



*Our Mission is to Provide Quality Public Services
in a Fiscally Responsible Manner While
Preserving the City's Open Space Character*

NOTICE OF MEETING

City Council Meeting

Tuesday, July 16, 2013 7:15 P.M.

City of Lake Elmo | 3800 Laverne Avenue North

6:00 City Council Vacancy Appointment Interviews:

**Julie Fliflet
Gary Fields
Jill Lundgren
Mike Reeves**

AGENDA

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Order of Business**
- E. Approval of Agenda**
- F. Accept Minutes**
 - 1. Accept July 02, 2013 City Council Meeting Minutes**
- G. Public Comments/Inquiries**
- H. Speak Your Peace - Show Respect (*Smith*)**
- I. Consent Agenda**
 - 2. Approve Payment of Disbursements and Payroll**
 - 3. Accept Financial Report dated June 30, 2013**
 - 4. Accept Building Permit Report dated June 30, 2013**
 - 5. Approve Keats MSA Street and Trunk Watermain Improvements - Change Order No. 2.**
 - 6. Approve Keats MSA Street and Trunk Watermain Improvements - Pay Request No. 2.**
 - 7. Approve MnDOT Maintenance Agreement (No. 04109) - TH 5 Pedestrian Crossing; *Resolution 2013-54***

8. Approve Encroachment Agreement – 12521 Marquess Way
9. Approve Encroachment Agreement – 11619 58th Street North
10. Approve Master Escrow Agreement for Municipal Review Services

J. Regular Agenda

11. Accept Resignation of Council Member Park and Declaring a Vacancy;
Resolution 2013-55
12. Appointment to Fill Council Member Vacancy; *Resolution 2013-56*
13. Section 34 Water and Sewer Utility Extension Improvements – Approve Report and Assessment Methodology and Approve Plans & Specifications;
Resolution 2013-57, Resolution 2013-58
14. 2012 Final Audit Report Review
15. Council Retreat Agenda Update
16. Adopt Zoning Text Amendment – Fence Ordinance; *Ordinance 08-086*

K. Summary Reports and Announcements

- Mayor
- Council
- City Administrator
- City Attorney
- Planning Director
- City Engineer
- Finance Director
- City Clerk

L. Executive Session

17. Adjourn to *Closed Session* per MN State Statute 13D.05, Subd. 3(b) Attorney-Client Privilege regarding *City of Lake Elmo v. 3M Corporation* litigation

M. Adjourn

LAKE ELMO CITY COUNCIL MINUTES

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CITY OF LAKE ELMO CITY COUNCIL MINUTES July 02, 2013

Mayor Pearson called the meeting to order at 7:00 P.M.

PRESENT: Mayor Pearson, Council Members Bloyer, Nelson, Smith, and Park.

Also Present: City Administrator Zuleger, City Attorney Snyder, Planning Director Klatt, City Engineer Griffin, Finance Director Bendel, and City Clerk Bell.

PLEDGE OF ALLIGENCE

Council Member Smith in attendance but not present chambers

APPROVAL OF AGENDA

*MOTION: Council Member Bloyer moved **TO MOVE ITEM #21 TO THE BEGINNING OF THE REGULAR AGENDA.** Mayor Pearson seconded the motion. **NO VOTE ON MOTION - APPROVED BY CONSENSUS.***

*MOTION: Council Member Nelson moved **TO AMEND THE MOTION BY ALSO PULLING ITEM #8 FROM THE CONSENT AGENDA FOR DISCUSSION.** Mayor Pearson seconded the motion. **NO VOTE ON MOTION - APPROVED BY CONSENSUS.***

Mayor Pearson and Council Member Bloyer discussed the desire to pull item #11 for discussion as well.

*MOTION: Council Member Nelson moved **TO APPROVE THE JULY 02, 2013 CITY COUNCIL AGENDA AS AMENDED.** Council Member Park seconded the motion. **MOTION PASSED 4-0.***

ITEM 1: ACCEPT MINUTES

THE JUNE 18, 2013 CITY COUNCIL MINUTES WERE APPROVED AS PRESENTED BY CONSENSUS OF THE CITY COUNCIL.

