 11896 \$38.07
30,001 - 50,000	20000	\$74.00	0.00377 20000 \$75.40	0.00326 20000 \$65.20	0.00370 0 \$0.00	0.00370 0 \$0.00
50,001 - 80,000	30000	\$147.00	0.00377 30000 \$113.10	0.00326 30000 \$97.80	0.00490 0 \$0.00	0.00490 0 \$0.00
80,001 - 150,000	70000	\$455.00	0.00377 70000 \$263.90	0.00377 70000 \$263.90	0.00650 0 \$0.00	0.00650 0 \$0.00
150,001 - 200,000	50000	\$325.00	0.00500 50000 \$250.00	0.00377 50000 \$188.50	0.00650 0 \$0.00	0.00650 0 \$0.00
over 200,000	1,279,297	\$8,315.43	0.00500 1,279,297 \$7,217.04	0.00500 1,279,297 \$7,130.19	times 55 \$6,034.45	times 55 \$6,034.45
	ST	\$672.26	ST \$514.21	ST \$508.03	ST \$429.95	ST \$429.95
		\$10,107.44	\$7,731.25	\$7,638.21	\$6,464.40	\$6,464.40

1,273,223 **Q4-10** Bill Amount **Actual Billed** Proposed Option D-1 **Proposed** Option Multi-Farm **Old** Pre-tier **Current bill at prior/flat rate structure**

0 - 15,000	15000	\$70.75 *	0.00316 15000 \$70.75	0.00311 15000 \$71.65	0.00305 15000 \$71.65	0.00305 15000 \$71.65
15,001 - 30,000	15000	\$48.00	0.00316 15000 \$47.40	0.00311 15000 \$46.65	0.00320 8150 \$26.08	0.00320 8150 \$26.08
30,001 - 50,000	20000	\$74.00	0.00377 20000 \$75.40	0.00326 20000 \$65.20	0.00370 0 \$0.00	0.00370 0 \$0.00
50,001 - 80,000	30000	\$147.00	0.00377 30000 \$113.10	0.00326 30000 \$97.80	0.00490 0 \$0.00	0.00490 0 \$0.00
80,001 - 150,000	70000	\$455.00	0.00377 70000 \$263.90	0.00377 70000 \$263.90	0.00650 0 \$0.00	0.00650 0 \$0.00
150,001 - 200,000	50000	\$325.00	0.00500 50000 \$250.00	0.00377 50000 \$188.50	0.00650 0 \$0.00	0.00650 0 \$0.00
over 200,000	1,073,223	\$6,975.95	0.00500 1,073,223 \$6,186.67	0.00500 1,073,223 \$5,366.12	times 55 \$5,375.15	times 55 \$5,375.15
	ST	\$8,095.70	ST \$6,186.67	ST \$434.61	ST \$382.98	ST \$382.98
		\$8,672.52	\$6,627.46	\$6,534.45	\$5,758.13	\$5,758.13

Total annual amount billed **Actual** **Current bill at prior/flat rate structure**

Total annual amount billed	\$29,388.92	\$29,047.87	\$29,047.87	\$29,047.87	\$29,047.87	\$29,047.87
Dollar impact to amount billed	(6,937.77)	(6,937.77)	(6,937.77)	(6,937.77)	(6,937.77)	(6,937.77)
% impact to amount billed	-23.66%	-23.66%	-23.66%	-23.66%	-23.66%	-23.66%
Dollar increase from 2009 rate structure	14,895.89	\$7,958.12	\$7,958.12	\$7,958.12	\$7,958.12	\$7,958.12
% increase from 2009	103.23%	55.15%	55.15%	55.15%	55.15%	55.15%

\* Includes \$25 base charge





## MAYOR & COUNCIL COMMUNICATION

DATE: 7/19/2011  
REGULAR  
ITEM #: 17  
DISCUSSION

**AGENDA ITEM:** Update Re: Library Service Considerations

**SUBMITTED BY:** City Council (Follow-up from July 5th, 2011 Staff Report)

**THROUGH:** Bruce A. Messelt, City Administrator *BAW*

**REVIEWED BY:** - NA -

---

**SUMMARY AND ACTION REQUESTED:** This item has been scheduled at the request of the City Council in order to update the Council and public on efforts to retain and enhance library services for the Lake Elmo community.

**BACKGROUND INFORMATION:** Several formal meetings and informal discussions among City and County officials have led to an understanding that long-term provision of County library services in Lake Elmo remains highly vulnerable to both budgetary considerations and County-wide consolidation of services to address identified efficiencies, economies of scale and customer preferences.

On June 29th, 2010, the City Council adopted Resolution No. 2010-031 establishing a Public Library System, authorizing a Library Levy, and establishing a Public Library Board for the City of Lake Elmo. However, this Resolution could be dissolved by action of the City Council, if sufficient progress was made in discussions directed at "maintaining and improving existing library services or transferring library services from the County to the City . . ."

On August 17th, 2010, the City Council approved Resolution 2010-041 "staying establishment of a Public Library System, authorizing a Library Levy, and Establishing a Public Library Board for the City of Lake Elmo," pending outcome of further discussions with the County.

In May 2011, the City Council directed City staff to explore the feasibility of the City undertaking library service provision, within some form of continued affiliation or association with Washington County. Since that time, City staff has also engaged the assistance of the Friends of the Rosalie E. Wahl Library in exploration of alternative service models.

On July 5th, 2011, the City Council directed that County Library representatives be invited to attend an upcoming Council Workshop to further discuss this item. The County respectfully



declined this invitation, pending County Board discussion of future Library services at its July 12th, 2011 Meeting and a stated desire for Lake Elmo to prepare a position statement for the County to consider.

On July 12th, the County Board received a report from Library Director Conley (attached), which outlined budget scenarios for 2012. The County Board did not take further action on this item.

**STAFF REPORT:** The Mayor, City Council Members, City Administrator, City Attorney and others have formally met and/or spoken with County officials on several different occasions, and have continued to research and discuss applicable legal, operational and financial implications with various representatives from the County, state and regional library authorities, and local library supporters.

Based upon the County's 2011 Library budget, efforts have been taken to structure the retention of library services at minimum maintenance levels (generally current operations) at the four smaller branch libraries for 2011. However, ongoing State budget discussions seem to imperil even completion of 2011 at current operating levels (please note County White Paper).

In addition, the County has begun discussions with each of the four communities hosting these branch libraries regarding long-term service options, alternative future service models (such as Hugo's new Kiosk system) and the possibility of transition to a new service model (please see the attached Marine on St. Croix proposal). *Recent discussions and Tuesday's Board presentation indicate a potential transition to non-County affiliated "reading rooms" and County-run kiosks in two of these communities as early as autumn 2011 – even without service adjustments emanating from the State budget.*

City action would be required by the end of July to allow for the County to prepare for Truth-in-Taxation hearings in September. For information, here is the 2009, Payable 2010, Levy collected by Washington County for Library operations and debt service.

	Lake Elmo Tax Capacity for LTR	Rates	Levy
Library	\$ 12,580,838	1.97180655%	\$ 248,070
Library debt	\$ 12,580,838	0.23896744%	\$ 30,064

**RECOMMENDATION:** It is recommended the City Council briefly review and discuss the actions, decisions and research undertaken, to date, as presented at the earlier Workshop. Appropriate staff direction is also recommended, should the City Council wish to proceed with a specific action. In particular, two follow-on activities are noted for Council consideration:

- Review and potential advancement of a City of Lake Elmo proposal to Washington County, based upon Council direction, for the continued provision of library services; and
- Consideration of Council action – through adoption of *draft* Resolution No. 2011-024 – to establish a Public Library System, authorizing a Library Levy, and establishing a Public Library Board for the City of Lake Elmo and directing staff to work with Washington County on an affiliation/ association agreement and related transition efforts.

**ATTACHMENTS:**

1. Washington County Board Briefing Paper – July 12th, 2011
2. Draft Position Paper (*to be sent separately – still under preparation*)
3. Resolution 2010-031 & Resolution 2010-041
4. “Public Library Service in Washington County” – March 2011
5. Marine Library Committee Recommendation to Marine City Council – March 2011
6. *Draft* Resolution No. 2011-024

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item & Brief Staff Report..... City Administrator
- Questions from Council to Staff..... Mayor & City Council
- Public Input, if Appropriate.....Mayor Facilitates
- Discussion.....Mayor Facilitates
- Direction or Action? ..... Mayor & City Council



DRAFT—FOR DISCUSSION ONLY

## Financially Sustainable Library Service Models

2012 Library open hour options

July 12, 2011

### Goal

Based on 1) a 2012 levy target that is the same as 2011 or 2) a 3% reduction from the 2012 levy target, there will be insufficient staff to support current library service at 9 branches at 349 open hours per week. The Library recommends that open hours be based on the number of staff that can be afforded.

The challenge is to offer sufficient access to library resources and services, promote customer self-service and retain high staff productivity.

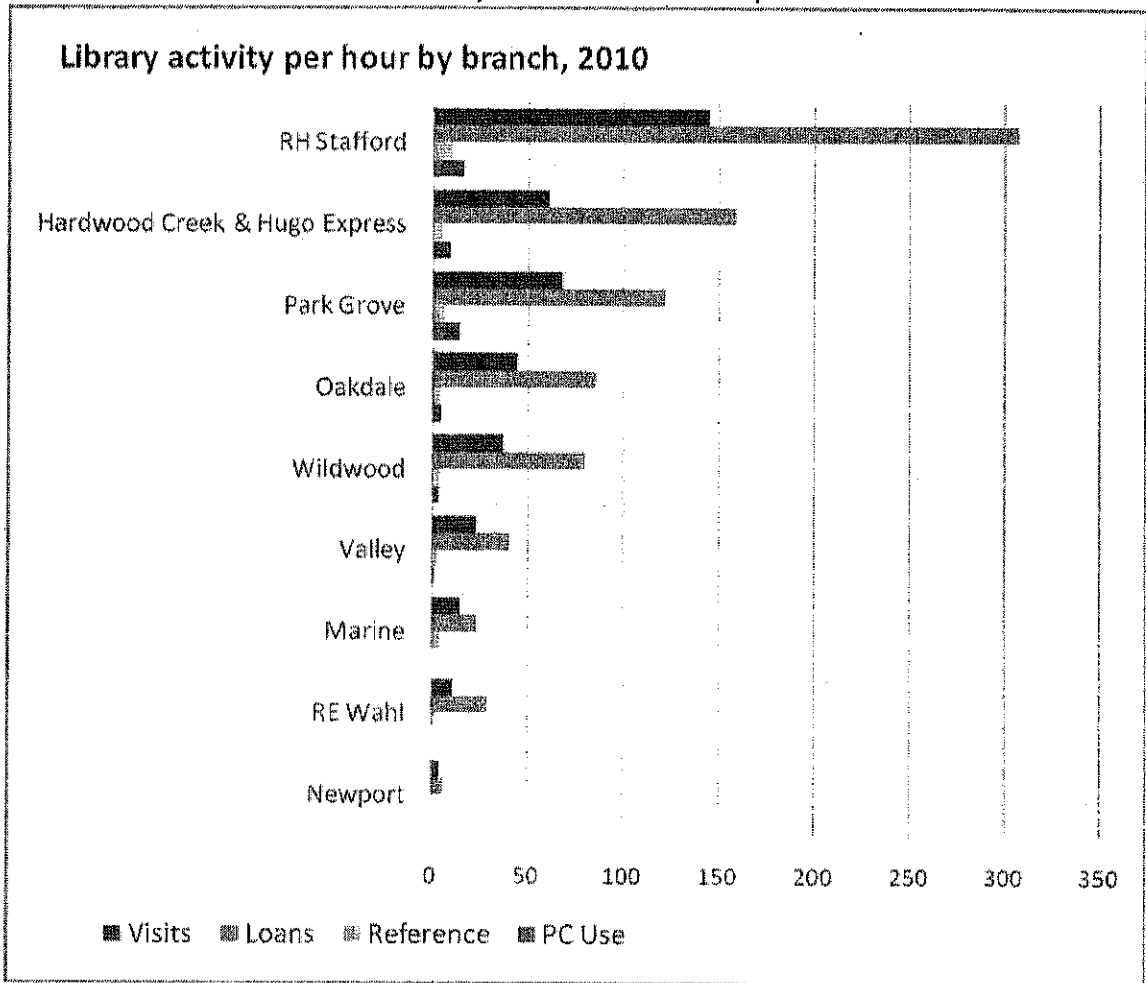
Within an environment of a shrinking workforce due to budget reductions, the library will...

- Meet the library service needs of customers to greatest degree possible
- Use technology and innovation to maintain access to the library whenever possible
- Preserve essential library services
- Preserve access to the library and to good customer service
- Provide security for customers and employees
- Adjust branch open hours to utilize available staff hours and preserve user access
- Provide adequate staff coverage for customer service during library open hours
- Create public access and staffing parity among geographic regions within County

### Staffing patterns

Staffing patterns for public service are based on 2010 activity levels for each branch. Branches are organized into three service areas or regions. Activity levels include number of visits, loans, reference transactions and public computer use, all of which require various staff responsibilities and customer assistance. Staffing patterns are also based on customer activity levels during particular times of the day, e.g. afternoons are busier than mornings and evenings. In addition, activities such as story times, programs, classes, school visits, tours, marketing, collection maintenance and professional development require planning, community outreach and dedicated time away from public service desks.

2010 Performance measures by branch and Group



Source: Horizon Report, 2010; Cybrarian Report, 2010; Washington County Library Gate Count Report, 2010

BRANCH	FTE	AVERAGE OPEN HOURS PER WEEK	OPEN HOURS 2010	FTE PER OPEN HOUR	VISITS PER HOUR	COLLECTION SIZE	CLERK FTE	LOANS PER HOUR	AVERAGE LIBRARIAN FTE	REFERENCE TRANSACTIONS PER HOUR	AVERAGE REFERENCE PER HOUR	HOURS PER PC USE HOUR	PC USE PER HOUR		
FL	11.61	58	2952	0.20	178,932	61	97,065	5.25	467,324	158	5.36	14,313	4.8	28,181	9.5
WW	4.66	46	2349	0.10	86,226	37	41,931	2.5	188,131	80	2.16	10,020	4.3	8,360	3.6
MA	0.56	20	996	0.03	15,318	15	7,942	0	23,001	23	0.56	3,949	4.0	403	0.4
HU							0		1,970		0.00	0	0.0	na	na
North	16.83	124	6297	0.14	280,476	45	146,938	9.35	680,426	108	8.08	28,282	4.5	36,944	5.9
WB	13.40	58	2952	0.23	427,335	145	139,855	6.95	909,671	308	6.45	29,924	10.1	47,202	16.0
VA	1.42	20	996	0.07	22,655	23	13,410	0.9	39,473	40	0.52	3,194	3.2	1,314	1.3
NE	0.53	20	996	0.03	3,746	4	2,776	0	6,039	6	0.53	755	0.7	734	0.7
Central	15.35	98	4944	0.16	453,736	92	156,041	7.85	955,183	193	7.50	33,873	6.9	49,250	10.0
PG	7.30	46	2349	0.16	158,659	68	82,745	3.77	286,333	122	3.53	14,226	6.1	33,095	14.1
OA	5.94	46	2349	0.13	105,704	45	49,673	2.59	202,921	86	3.35	10,366	4.4	11,480	4.9
LE	0.82	20	996	0.04	10,871	11	8,953	0.20	29,357	29	0.62	807	0.8	576	0.6
South	14.06	112	5694	0.12	275,234	48	141,371	6.56	518,611	91	7.50	25,399	4.5	45,151	7.9
WCL	46.24	334	16,935	0.14	1,009,446	60	444,350	23.76	2,154,220	127	23.08	87,554	5.2	131,345	7.8

NOTE: 2010 branch statistics reflect a reduction of 35 open hours a week from May 30 through September 4, 2010 (Summer Schedule).

## Current 2011 Open Hours

9 locations/7days/349 open hours

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	9:30-8	9:30-8	9:30-8	9:30-8	9:30-5	9:30-5	61
Hardwood Creek	1-5	9:30-8	9:30-8	9:30-8	9:30-8	9:30-5	9:30-5	61
Park Grove	1-5	9:30-8	12:30-8	12:30-8	12:30-8	12:30-5	9:30-5	49
Oakdale	1-5	9:30-8	12:30-8	12:30-8	12:30-8	12:30-5	9:30-5	49
Wildwood	1-5	9:30-8	12:30-8	12:30-8	12:30-8	12:30-5	9:30-5	49
Valley	closed	10-2	2-6	2-6	2-6	10-2	closed	20
RE Wahl	closed	10-2	2-6	2-6	2-6	10-2	closed	20
Marine	closed	10-2	2-6	2-6	2-6	10-2	closed	20
Newport	closed	10-2	2-6	2-6	2-6	10-2	closed	20
<b>HOURS/DAY</b>	<b>20</b>	<b>68.5</b>	<b>59.5</b>	<b>59.5</b>	<b>59.5</b>	<b>44.5</b>	<b>37.5</b>	<b>349</b>

Five of nine branches open 7 days a week/52 weeks per year offering day, evening and weekend access to services.

- RH Stafford and Hardwood Creek branches each open 61 hours.
- Park Grove, Oakdale and Wildwood branches each open 49 hours.
- Valley, RE Wahl, Marine and Newport branches each open 20 hours, Monday through Friday.
- Hugo Library Express is open 24/7.

## Open hour options

In order to maintain library operations and preserve essential functions, the library proposes to adjust locations, days and hours to levels that can sustain staffing levels that the 2012 budget scenarios support. The fewer open hours, the more staff can be deployed at larger branches. Staffing larger branches is preferable because of the ability to allocate resources more efficiently and offer services to a greater number of people.

**Option A1—2012 levy target**

**9 locations/6 days/297.5 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	closed	9:30-8	9:30-8	9:30-8	9:30-5	9:30-5	50.5
Hardwood Creek	1-5	closed	9:30-8	9:30-8	9:30-8	9:30-5	9:30-5	50.5
Park Grove	1-5	closed	9:30-8	12:30-8	12:30-8	12:30-5	9:30-5	41.5
Oakdale	closed	closed	9:30-8	12:30-8	12:30-8	12:30-5	9:30-5	37.5
Wildwood	closed	closed	9:30-8	12:30-8	12:30-8	12:30-5	9:30-5	37.5
Valley	closed	closed	2-6	2-6	2-6	10-2	10-2	20
Lake Elmo	closed	closed	2-6	2-6	2-6	10-2	10-2	20
Marine	closed	closed	2-6	2-6	2-6	10-2	10-2	20
Newport	closed	closed	2-6	2-6	2-6	10-2	10-2	20
<b>HOURS/DAY</b>	<b>12</b>	<b>0</b>	<b>68.5</b>	<b>59.5</b>	<b>59.5</b>	<b>44.5</b>	<b>53.5</b>	<b>297.5</b>

Branches open 6 days a week offering day, evening and weekend access to services.