PUBLIC COMMENTS:

Ann Bucheck – spoke about the library. She reported that it has been a successful month of June. Summer reading program for children has been going well. She thanked Lake Elmo Jaycees for their generous support and contribution. On July 4, the library will be open from 10AM-2PM. The Library will be a part of the parade as well. Invited all library members and patrons to join in the parade. July 9 starting Poetry at the Picnic Table event. July 10 Gary Bancroft author of Betsy's Day At The Game will be at the library. Other events on July 17. July 24 Power Up for Kids. Chomp the Carrot will be there and Mayor Pearson will be challenged to do tricks with a kendama. A new Library Director named Linda Orsted has been hired. She will be starting on July 15.

Council Member Smith returned to chambers [7:05].

SPEAK YOUR PEACE:

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Council Member Nelson spoke about the Speak Your Peace project. He specifically spoke about the Speak Your Peace tenet of Common Ground. This entails a healthy respectful discussion about the subjects you disagree on. Seek what you agree on and be respectful about what you differ. Mr. Nelson cited several recent examples.

PRESENTATIONS

ITEM 2. HUFF N' PUFF DAYS PROCLAMATION

Big Mike Slobodnik spoke about the upcoming Jaycees annual event. He asked for the council's support. He also asked for the Mayor's participation in the softball game. Mayor Pearson read the proclamation declaring the second week in August to be Huff n' Puff Days. Mr. Slobodnik also requested that the Council waive the liquor license and park lights fees. City Clerk Bell confirmed that was included in the Item #6 request.

ITEM 3. QUALITY STAR AWARD

City Administrator Zuleger presented the quality star award to Beckie Gumatz. She recently assisted with three vital city projects: Valley Cartage/MNDEED grant. There will be a ribbon cutting on July 16 at 3PM; Beckie assisted on the surface water ordinance amendment; and the 2014 state bonding bill. Staff would not have been able to complete those projects in the timeframe needed without her help.

ITEM 4. STORM DAMAGE UPDATE

City Administrator Zuleger gave update on the storm damage and clean-up status. He explained the actions taken by the city and the city's assessment of the damaged areas. Over 500 trees down in the community, which is significant for city our size. He thanked Xcel for their hard work.

Council Member Bloyer asked about instituting a policy to address abuses of City's help. Mr. Zuleger responded that health and safety were a priority, but because it had not happened in a while, there was not a ready plan. However, going forward there will be a plan/process in place. An after action meeting will be held to discuss the process.

Mayor Pearson commended staff public works/fire crew on its efforts. He also agreed that it would be prudent to have that discussion about a policy.

CONSENT AGENDA

5. Approve Payment of Disbursements and Payroll in the amount of \$459,381.20
6. Approve Temporary Liquor License for Jaycees – Huff 'n Puff Days
7. Professional Engineering Support Services Consulting Pool – Approve Updated Pool to Add EOR in the area of Surface Water
8. Tree Service Ordinance; ~~Ordinance 08-083; Ordinance 08-084, Resolution 2013-50~~
9. Approve Variance – 4719 Olson Lake Trail; **Resolution 2013-51(50)**
10. Approve IUP Renewal – Country Sun Farms

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11. ~~Parks Commission Appointment~~

MOTION: Council Member Smith moved TO PULL ITEM 10 FROM THE CONSENT AGENDA FOR DISCUSSION. Mayor Pearson seconded the motion. MOTION PASSED 5-0.

MOTION: Council Member Smith moved TO APPROVE ITEMS 5, 6, 7, 9, OF THE CONSENT AGENDA. Council Member Nelson seconded the motion. MOTION PASSED 5-0.

ITEM 8: TREE SERVICE ORDINANCE: ORD. 08-083; ORD. 08-084, RES. 2013-50

City Clerk Bell explained the reason that this proposed ordinance was being brought forward. The fee schedule contains a fee for licensing tree service contractors. However, there is no ordinance in the code that staff can find that authorizes the City to license those contractors. This is outside of work in the right of way. Mr. Bell explained that regardless of what council chooses to do, adopt or reject the proposed licensing ordinance, the fee schedule needs to be addressed.

Council Member Nelson stated he was not in favor of licensing. It should be on the individual to check for insurance.

MOTION: Mayor Pearson moved TO APPROVE ORDINANCE 08-083, AN ORDINANCE ESTABLISHING LICENSING AND REGISTRATION REQUIREMENTS FOR OTHER COMMERCIAL ACTIVITIES. Council Member Park seconded the motion. MOTION FAILED 0-5.

Mr. Bell reiterated that because Council rejected the proposed ordinance, it now needs to remove the fee from the municipal fee schedule by adopting Ordinance 08-084

MOTION: Council Member Bloyer moved TO ADOPT ORDINANCE 08-084, AN ORDINANCE AMENDING MUNICIPAL FEES. Council Member Smith seconded the motion. MOTION PASSED 5-0.

ITEM 10: APPROVE IUP RENEWAL - COUNTRY SUN FARMS

Council Member Smith related her discussions with Mr. Bergmann regarding the addition of bouncers. She asked for clarification on the IUP and the CUP. Planning Director Klatt explained that they were separate and covered different aspects.

MOTION: Council Member Smith moved TO APPROVE A RENEWAL OF THE INTERIM USE PERMIT FOR THE COUNTRY SUN FARM AND GREENHOUSES AND TO AUTHORIZE EXECUTION OF A REVISED CONSENT AGREEMENT TO REFLECT AND EXTENDED TIME PERIOD FOR THE INTERIM USE. Council Member Park seconded the motion. MOTION PASSED 5-0.

ITEM 11: PARKS COMMISSION APPOINTMENT

Council Member Bloyer noted his excitement to see someone so young show his interest in government. Council Member Bloyer Smith also expressed her opinion that it's great such young person was interested. It can add a different perspective. There is no age requirement. "Kudos to him."

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*MOTION: Council Member Bloyer moved **TO APPOINT JACOB SILVERNALE OF 11751 58TH STREET NORTH AS 2ND ALTERNATE ON THE PARKS COMMISSION.** Council Member Park seconded the motion. **MOTION PASSED 5-0.***

REGULAR AGENDA

ITEM 21: OLSON LAKE/LAKE DEMONTREVILLE ORDINARY HIGH WATER MARK – NO WAKE DECISION

City Administrator Zuleger explained the history of the OHW mark. DNR standard is at 929.33 feet. 2011 council passed 929.7 OHM. Lake owners, Valley Branch Watershed District, and MnDNR all concerned. Long Lake is close to over-dumping in our lakes. Mr. Zuleger asked that council in the spirit of what council previously did this spring, pass a slow/no wake OHW elevation provision until the level recedes below. DNR has written letter expressing support for the no wake call. Staff has been working closely with VBWD and DNR.

Gary Fields 4751 Olson Lake Trail spoke about his experience viewing the high water and erosion. He asked for responsible stewardship of the lakes.

Jerry Goracki 8241 Hidden Bay Trail spoke about the high water levels. Alleges the lake level is up. Claims the weir may be plugged. Mr. Zuleger noted that VBWSD is aware of the possible plugging and is investigating.

What specifically is being requested and who has the authority was discussed. The 5 day period before/after the no wake decision was discussed. Mr. Zuleger stated the DNR does not like it. Council Member Bloyer is in favor of removing the 5 days from the ordinance. The history of the OHW mark levels was discussed.

City Attorney Snyder recommended that council provide the city administrator the authority to determine removing the no wake so there is a clear decision and record of decision making process. Mr. Zuleger explained his decision making process.

Council Member Nelson reported his experience over the weekend viewing the water. He did not report any visible erosion or damage. Mr. Bloyer reported that

Mr. Zuleger recommend Council imposes no wake on Olson Lake & Lake Demontreville until level drops below 929.7 as confirmed by the city administrator.