- All branches closed Mondays.
- RH Stafford and Hardwood Creek open hours each reduced 10.5 hours per week. Open Sundays.
- Park Grove open hours reduced 7.5 hours. Open Sundays.
- Oakdale and Wildwood open hours each reduced 11.5 hours per week. Closed Sundays.
- Valley, Rosalie E Wahl, Marine and Newport branches open Saturdays.
- Hugo Library Express is open 24/7.

**Option A2— Levy minus 3% target**

**9 locations/5 days/243.5 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	closed	closed	9:30-8	12:30-8	12:30-5	12:30-5	9:30-5	34.5
Hardwood Creek	closed	closed	9:30-8	12:30-8	12:30-5	12:30-5	9:30-5	34.5
Park Grove	closed	closed	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	31.5
Oakdale	closed	closed	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	31.5
Wildwood	closed	closed	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	31.5
Valley	closed	closed	2-6	2-6	2-6	10-2	10-2	20
Lake Elmo	closed	closed	2-6	2-6	2-6	10-2	10-2	20
Marine	closed	closed	2-6	2-6	2-6	10-2	10-2	20
Newport	closed	closed	2-6	2-6	2-6	10-2	10-2	20
<b>HOURS/DAY</b>	<b>0</b>	<b>0</b>	<b>59.5</b>	<b>53.5</b>	<b>38.5</b>	<b>38.5</b>	<b>53.5</b>	<b>243.5</b>

Branches open 5 days a week offering day, evening and Saturday access to services.

- All branches closed Sundays and Mondays.
- RH Stafford and Hardwood Creek open hours each reduced by 26.5 hours per week.
- Park Grove, Oakdale and Wildwood open hours each reduced 17.5 hours per week.
- Valley, Rosalie E Wahl, Marine and Newport branches open Saturdays.
- Hugo Library Express is open 24/7.

Smaller branches serve 13% and larger branches 87% of library customers. Staffing the four smallest branches means that fewer staff will be available at the five larger branches to serve a greater number of customers.

**Option B1—2012 levy target**

**7 locations/7 days/249 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	46
Hardwood Creek	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	46
Park Grove	closed	12:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	39
Oakdale	closed	12:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	39
Wildwood	closed	12:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	39
TBD	closed	closed	2-6	2-6	2-6	10-2	10-2	20
TBD	closed	closed	2-6	2-6	2-6	10-2	10-2	20
<b>HOURS/DAY</b>	<b>8</b>	<b>43.5</b>	<b>45.5</b>	<b>45.5</b>	<b>30.5</b>	<b>30.5</b>	<b>45.5</b>	<b>249</b>

Branches open 7 days a week offering day, evening and weekend access to services.

- RH Stafford and Hardwood Creek open hours each reduced 15 hours per week.
- Park Grove, Oakdale and Wildwood open hours each reduced 10 hours per week. All are closed Sunday.
- Two Boutique branches each open 20 hours per week. Both are closed Sunday and Monday and open Saturday.
- Two Boutique branches transitioned to alternative library service.
- Hugo Library Express is open 24/7.

Transitioning two small branches to alternative services that require fewer FTE allows available staff members to be deployed at the five larger branches.

**Option B2— Levy minus 3% target**

**7 locations/7 days/222.5 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	1-5	42.5
Hardwood Creek	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	1-5	42.5
Park Grove	closed	12:30-8	12:30-8	12:30-5	12:30-5	12:30-5	1-5	32.5
Oakdale	closed	12:30-8	12:30-8	12:30-5	12:30-5	12:30-5	1-5	32.5
Wildwood	closed	12:30-8	12:30-8	12:30-5	12:30-5	12:30-5	1-5	32.5
TBD	closed	closed	1-5	1-5	1-5	1-5	1-5	20
TBD	closed	closed	1-5	1-5	1-5	1-5	1-5	20
<b>HOURS/DAY</b>	<b>8</b>	<b>43.5</b>	<b>45.5</b>	<b>36.5</b>	<b>30.5</b>	<b>30.5</b>	<b>28</b>	<b>222.5</b>

Branches open 7 days a week offering day, evening and weekend access to services.

- RH Stafford and Hardwood Creek open hours each reduced 18.5 hours per week.
- Park Grove, Oakdale and Wildwood open hours each reduced 16.5 hours per week. All are closed Sunday.
- Two Boutique branches each open 20 hours per week. Both are closed Sunday and Monday and open Saturday.
- Two Boutique branches transitioned to alternative library service.
- Hugo Library Express is open 24/7.

Transitioning two small branches to alternative services that require fewer FTE allows available staff members to be deployed at the five larger branches.

**Option C1—2012 levy target**

**6 locations/7 days/236 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	46
Hardwood Creek	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	46
Park Grove	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	46
Oakdale	closed	12:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	39
Wildwood	closed	12:30-8	12:30-8	12:30-8	12:30-5	12:30-5	9:30-5	39
TBD	closed	closed	2-6	2-6	2-6	10-2	10-2	20
<b>HOURS/DAY</b>	<b>12</b>	<b>46.5</b>	<b>41.5</b>	<b>41.5</b>	<b>26.5</b>	<b>26.5</b>	<b>41.5</b>	<b>236</b>

Branches open 7 days a week offering day, evening and weekend access to services.

- RH Stafford and Hardwood Creek open hours each reduced 15 hours per week.
- Park Grove open hours reduced 3 hours per week.
- Oakdale and Wildwood open hours each reduced 10 hours per week. Both are closed Sunday.
- One boutique branch open 20 hours per week. Closed Sunday and Monday. Open Saturday.
- Three Boutique branches transitioned to alternative library service.
- Hugo Library Express is open 24/7.

Transitioning three small branches to alternative services that require fewer FTE allows available staff members to be deployed at the five larger branches.

**Option C2— Levy minus 3% target**

**6 locations/7 days/208.5 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	1-5	42.5
Hardwood Creek	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	1-5	42.5
Park Grove	closed	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	1-5	38.5
Oakdale	closed	12:30-8	12:30-8	12:30-5	12:30-5	12:30-5	1-5	32.5
Wildwood	closed	12:30-8	12:30-8	12:30-5	12:30-5	12:30-5	1-5	32.5
TBD	closed	closed	1-5	1-5	1-5	1-5	1-5	20
<b>HOURS/DAY</b>	<b>8</b>	<b>46.5</b>	<b>41.5</b>	<b>35.5</b>	<b>26.5</b>	<b>26.5</b>	<b>24</b>	<b>208.5</b>

Branches open 7 days a week offering day, evening and weekend access to services.

- RH Stafford and Hardwood Creek open hours each reduced 18.5 hours per week.
- Park Grove open hours reduced 10.5 hours per week. Closed Sunday.
- Oakdale and Wildwood open hours each reduced 16.5 hours per week. Both are closed Sunday.
- One boutique branch open 20 hours per week. Closed Sunday and Monday. Open Saturday.
- Three Boutique branches transitioned to alternative library service.
- Hugo Library Express is open 24/7.

Transitioning three small branches to alternative services that require fewer FTE allows available staff members to be deployed at the five larger branches.



**Option D1—2012 levy target**

**5 locations/7 days/230 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	9:30-8	9:30-8	12:30-8	12:30-5	12:30-5	12:30-5	46
Hardwood Creek	1-5	9:30-8	9:30-8	12:30-8	12:30-5	12:30-5	12:30-5	46
Park Grove	1-5	9:30-8	9:30-8	12:30-8	12:30-5	12:30-5	12:30-5	46
Oakdale	1-5	9:30-8	9:30-8	12:30-8	12:30-5	12:30-5	12:30-5	46
Wildwood	1-5	9:30-8	9:30-8	12:30-8	12:30-5	12:30-5	12:30-5	46
<b>HOURS/DAY</b>	<b>20</b>	<b>52.5</b>	<b>52.5</b>	<b>37.5</b>	<b>22.5</b>	<b>22.5</b>	<b>22.5</b>	<b>230</b>

Branches open 7 days a week for same hours offering day, evening and weekend access to services.

- RH Stafford and Hardwood Creek open hours each reduced 15 hours per week.
- Park Grove, Oakdale and Wildwood open hours each reduced 3 hours per week.
- Valley, Rosalie E Wahl, Marine and Newport branches transitioned to alternative library service.
- Hugo Library Express is open 24/7.

Available staff is deployed to the five larger branches. Larger branches are preferable because of the ability to allocate resources more efficiently and offer more services to a greater number of people. Deploying available staff members during fewer open hours, allows a higher level of service and customer satisfaction. All branches would have the same hours. Consistency creates equitability across geographic regions and has greater clarity for customers.

**Option D2— Levy minus 3% target**

**5 locations/7 days/188.5 open hours**

BRANCH	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	HOURS/ WEEK
RH Stafford	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	1-5	42.5
Hardwood Creek	1-5	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	1-5	42.5
Park Grove	closed	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	closed	34.5
Oakdale	closed	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	closed	34.5
Wildwood	closed	9:30-8	12:30-8	12:30-8	12:30-5	12:30-5	closed	34.5
<b>HOURS/DAY</b>	<b>8</b>	<b>52.5</b>	<b>37.5</b>	<b>37.5</b>	<b>22.5</b>	<b>22.5</b>	<b>8</b>	<b>188.5</b>

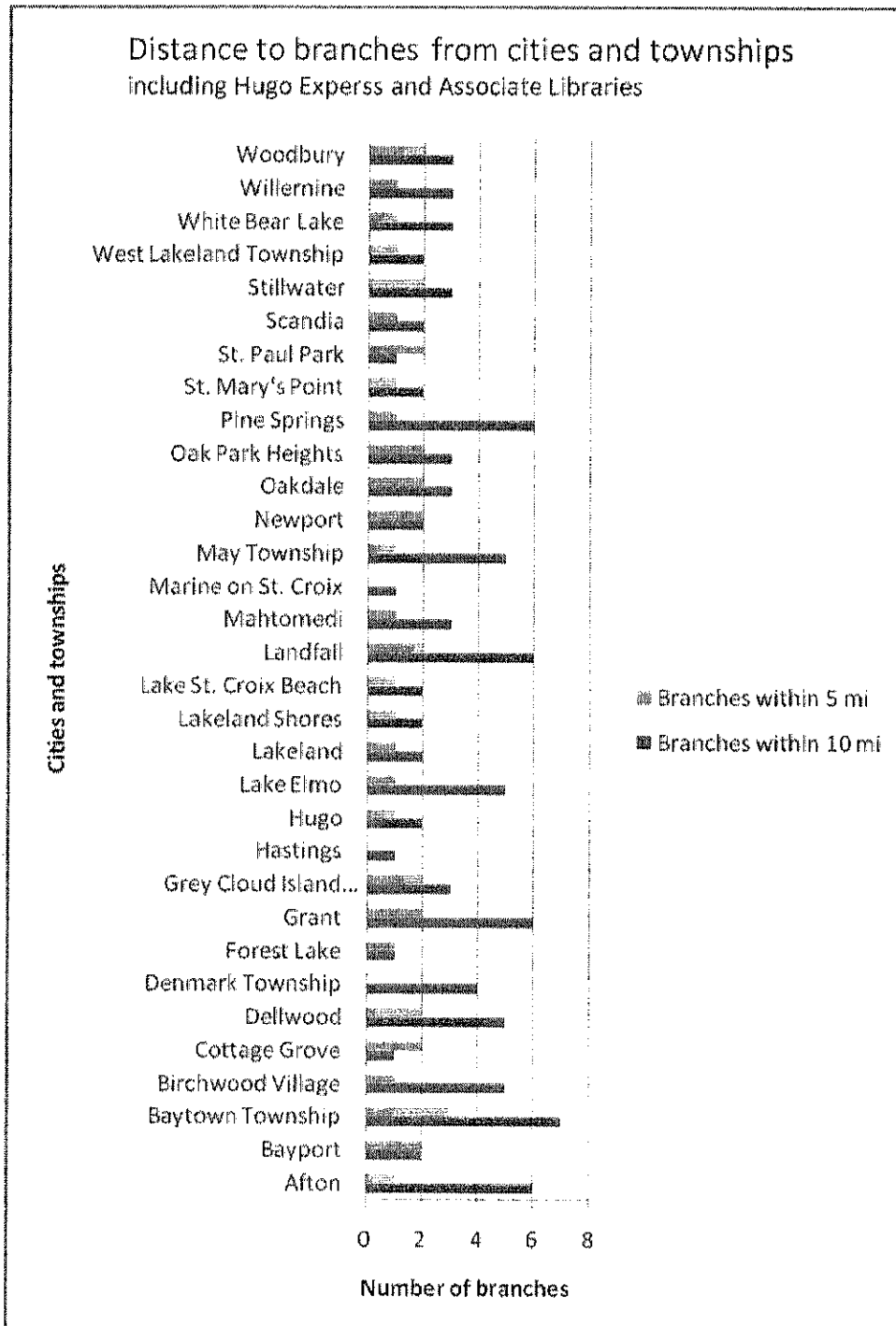
Branches open 7 days a week offering day, evening and weekend access to services.

- RH Stafford and Hardwood Creek open hours each reduced 18.5 hours per week.
- Park Grove, Oakdale and Wildwood open hours each reduced 14.5 hours per week.
- Valley, Rosalie E Wahl, Marine and Newport branches transitioned to alternative library service.
- Hugo Library Express is open 24/7.

Available staff is deployed to the five larger branches. Larger branches are preferable because of the ability to allocate resources more efficiently and offer more services to a greater number of people. Deploying available staff members during fewer open hours, allows a higher level of service and customer satisfaction.

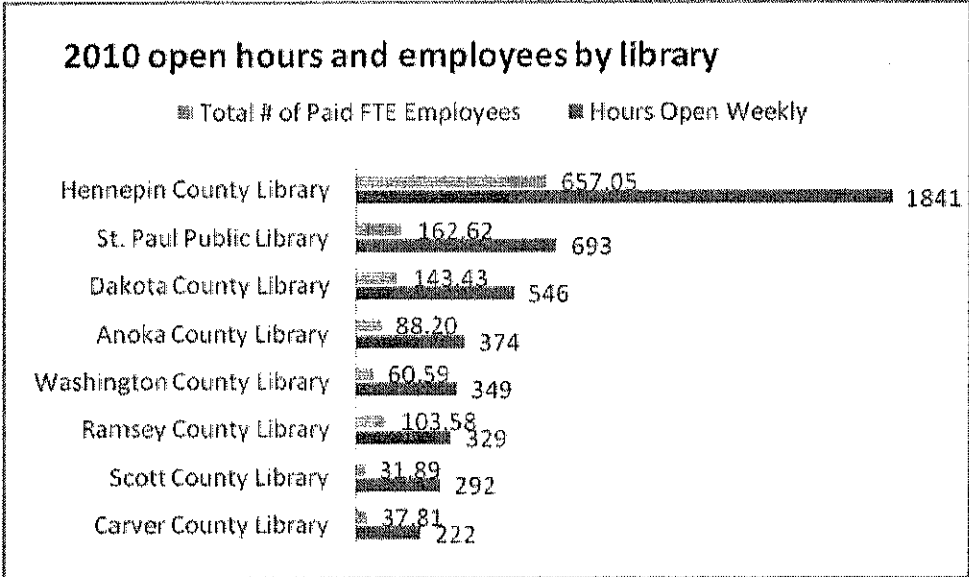
### Distance from branches

Most county residents live within 5 miles of at least one branch and within 10 miles of at least two branches or the libraries in Stillwater and Bayport.



### Open hours and FTE by metro-area libraries

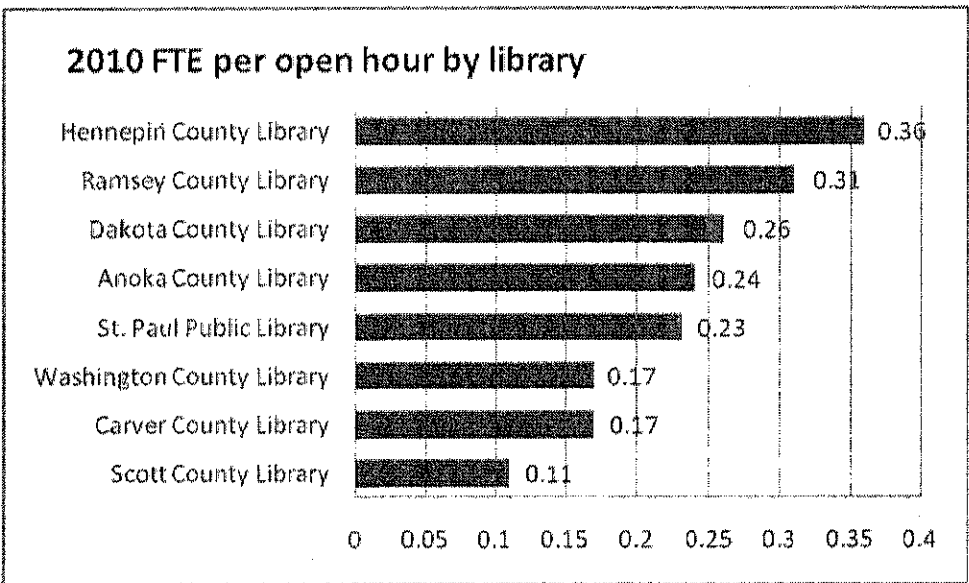
Among the 8 metro-area libraries, Washington County Library ranked 5th in number of open hours and 6th in number of employees (FTE) in 2010.



Source: Minnesota Public Multiple Library Report, 2010

### FTE per hour by library

Among the 8 metro-area libraries, Washington County Library ranked 6th in FTE per open hours in 2010.



Source: Minnesota Public Multiple Library Report, 2010

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION NO. 2010-31**

*A RESOLUTION ESTABLISHING A PUBLIC LIBRARY SYSTEM, AUTHORIZING A LIBRARY LEVY, AND ESTABLISHING A PUBLIC LIBRARY BOARD FOR THE CITY OF LAKE ELMO.*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, the residents of the City currently receive library services through Washington County; and

**WHEREAS**, the City of Lake Elmo desires to establish and operate a City Public Library Service pursuant to Minnesota Statutes § 134.07 et seq.; and

**WHEREAS**, it is the intention of the City of Lake Elmo to provide well managed and quality library services for the residents of Lake Elmo; and

**WHEREAS**, the City of Lake Elmo intends to set aside public property of the City for the benefit of the Public Library Service; and

**WHEREAS**, the City Council discussed the establishment and operation of a Public Library Service at its June 29, 2010 meeting.