*MOTION: Council Member Smith moved **TO IMPOSE NO WAKE ON OLSON LAKE & LAKE DEMONTREVILLE UNTIL LEVEL DROPS BELOW 929.7 AS CONFIRMED BY THE CITY ADMINISTRATOR.** Council Member Bloyer seconded the motion. **MOTION PASSED 5-0.***

Mr. Bloyer asked what the current status of the legal fees [incurred over the recent data requests vis a vis the surface use ordinance amendment.] Mr. Zuleger reported it is about \$11,000.00 including legal and staff expenses.

ITEM 12: 2012 FINAL AUDIT REPORT REVIEW

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(Postponed by staff to 7/16/2013 meeting)

ITEM 13: APPROVE 2013/2014 CIP

Finance Director Bendel summarized the 2013/2014 CIP.

Council Member Nelson discussed that the water fund is responsible to make the payments. Must be mindful that if development does not happen, City can be on the hook. Mayor Pearson noted that there are grants and other funding items to consider. The City cannot ignore that. Council Member Smith said she felt more comfortable than she did a year ago. If that wasn't the case, she would not feel as comfortable. Exciting now that the development is here. Council Member Park noted that the numbers presented at the workshop were conservative.

*MOTION: Council Member Nelson moved **TO APPROVE 2013 PORTION OF THE 2013-2018 CAPITAL IMPROVEMENT PLAN**. Council Member Smith seconded the motion. **MOTION PASSED 5-0**.*

ITEM 14: APPROVE BONDING LEVEL

Finance Director Bendel summarized the proposed bonding level. The numbers are lower than the project due to grant funding that Griffin obtained. The true numbers will be closer to \$1.6 million. The bonding on the Section 34 project is 100% assessed, so there will be no levy impact. There was no discussion or questions.

*MOTION: Council Member Smith moved **TO APPROVE ISSUANCE AND SALE OF G.O. IMPROVEMENT BONDS**. Council Member Park seconded the motion. **MOTION PASSED 5-0**.*

ITEM 15: ZONING TEXT AMENDMENT – FENCE ORDINANCE: ORDINANCE 08-085

Planning Director Klatt explained the history of the proposal and the updated proposal and the alternative proposal. There have been two previous council meetings and a workshop that involved this item.

Council Member Bloyer asked about the old fence code involving running fences into lakes. Mr. Klatt said it may have been included in the shoreline ordinance, but he would check.

Council Member Smith asked about alternate (e)(2) should read "fence" and not "wall." It is addressed in (e)(3). Mr. Klatt confirmed that the term "wall" could be removed. Ms. Smith explained her frustration regarding the fence ordinance history. She was not on council yet, but there was a year of planning commission meetings creating current ordinance. Current language is unclear and should be clarified, but not substantially changed. All through the process, this previous year of work has not been considered. Allowing fences over 6 ft goes against the open space nature that the city wants.

Council Member Park asked about if someone could obtain a variance to construct a 6ft fence. Mr. Klatt answered in the affirmative.

Mr. Bloyer asked about previously adopted language allowing screening fences and whether that was needed or included. Mr. Klatt explained it was not included, but could be easily added back at a later date.

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Nancy Bielenberg 12115 Marquess Lane North spoke on the fences. Owns smaller lot (1/3 acre). Move because her and husband like the open feeling. Claimed Woodbury looks like a sea of fences. Developer was going to line properties with trees. Not in favor of allowing 6ft fences. Would chop up the neighborhoods. Invited council to come and view the neighborhood.

Jay Johnson 12153 spoke on fences. Claimed to be energized about fences, though perhaps not as much as his spouse [Council Member Smith]. Stated he has lived in areas with fences. Noted previous council came and viewed his property. Mr. Johnson urges council not to change the code to allow 6ft fences. Supports property rights and lean government but you have to consider the community.

Mayor Pearson asked what other communities have. Mr. Klatt stated that all the surrounding cities allow 6ft.