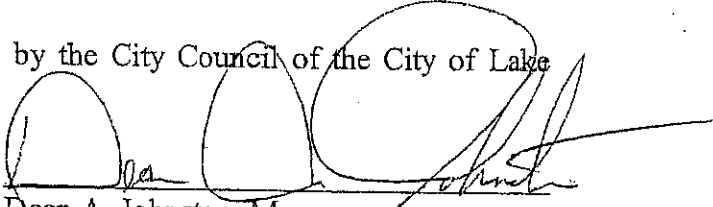
**NOW, THEREFORE, IT IS HEREBY RESOLVED**, the City Council of the City of Lake Elmo hereby establishes a City Public Library Service under Minnesota Statutes § 134.07 et seq., as follows:

- 1) Pursuant to Minnesota Statutes § 134.09, the City Council hereby establishes a five-person Library Board, with members to be appointed by the Mayor with the approval of the City Council from among the residents of the City.
- 2) The initial Library Board will have two residents of the City each appointed for a one-year term, two residents of the City each appointed for a two-year term, and one resident of the City appointed for a three-year term. Not more than one council member shall at any time be a member of the Library Board.
- 3) Said appointments will be effective on January 1, 2011, or a date to be determined by the City Council.

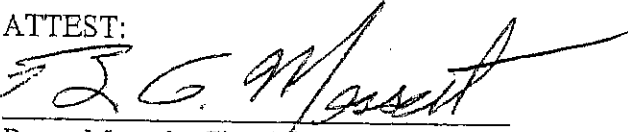
- 4) Following the initial appointment of the Library Board, all terms will be for three years, commencing on January 1 of the year the term begins, with Library Board members allowed to serve no more than three consecutive three-year terms.
- 5) The City Council will appoint an interim library director with the authority to organize and manage the Public Library System until a library director is appointed by the Library Board. The Library Board shall appoint a qualified library director and other staff as necessary, establish the compensation of employees, and remove any of them for cause.
- 6) The City Council will levy an annual tax upon all taxable property within the City for the support of the library and will place such money in a designated Library Fund.
- 7) Pursuant to Minnesota Statutes § 134.11, the Library Board shall adopt bylaws and regulations for the library, and shall have exclusive control of the expenditure of all money collected for or placed to the credit of the Library Fund, of interest earned on all money collected for or placed to the credit of the Library Fund, of the construction of library buildings, and of the grounds, rooms, and buildings provided for library purposes.
- 8) The City shall set aside certain public property to be further specified by subsequent resolution for the benefit of the Public Library Service. With the approval of the council, the Library Board may erect a library building thereon.
- 9) The City Council may create a citizens' committee, to be comprised of residents from the City of Lake Elmo, to advise the City Council and the Library Board on issues of public concern related to the City of Lake Elmo Public Library Service.

Notwithstanding the foregoing, subsequent to date of this Resolution, the City will continue good faith negotiations with Washington County for the purposes of maintaining and improving existing library services or transferring library services from the County to the City and adjusting the special levy limits therefore in accordance with Minnesota Statutes § 275.72. If within sixty (60) days of the date of this Resolution, the City and Washington County resolve to provide library services to the residents of Lake Elmo and the City Council determines that the Public Library established herein is no longer desirable for the City, the City Council may by resolution dissolve the Public Library System and Library Board. Furthermore, the establishment of the Public Library System and the Library Board herein shall be contingent upon the City's determination that there is sufficient funding for the Public Library System. If within sixty (60) days of the date of this Resolution, the City Council determines that there is not sufficient funding for the Public Library System, the City Council may by resolution dissolve the Public Library System and Library Board.

Passed and duly adopted this 29th day of June 2010 by the City Council of the City of Lake Elmo, Minnesota.

  
Dean A. Johnston, Mayor

ATTEST:

  
Bruce Messelt, City Administrator

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION NO. 2010-41**

*A RESOLUTION STAYING ESTABLISHMENT OF A PUBLIC LIBRARY SYSTEM,  
AUTHORIZING A LIBRARY LEVY, AND ESTABLISHING A PUBLIC LIBRARY BOARD FOR  
THE CITY OF LAKE ELMO.*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, the residents of the City currently receive library services through Washington County; and

**WHEREAS**, it is the intention of the City of Lake Elmo to provide well managed and quality library services for the residents of Lake Elmo; and

**WHEREAS**, the City Council passed Resolution No. 2010-031 regarding the establishment and operation of a Public Library Service at its June 29, 2010 meeting; and

**WHEREAS**, subsequent discussions with Washington County have led to an acceptable proposed timeline and process for advancing the objectives of the City of Lake Elmo.

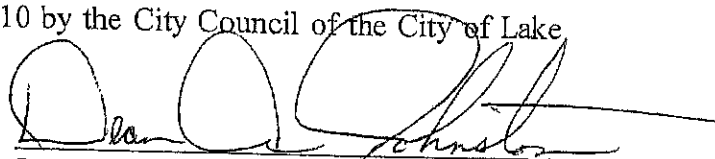
**NOW, THEREFORE, IT IS HEREBY RESOLVED**, the City Council of the City of Lake Elmo hereby undertakes the following:

- 1) The City Council of the City of Lake Elmo hereby stays establishment of a Municipal Public Library System pursuant to Minnesota Statutes § 134.09, including establishment of a Public Library Board.
- 2) The City Council of the City of Lake Elmo hereby stays authorization and imposition of a library levy upon all taxable property within the City, as well as the setting aside of certain public property for the benefit of the Public Library Service.
- 3) The City Council of the City of Lake Elmo extends the sixty (60) day period for formal dissolution of Resolution No. 2010-031 for an additional one hundred and twenty (120) days.
- 4) The City Council of the City of Lake Elmo will continue good faith discussions with Washington County for the purposes of maintaining and improving existing library

services or transferring library services from the County to the City and adjusting the special levy limits therefore in accordance with Minnesota Statutes § 275.72.

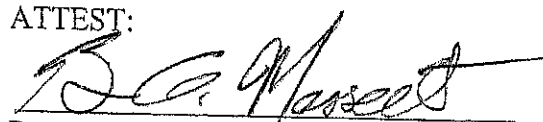
Dissolution of Resolution No. 2010-031 regarding establishment of the Public Library System and the Library Board shall be contingent upon the City's determination that there is sufficient County funding for the host community's Branch Library for 2011 or a viable alternative service arrangement of transition plan is in place. If the City Council determines that there is not sufficient funding for local library services for 2011 within either the County or City annual budgets, the City Council may by resolution dissolve the Public Library System and Library Board.

Passed and duly adopted this 17th day of August 2010 by the City Council of the City of Lake Elmo, Minnesota.



Dean A. Johnston, Mayor

ATTEST:



Bruce Messelt, City Administrator



Public Library Service in Washington County:

Maintaining Access & Quality in a Time of Fiscal Challenge, Changing Technology and User Expectations

The mission of the Washington County Library (WCL) is to enrich both the individual and the community by assisting people in their search for information, ideas, education and recreation.

As set forth in the Library's strategic framework, "2010 and Beyond," the vision of WCL is to provide leadership to preserve the best of the past and to provide access for all while seeking new ways to promote and maintain library services in Washington County.

Four strategic priorities or goals have been selected by the WCL Board that will further the Library's mission in a time of fiscal and social change. They are: 1) engage young readers; 2) provide entry to the online world; 3) promote informed, knowledgeable users; and 4) inspire curiosity.

\*\*\*\*\*

Like all County departments, WCL finds itself in a difficult budget situation which results largely from the state budget shortfall and its impact on county services. Like most other public libraries, both local and national, WCL knows that change is in the air and in the budget. This situation leads to a re-examination of some of basic assumptions about what libraries are and what they do. From community surveys, we know that Washington County residents realize how important library services are to them.

In light of the County's financial situation, the rapid pace of technological changes that promote new types of access and changing user expectations as a result of technological innovations, change at WCL is inevitable. Fortunately, it does not mean that library service will cease or that access to the collection needs to be limited. It does mean that WCL must take advantage of the tools that technology and electronic resources have provided to it. It does mean that WCL has fewer staff and less funding available to provide traditional services at its current nine branch library locations.

To this last point here are some facts:

In 2009 WCL began the year with an adopted budget of \$6.8 M

Of this amount \$6.5 M (96%) was from property taxes

In 2011 WCL began the year with an adopted budget of \$6.5 M

Of this amount \$6.1 M (94%) is from property taxes

In 2009 WCL had a staff of 113 people [66.9 FTE and 14 shelvers]

As of March 1, 2011 WCL has a staff 98 people including 3 vacant positions [61.7 FTE plus 8 shelvers]

During the Great Recession libraries nationwide have seen an increase in demand for services and library materials. WCL's ability to meet even higher service level demands at its branches has been reduced as a result of staff reductions and other budget reductions. As a result there are fewer library hours, less library staff in buildings to assist the public, fewer new materials and potential safety risks for the public and staff.

2011 is projected to see further funding reductions. Specifically, the 2011 WCL budget as authorized by the County Board was constructed to include an increase in the County Program Aid from the State of Minnesota. This state property tax aid is authorized in current statute at a certain amount; however, it is very unlikely the County will receive the entire amount certified given the experience of the last few years. If the 2010 State budget reductions in County Program Aid are made permanent or simply extended for another year, the County will be forced to eliminate some of the library services funded by this aid program and possibly more depending on the extent of the total cut in state aid to the county. Based on current information about the state's budget situation, the County and WCL are starting to plan for this reduction in 2011; if it doesn't happen, so much the better **but** the Library must have a plan in place.

One final thought: In planning for the future of library services in Washington County, there are other considerations of a more long term nature that will impact the future of libraries in Washington County and the nation other than the current financial situation. WCL's long-range facilities plan looks out to 2030 and attempts to set in place a vision that encompasses the changes and challenges anticipated. First, the population growth and its various shifts must be accommodated. Second, the advances in technology within the greater society will impact how people read, how they learn and what types of virtual communities they will develop. All of these changes will also impact the public library world. Unfortunately one can only guess at the impacts right now; so WCL needs to develop a flexible model or models of service that encompass not only the traditional library but also new ways to meet demand for service, especially from the younger generations.

\*\*\*\*\*

#### Library Express Service Model: A Proposal for Partnerships

For a variety of reasons, there is a need to find new service models that can expand or maintain library services that are in most demand while reducing the expense involved in staffing locations that have a low volume of service. In some instances the new models can be transitional models until an area's population grows dense enough to require a new library building; in others the models may simply expand services by providing access to library materials and programs in the more rural areas of the County. While generally referred to as "Library Express" service models, they can take several forms from automated locker systems to large vending machines (similar to Red Boxes) to other ideas still in development. There is no one model that will fit all locations needing or demanding service.

In any case the Library must find partners who will support cooperative programming and house the new service model.

A partnership could be between the County Library and another public entity or between the County Library and a private or non-profit enterprise.

In addition to the entire library collection, the County Library could provide:

- delivery services at least once per week
- programs, such as summer reading programs and author presentations, on an occasional basis
- public access computers with Internet connections
- electronic access to the Library's collection
- materials' return services.

The partner could provide:

- facility and all maintenance, e.g. refuse removal, cleaning, meeting or program space  
telephones and other telecommunications services needed, such as a fiber or T1 connection
- technical support for the computers if needed
- staffing which could include volunteers
- determine hours of availability
- shared space and programs, e.g. community center or coffee shop.

These and other issues surrounding a new service model(s) are open for negotiation to ensure the best service possible in a time of fiscal challenge.

--Patricia Conley, Washington County Library Director, March 2011

## **Marine Library Committee Recommendation to Marine City Council**

### **Background**

The Marine Library Committee (the Committee) has been asked to formulate recommendations regarding possible changes to library services now available at the Marine Branch Library of the Washington County library system. The Committee sees an important role for a library within the extended community of Marine on St. Croix/Scandia/May Township. It is recognized that use of library services is changing, including the ability for patrons to use the internet to access the County catalog and order books, the ability to download ebooks from the County or commercial sites, access to free books on various web sites. These recommendations are made with the understanding that the need to be flexible and respond to changing interests must be a part of any plan for retaining library services in Marine on St. Croix.

We appreciate Washington County including us in their strategic process reviewing the impact of potential budget reductions. While we recognize the County is mandated to provide library services to all county residents and their direction has been to place large libraries at locations accessible to many, we still believe there is value to small libraries located within walking distance or short vehicle rides from residents. Marine, being further away than most communities from the larger county libraries, depends even more on its local library. We recognize the County is facing increasing budget pressure, and want to work with the County to help formulate a model to maintain library services.

The Committee is comprised of over thirty residents from May Township, Scandia and Marine who are interested in helping ensure the continuation of library services in the Marine area. We have identified key benefits provided to the Marine/May/Scandia area by a branch library, have gathered information on and toured a variety of other small libraries, have met with County personnel to understand the County requirements for library services and to discuss anticipated budget changes. We have initiated a meeting with Marine area residents and Pat Conley, Washington County Library Director and Jim Schug, County Administrator, to discuss library services in Marine. The recommendation which follows incorporates the results of these activities.

### **Recommendation to the Marine Council for Retaining a Library**

The Committee is suggesting a response be developed by the City and its residents, in the event library services are reduced or eliminated at the Marine Branch Library by the County. We are suggesting a short term (Phase 1), medium term and long term plan (Phases 2 and 3) be identified. By considering a long term solution in phases, local library supporters will be able to determine how well the initial phase of a partnership with the City, the County and volunteers is working, plus further evolution of library use and services, in general, will have proceeded, and both library supporters and the County will be better able to understand what library services will be needed in the future. Our recommendation reflects the Village's interest in supporting and maintaining a vital Village Center, as outlined in the Marine Comprehensive Plan, and is in keeping with the current direction of the Village Center Task Force.

Overview: The Committee is proposing a partnership between the County, the City of Marine on St. Croix and local volunteers who support the continuation of library services in the area.

- The Community Library will be funded partially through a 'Friends of the Library' type charitable organization, which will be formed to oversee the operation of the Community Library and will raise and disperse funds in support of the Community Library. In addition to the charitable organization support, the Committee is suggesting the County continue to use of the Jordan Bequest to support Marine area library services, with a proposed 4 % per year of the total asset value of the bequest directed toward annual operation.
- The City will initially provide space, cleaning of that space, telecommunication lines, and City part-time employees who will be hired to manage the Community Library and coordinate volunteer help (funding for this position will come partially through the Friends of the Library donations). The primary reason for the hiring of City staff is to satisfy the County requirements for data privacy, although it is recognized paid employees will help ensure success of the Community Library through oversight/coordination of volunteers.
- The County will provide some book/media inventory, which will be shelved at the community library and rotated on a regular basis, and will deliver/pick-up books ordered by patrons from other libraries. Computers,

shelving/tables and other depreciated assets currently in the Marine Branch Library, and hardware for self-check out/check-in will remain at the current library site in Marine. The County will also continue to provide access to MELSA services.

- We are suggesting the County create a new role, that of a 'Library Extension Agent' who will visit the Community Library periodically to enhance the partnership between the City and the County Library system, providing volunteer training (library catalog, checking books/media in and out of system, shelving procedures, etc.), information on new books, and outreach activities (book clubs, children's activities, etc).
- Volunteers will help staff the Community Library, both to ensure safe working conditions for a City employee (by being present during those hours when the library is open but City offices are not), and to help with the operation (shelving, book/media sorting, etc) of the Community Library.

Additional details of the Phase 1 concept:

A Friends of the Marine Library (FOML) will be formed to oversee the operation of the Community Library, including some of the funding. This 501c3 organization will raise funds to create an endowment, and if necessary will raise annual operating support, and will commit to directing funding to the City for the hiring of a City part time employee to manage/coordinate the Community Library. Once this recommendation is adopted by the City of Marine, the formation of the FOML will proceed (by laws created, Board members identified, etc.) so that the organization is ready to initiate Phase 1, when required.

The City will commit to allowing the Community Library to remain in some or all of the space currently housing the Marine Branch Library in the Village Hall, at least during Phase 1 of this recommendation. The City will provide telecommunication service to the Community Library space on an annual basis. The City will provide a part time City employee(s) to coordinate the Community Library operation, including helping operate the self-check terminal, signing up new county library patrons, coordinate funding needs with FOML, coordinate the volunteer scheduling, etc. It should be noted that a City employee(s) is primarily being proposed in order to satisfy the County requirements for library data privacy. If the County suggests that another solution to this issue is possible, such as signed confidentiality waivers by volunteers, the need for a City

employee(s) will be reduced. However, success of the Community Library concept will be enhanced with paid staff, especially since in a small community such as Marine on St. Croix volunteers are often over-committed and coordination of volunteers will help ensure smooth operation.

Volunteers from May, Scandia and Marine will both serve as active members and Trustees of the FOML. They will provide staffing hours and operational oversight to the Community Library, as well as provide fund-raising ideas and manpower, and critical financial support.

A partnership between a library sciences academic program, such as the one offered by St. Catherine University in St. Paul, will be investigated by the FOML. The hope is that an internship program might be developed to both help the college program and its students, and the Community Library.

#### Proposed Operation

It is proposed the Community Library will be open for 20 hours a week, which is same as the current number of branch library operating hours. However, the schedule will include hours on Saturday and evenings, to help encourage use by families and patrons who work outside of the area. It is believed that this re-configuration of operating hours will meet the needs of the community regarding prompt picking-up of their book/media requests.

#### Budget

The estimated expenses for the annual operation of the Community Library is as follows:

Compensation	\$18,200
Supplies/Misc.	\$ 800
Total Expenses	\$19,000

\*These estimated expenses do not include any new book/media purchases, it is assumed those will continue to be provided by the County Library.

The estimated Sources of Funding for the annual operation of the Community Library are as follows:

Jordan Bequest (4% withdrawal rate)	\$12,000
Friends of Library Annual Contribution	\$ 4,000
Washington County Support	\$ 3,000
Total Funding	\$19,000

### Savings to the County

We recognize the County anticipates needing to cut or eliminate some library services, and their strategic direction has been to direct funding to larger libraries within the County. While Committee members may question the strategic direction, seeing a value in the continuance of local library services, we recognize the difficult position the County is facing. The recommended partnership between the County, the City and volunteers will allow the County to direct most of the staffing dollars and operational budget previously directed to the Marine Branch Library, toward other purposes. During the most recent tax year, the City of Marine residents contributed about \$32,000 in tax levy toward County library services, with the contribution of residents who live in May Township and Scandia but who are considered in the Marine Branch Library service area contributing more, perhaps for a total contribution of between \$100,000 - \$150,000 (it is difficult to identify the actual total as the figure is dependent upon property values and a more careful analysis would be very labor intensive). The County has estimated the direct costs required to operate the Marine Branch Library are around \$100,000 ('overhead' expenses not included). Our recommendation, if accepted, would reduce the direct contribution from the County to only on-going inventory support (used throughout the County library system by all patrons), transportation costs associated with delivery/pick-up of books both ordered through the catalog and for shelving purposes, and a Library Extension Agent (estimated 6 hours including transportation, bi-weekly).