Ms. Smith said to look at the small communities not the larger cities. She claimed that none of the smaller cities allow 6ft fences. Those are the cities Lake Elmo should look to. She also presented some pictures of her property and the fence situation.

MOTION: Council Member Park moved TO APPROVE 085A AS AMENDED- STRIKING "ON ANY LOT UNDER ½ ACRE (21,780) IN SIZE." Council Member Smith seconded the motion. MOTION FAILED 2-3. (PEARSON, NELSON, AND BLOYER - NAY)

Mr. Pearson stated that he has a different perspective. He believes that fences can look nice. Urged council to look at in a macro city-wide fashion instead of a Problem properties can be good reasons and would be reasonable in his opinion. He does not believe that it will be a problem. Some residents may want that higher level of privacy. Neighbor issues, kids. Good fences make good neighbors. Acknowledged that Ms. Smith's opinions are reasonable, but he disagrees.

Ms. Smith noted that some fences are grandfathered in. Also available is the variance process. Not need a hardship, but a practical difficulty. Mr. Pearson responded that variances would have same impact of changing the character of the neighborhood. He stated he was glad the ¼ lot was pulled. It would be unfair to some property owners.

Mr. Bloyer in agreement with Mayor Pearson. Strongly in favor of individual property rights. Cannot support Council Member Park's amendment because he would want to allow as many people as possible to be allowed to have a 6ft fence.

Alternate A was discussion and clarified. City Administrator Zuleger made point of clarification to clarify the motion. Reminded council 4/5 vote is required.

Council Member Nelson is opposed to Alternate A. in favor of Ordinance 08-085. Not up to council to choose what fence people choose. Not everyone will choose 6ft fence.

Ms. Smith asked why have any height restriction? Mr. Pearson noted that it has probably been found to be reasonable. Ms. Park noted that the height restriction only applies to solid wall fences.

Ms. Smith explained her motion which included adding back in the exceptions language.

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*MOTION: Council Member Smith moved **TO APPROVE 085A AS AMENDED ADDING PRIVACY FENCE EXCEPTIONS FOR STREET FRONT/STREET BACK PROPERTIES AND HOT TUB SCREENING IN PREVIOUS CODE.** The motion did not receive a second. **MOTION FAILS FOR LACK OF SECOND.***

Mr. Pearson noted that other cities do not have problems. Ms. Park asked if current code has any language addressing lot size. Mr. Klatt stated that it does not.

Mr. Pearson asked that those who oppose the expansion go view problem properties. Ms. Smith said it is inappropriate that one example of a problem property would be used. She stated that that one person could obtain variance. Ms. Smith noted that she is appalled that this item was brought up again after the past work.

Mr. Nelson reiterated that he is in favor of property rights and it is evident that there are people who want to have 6ft fences, it is not appropriate to tell them what to do with their property. Jay Johnson rebutted that claim by noting that it seems contradictory to tell people what they can and cannot do with their properties when it comes to problem properties, but not with fences. Mr. Nelson stated that health and safety reasons allow the city to make the distinction.

*MOTION: Council Member Pearson moved **TO APPROVE ORDINANCE 08-085 AS PRESENTED.** Council Member Nelson seconded the motion. **MOTION FAILS 3-2 (SMITH AND PARK - NAY). LACK OF REQUIRED 4/5 SUPERMAJORITY.***

Mr. Nelson explained that the fence needs to be fixed. Ms. Smith asked that the old code be cleaned up and not gutted. She has problem with the process it has come up. City Attorney Snyder reminded the council that they are entitled to individual views, however agreement may never take place so Council may want to focus on other areas.

Mr. Pearson disagrees with the backhanded accusation. Ms. Smith denied using that language and restated her desire to have had the Planning Commission review the proposal and find another option.

Ms. Park offered to amend Mr. Nelson's motion by adopting the proposed ordinance but leaving the current height language. Mayor Pearson said that the amendment was not closely related enough to be an amendment.

Mr. Boyer asked for a compromise.