### **Jordan Bequest**

Mrs. Jordan's generous gift to Washington County, to be used for the benefit of the Marine Library, has been prudently managed by the County. We are recommending the bequest be used to support the operation of the Community Library during Phase 1, as we believe this use will be for a public good and would be in keeping with Mrs. Jordan's intent. The idea of using the bequest to



purchase and install a kiosk delivery system has been previously discussed, and could be pursued. However, this idea is not currently a part of the Committee's recommendation, as it was felt the estimated \$50,000 investment might be better used to support the operation of the Community Library as outlined. We would suggest the kiosk system be further tested at the Hugo location and the results of this testing, along with a review of the success of the Community Library concept in Marine, once implemented, will help the County and the FOML determine if the kiosk approach is suitable for the Marine area in the future.

### **Phase 2**

As part of this recommendation, the City will allow the current Branch Library space to be used for the Community Library. The Restoration Society has retained an engineering firm to complete a review of the Village Hall and make recommendations regarding future maintenance and operation of the Hall. The City has also recognized the need to improve storage of City property, including historic City records, which are currently housed in the basement of the Village Hall, and has indicated some desire to return to holding meetings, including the monthly Council meeting, in the Council Chambers. When the information from the structural review is available, it is anticipated the City and the Restoration Society will develop a maintenance and use plan for the next twenty years of Village Hall operation. If part of that plan requires a different use of the library space, the FOML would work to identify another location for a Community Library. At that time, the investment in a kiosk delivery system may be pursued.

### **Phase 3**

The Committee has identified other possible models for a Community Library in Marine, and these discussions have included partnerships between a Community Library and other entities such as the Stone House Museum, the Minnesota Historical Society, commercial businesses, the Community Education department of Stillwater Schools, and others. It appears the condition of the Stone House Museum and its exhibits is of special concern. Once the operation of a Community Library has been established, the FOML may work with other community organizations to investigate other options for a future co-location of the Community Library.

rwb 3/7/11

April 28th, 2011: Communication with Washington County Regarding Library Services

As explained in our prior meetings, the county's 2011 library budget does call for the continuation of all the existing library locations in the county. However, the 2011 library budget as authorized by the County Board was constructed to include the state property tax aid that is authorized in current statute at a certain amount; however, it is very unlikely the County will receive the entire amount certified given the experience of the last few years. If the 2010 State budget reductions in County Program Aid are made permanent or simply extended for another year, the county will be forced to eliminate some of the library services funded by this aid program and possibly more library services depending on the extent of the total cut in state aid to the county. As a result, the county has begun discussions with communities in which the smaller branch libraries are located.

As you may have read in recent newspapers, elements of a mutual agreement are being discussed in the cities of Marine and Newport. So, we thought it might be helpful to outline these elements for your consideration.

The elements of an agreement with the Marine Library Association are that Marine remains part of the county levy for library services and the county will provide certain library services at a location determined and managed by the city estimated at this time to be approximately 20 hours per week.

Marine: pays for rent or provides space rent free, provides maintenance services for space, provides location for an exterior access kiosk and book return, 2 part time city staff to provide oversight of city volunteers; open on a schedule to be determined by the city with at least one paid city staff at all times the location is open which is supplemented by volunteers recruited and supervised by the city, and telecommunication access.

The county: draws down Jordan trust over time and provides kiosk and book return, computers, financial oversight of Jordan trust, a small collection, and rotating or periodic programming.

Both: Effective 8/1/2011 with an evaluation at the end of 12/2012.

The elements of an agreement with the City of Newport are not as far along as with Marine.

Even though the City of Lake Elmo has voted to create their own library in 2011, the county's current library budget does include funding to keep the library open throughout 2011. Again, this budget is predicated upon the county receiving the full state allocation of County Program Aid.

If the City of Lake Elmo would like to consider something different than assumption of library services in 2011, the Marine elements could be the foundation for an agreement. Such a proposal would have a location in the City of Lake Elmo open on a schedule determined by the

city to which the county library system provides certain services and the city remains in the county library levy tax.

The City of Lake Elmo: pays for rent or provides space rent free, provides maintenance services for space, provides location for exterior access kiosk and book return for a xxx number of years, city staff covering a schedule to be determined by the city with at least one paid city staff on duty at all times the location is open, which is supplemented by volunteers recruited and supervised by the city, and provide telecommunication access.

The county: continues library service to all Lake Elmo residents and provides kiosk and book return, delivery and pick up of book orders through on-line catalog, computers, a small collection, and rotating or periodic programming

Both: an evaluation at the end of a period to be determined but after at least one year of operation of the new model.

I hope that this information will allow the City of Lake Elmo to provide more specific direction at their Tuesday meeting for our future discussions. Should our team set another meeting as a follow up to next Tuesday's City Council discussion?

Molly O'Rourke,  
Deputy Administrator  
Washington County

For the Period Ending December 31, 2012

	2009 Actual	2010 Actual	2011 Adopted	2011 YTD	2012 Base Given	2012 Dept Propd	2012 Adoptd	2012-2011 Difference	%
<b>REVENUES</b>									
510000. Real Estate Current	5,740,940-	5,871,400-	6,066,800-					6,066,800	100-%
512000.HNCA County Program Aid	590,928-								0 %
<b>Total Levy Revenue</b>	<b>6,331,868-</b>	<b>5,871,400-</b>	<b>6,066,800-</b>					<b>6,066,800</b>	<b>100-%</b>
513000. Real Estate Delinquent	97,077-								0 %
<b>Total Other Taxes</b>	<b>97,077-</b>								<b>0 %</b>
<b>Total Licenses &amp; Permits</b>									
<b>Subtotal Federal Grants</b>									
535000.PILT SSR Pymt in Lieu of Tax	8,236-								0 %
<b>Subtotal State Grants</b>	<b>8,236-</b>								<b>0 %</b>
536000.MELSA MELSA Grant	83,135-	82,731-	122,000-					122,000	100-%
536000.MISC Misc Agencies	100,293-	101,359-	70,000-	84,472-				70,000	100-%
<b>Subtotal Local Grants</b>	<b>183,428-</b>	<b>184,090-</b>	<b>192,000-</b>	<b>84,472-</b>				<b>192,000</b>	<b>100-%</b>
<b>Total Intergovernmental rev</b>	<b>191,664-</b>	<b>184,090-</b>	<b>192,000-</b>	<b>84,472-</b>				<b>192,000</b>	<b>100-%</b>
<b>Fees for Svcs - Other</b>									
541000. Fees for Svcs - Other	7,846-	4,773-		35-					0 %
542000. Fees for Contracted Svcs	27,042-	29,722-	25,000-	7,297-				25,000	100-%
545000. Collection Service Fees	45,038-	57,586-	71,000-	32,862-				71,000	100-%
<b>Total Fees For Services</b>	<b>79,926-</b>	<b>92,081-</b>	<b>96,000-</b>	<b>40,194-</b>				<b>96,000</b>	<b>100-%</b>
<b>Total Fines &amp; Forfeitures</b>									
<b>560000. Interest Earnings</b>									
	4,812-	7,187-	4,600-	2,022-				4,600	100-%
<b>Total Investment Earnings</b>	<b>4,812-</b>	<b>7,187-</b>	<b>4,600-</b>	<b>2,022-</b>				<b>4,600</b>	<b>100-%</b>
<b>Total Rents &amp; Royalties</b>									
<b>581000. NSF Uncollectible</b>									
	113	50-							0 %

For the Period Ending December 31, 2012

LIB Library

	2009 Actual	2010 Actual	2011 Adopted	2011 YTD	2012 Base Given	2012 Dept Propd	2012 Ad Adoptd	2012-2011 Difference	Change
582000. Restitution & Recovery	102,523	84,230	90,000	26,483				90,000	100-%
593000. Misc Sales W/O Sales Tax	48	147						0	0-%
584000. Misc Sales W/Sales Tax	52,403	58,373	61,000	14,379				61,000	100-%
585000. Misc Other Revenue		3,304	2,500					2,500	100-%
586000. Donations & Contributions	33,032	46,551	15,000	34,208				15,000	100-%
Total Misc Revenue	187,803	192,655	168,500	75,070				168,500	100-%
-----									
Total Non-Levy Revenue	561,282	476,013	461,100	201,758				461,100	100-%
TOTAL REVENUE	6,893,150	6,347,413	6,527,900	201,758				6,527,900	100-%
EXPENDITURES									
600100. Direct Material	774,967	639,658	766,800	148,763				766,800	100-%
600400. Board Meeting Per Diem	140	245	500					500	100-%
600500. Client Exp Reimb w/Receipts	55							0	0-%
601055. DP Electrical Services	5,371	1,878						0	0-%
601056. DP Electrical Repairs	1,039							0	0-%
602005. Dir Pmt Svcs - Misc	73,835	77,438	65,000	14,741				65,000	100-%
Total Direct Payments	852,407	719,219	832,300	163,504				832,300	100-%
-----									
610800. Temporary Staff	45,898	44,597	27,900	12,707				27,900	100-%
610900. Special Project Staff	10,359							0	0-%
611400. Regular Pay	2,932,650	2,885,982	2,951,700	697,882				2,951,700	100-%
611500. Overtime Pay	113	364		73				0	0-%
614820. Jury Duty Reimb	10							0	0-%
Total Wages	2,989,010	2,930,943	2,979,600	710,462				2,979,600	100-%
-----									
615100. FICA (Social Security)	224,052	216,077	217,800	56,033				217,800	100-%
615200. PERA (Public Retirement)	197,149	200,913	204,500	54,213				204,500	100-%
615300. Group Medical Insurance	253,934	251,633	264,000	74,413				264,000	100-%
615400. Employee Medical Pool	70,990	67,274	67,300	21,260				67,300	100-%
615500. Group Life Insurance	5,544	4,035	4,300	1,163				4,300	100-%
615600. Group LTD Ins	15,777	9,507	9,800	2,298				9,800	100-%
615900. Employer Liab Funding	243,425	245,470	252,100	63,024				252,100	100-%
616000. Unemployment Comp	278							0	0-%
Total Benefits	1,016,593	994,909	1,019,800	272,404				1,019,800	100-%
TOTAL WAGES & BENEFITS	4,005,603	3,925,852	3,999,400	982,866				3,999,400	100-%

For the Period Ending December 31, 2012

LIB Library

	2009 Actual	2010 Actual	2011 Adopted	2011 YTD	2012 Base Given	2012 Dept Propd	2012 Ed Adoptd	2012-2011 Difference	Change
<b>Total Other Operating Expense</b>									
622100. Transportation	84	64		36				0 \$	0 \$
622500. Mileage	12,881	8,668	8,000	1,915				8,000-	100-\$
622600. Cell Phone Allowance	720	220						0 \$	0 \$
623000. Lodging & Meals	419							0 \$	0 \$
<b>Total Employee Expenditures</b>	<b>14,104</b>	<b>8,952</b>	<b>8,000</b>	<b>1,951</b>				<b>8,000-</b>	<b>100-\$</b>
<b>Total County Vehicle Expense</b>									
630100. Consultant Service	15,892							0 \$	0 \$
630400. Dues and Memberships	125	130						0 \$	0 \$
630470. Other Svcs & Chgs Misc	21,297	22,891	25,900	5,295				25,900-	100-\$
<b>Total Other Services &amp; Chgs</b>	<b>37,314</b>	<b>23,021</b>	<b>25,900</b>	<b>5,295</b>				<b>25,900-</b>	<b>100-\$</b>
<b>Facilities</b>									
640000. Telephone	115,018	89,462	118,400	23,436				118,400-	100-\$
642000. Rent/Lease of Facilities	1,224,055	1,220,007	1,105,300	303,382				86,500-	100-\$
643000. Electricity	2,696	3,194		701				1,105,300-	100-\$
644000. Heat	2,447	2,119		1,140				0 \$	0 \$
645000. Refuse Collection	1,092	1,248		455				0 \$	0 \$
648000. Main/repairs-Facilities	9,888	7,472		1,611				0 \$	0 \$
<b>Total Facilities</b>	<b>1,355,196</b>	<b>1,323,502</b>	<b>1,310,200</b>	<b>330,725</b>				<b>1,310,200-</b>	<b>100-\$</b>
<b>Supply/Minor Equip Misc</b>									
651000. Books & Periodicals	85,237	76,400	67,000	17,491				67,000-	100-\$
654000. Minor Equip (<\$5000)	359	10		10				0 \$	0 \$
657100. Rental/Lease of Equipment	45,176	62,631	105,400	12,230				105,400-	100-\$
657200. Equip Repairs & Maint	5,152	8,870	14,700	3,465				14,700-	100-\$
657400. Equip Repairs & Maint	106,987	97,589	124,000	49,796				124,000-	100-\$
<b>Total Supplies &amp; Minor Equip</b>	<b>250,183</b>	<b>252,500</b>	<b>311,100</b>	<b>82,972</b>				<b>311,100-</b>	<b>100-\$</b>
<b>Total Operating Expenses</b>	<b>1,656,797</b>	<b>1,607,975</b>	<b>1,655,200</b>	<b>420,943</b>				<b>1,655,200-</b>	<b>100-\$</b>
<b>Office Furnishings &amp; Equip</b>									
674000. Office Equipment >\$5,000	17	8,903						0 \$	0 \$
674100. Computer Equip >\$5,000	7,770	26,532	41,000	39,225				41,000-	100-\$
674210. Computer Soft >\$5,000	7,750							41,000-	100-\$
<b>Total Capital Expenditures</b>	<b>15,537</b>	<b>35,435</b>	<b>41,000</b>	<b>39,225</b>				<b>41,000-</b>	<b>100-\$</b>

LIB	Library	2009 Actual	2010 Actual	2011 Adopted	2011 YTD	2012 Base Given	2012 Dept Propd	2012 Bd Adoptd	2012-2011 Difference	Change
	Total Debt Service	6,533,344	6,288,481	6,527,900	1,806,538				6,527,900-	100-%
	TOTAL EXPENDITURES									0 %
	EXCESS REVENUE OVER EXPENSES	359,806-	58,932-		1,404,780					0 %
	OTHER FINANCING SOURCES									
	Bond Par:									
	Total Bond Par									0 %
	OTHER FINANCING USES									
	Other Financing Sources/Uses									0 %
	FUND BALANCE	359,806-	58,932-		1,404,780					0 %

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION NO. 2011-024**

*A RESOLUTION ESTABLISHING A PUBLIC LIBRARY SYSTEM, AUTHORIZING A LIBRARY LEVY, AND ESTABLISHING A PUBLIC LIBRARY BOARD FOR THE CITY OF LAKE ELMO.*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, the residents of the City currently receive library services through Washington County; and

**WHEREAS**, the City of Lake Elmo desires to establish and operate a City Public Library Service pursuant to Minnesota Statutes § 134.07 et seq.; and

**WHEREAS**, it is the intention of the City of Lake Elmo to provide well managed and quality library services for the residents of Lake Elmo; and

**WHEREAS**, the City of Lake Elmo intends to set aside public property of the City for the benefit of the Public Library Service; and

**WHEREAS**, the City Council discussed the establishment and operation of a Public Library Service at its July 5th, 2011 meeting.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, the City Council of the City of Lake Elmo hereby establishes a City Public Library Service under Minnesota Statutes § 134.07 et seq., as follows:

- 1) Pursuant to Minnesota Statutes § 134.09, the City Council hereby establishes a five-person Library Board, with members to be appointed by the Mayor with the approval of the City Council from among the residents of the City.
- 2) The initial Library Board will have two residents of the City each appointed for a one-year term, two residents of the City each appointed for a two-year term, and one resident of the City appointed for a three-year term. Not more than one council member shall at any time be a member of the Library Board.



- 3) Said appointments will be effective on January 1, 2011, or a date to be determined by the City Council.
- 4) Following the initial appointment of the Library Board, all terms will be for three years, commencing on January 1 of the year the term begins, with Library Board members allowed to serve no more than three consecutive three-year terms.
- 5) The City Council will appoint an interim library director with the authority to organize and manage the Public Library System until a library director is appointed by the Library Board. The Library Board shall appoint a qualified library director and other staff, as necessary, establish the compensation of employees, and remove any of them for cause.
- 6) The City Council will levy an annual tax upon all taxable property within the City for the support of the library and will place such money in a designated Library Fund.
- 7) Pursuant to Minnesota Statutes § 134.11, the Library Board shall adopt bylaws and regulations for the library, and shall have exclusive control of the expenditure of all money collected for or placed to the credit of the Library Fund, of interest earned on all money collected for or placed to the credit of the Library Fund, of the construction of library buildings, and of the grounds, rooms, and buildings provided for library purposes.
- 8) The City shall set aside certain public property to be further specified by subsequent resolution for the benefit of the Public Library Service. With the approval of the council, the Library Board may erect a library building thereon.
- 9) The City Council may create a citizens' committee, to be comprised of residents from the City of Lake Elmo, to advise the City Council and the Library Board on issues of public concern related to the City of Lake Elmo Public Library Service.

Notwithstanding the foregoing, subsequent to date of this Resolution, the City will continue good faith discussions with Washington County for the purposes of maintaining and improving existing library services through continuation of existing Washington County Library System services or through the transfer of library services from the County to the City, subsequent affiliation, association or collaboration with Washington County, and adjustment of special levy limits therefore in accordance with Minnesota Statutes § 275.72.

Passed and duly adopted this 29th day of June 2010 by the City Council of the City of Lake Elmo, Minnesota.

---

Dean A. Johnston, Mayor

ATTEST:

---

Bruce Messelt, City Administrator

CITY OF LAKE ELMO  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA

ORDINANCE NO. 08-  
AN ORDINANCE TO ALLOW THE CITY COUNCIL TO EXTEND THE "NO  
WAKE" REQUIREMENTS UNDER THE WATER SURFACE USE  
ORDINANCE FOR LAKE DEMONTREVILLE AND LAKE OLSON

**Section 1. The City Council of the City of Lake Elmo hereby ordains that Section 97.21 subdivision (B) is hereby amended to read as follows:**

(B) *Hours of operation.*

- (1) Normal Conditions - No person shall operate any motorboat at a speed other than a slow, no-wake speed between sunset and noon the following day.
- (2) High Water Conditions - No person shall operate any motorboat at a speed other than a slow, no-wake speed until, the lake level is six inches or less above the ordinary high water mark.
- (3) Other Conditions - Alternative no-wake time periods may be established by the City Council by Resolution as part of a special event or other condition.

**Section 2. Adoption Date**

This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

This Ordinance No. 08- was adopted on this 19<sup>th</sup> day of July, 2011, by a vote of Ayes and Nays.

---

Mayor Dean Johnston

ATTEST:

---

Bruce A. Messelt, City Administrator

This Ordinance No.            was published on the 19<sup>th</sup> day of July, 2011