*MOTION: Council Member Nelson moved **TO ELIMINATE CURRENT FENCE ORDINANCE IN ITS ENTIRETY.** Council Member Boyer seconded the motion. **MOTION FAILS 3-2. (SMITH AND PARK - NAY). LACK OF REQUIRED 4/5 SUPERMAJORITY.***

Mr. Klatt noted that the options were to send back to Planning Commission; give direction to Planning Commission; or pass something tonight. It is only a part of a much larger zoning rewrite.

Mr. Snyder noted the option of variances and certificate of compliance.

Ms. Park wants to again make her motion.

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*MOTION: Council Member Park again moved **TO APPROVE 085A AS AMENDED- STRIKING "ON ANY LOT UNDER ½ ACRE (21,780) IN SIZE."** The motion did not receive a second (no second was called for). **MOTION FAILS FOR LACK OF SECOND.***

Mr. Snyder noted that the variance can easily be granted, but rarely can be denied. Certificates of compliance are much easier to administratively grant and easier/cheaper for resident to obtain.

Mr. Zuleger recommended that the ordinance be sent back to Planning Commission. The Planning Commission will then resubmit to council.

*MOTION: Council Member Smith moved **TO POSTPONE TO A LATER COUNCIL MEETING.** Council Member Park seconded the motion. **MOTION PASSED 5-0.***

Council Member Bloyer called for point of privilege.

Meeting recessed at 9:09PM

Meeting reconvened at 9:12PM

ITEM 16: ZONING TEXT AMENDMENT – ARTICLE III: ADMINISTRATION AND ENFORCEMENT: ORD. 08-086, RES. 2013-52

Planning Director Klatt explained the proposed ordinance and related the historical action. Mr. Klatt summarized the changes since last meeting.

Change to the design standard language. He stated that staff must get permission before entering property or follow judicial process.

Council Member Nelson asked about the certificate of compliance process. Mr. Klatt explained that it would combine the current process with the anticipated future process.

Council Member Smith asked about the 4/5 requirement. It was explained again that because the rewrite does not include it, it would not survive and the code would simply follow the state law of requiring simple majority except for the limited situations of major rezoning or comp plan amendments.

Mr. Nelson asked about the "disturbing" language item on page 8, #7. Mr. Klatt said it could be removed. Mr. Nelson also asked about removing the historical language. Legal status of entering property was discussed. City Attorney Snyder stated that the law allows staff to enter on property and even walk around the property without trespassing. Once the owner

Council Member Bloyer stated that he has struggled, but currently supports keeping the 4/5 requirement because he is in favor of slowing down government action. Council Member Smith is in favor of keeping 4/5 vote. Mayor Pearson and Council Members Park and Nelson are in favor of going to simple majority. Mr. Bloyer is not hung up on the 4/5 issue.

"Historic" language was discussed. Ms. Smith wants to preserve historic buildings in Lake Elmo. Mr. Klatt explained meaning of historic term and that removing the term would not have great impact because there is not anything historic in Lake Elmo.

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*MOTION: Council Member Nelson moved **TO APPROVE ORDINANCE 08-086, ESTABLISHING NEW ADMINISTRATIVE PROVISIONS IN THE LAKE ELMO ZONING CODE AMENDED AS FOLLOWS: STRIKE PAGE 6, SUBSECTION (G); PAGE 8, #7 REPLACE "DISTURBING" WITH "NUISANCE DEFINED BY CODE"; AND STRIKE #12 "HISTORIC" FEATURE LANGUAGE.** Council Member Park seconded the motion. **MOTION PASSED 4-1 (SMITH - NAY)***

Council Member Smith noted for record that she voted nay because of 4/5 vote change.

*MOTION: Council Member Pearson moved **TO APPROVE RESOLUTION 2013-52(51), AUTHORIZING SUMMARY PUBLICATION OF ORDINANCE 08-082.** Council Member Nelson seconded the motion. **MOTION PASSED 4-1 (SMITH - NAY)***

Council Member Smith noted for record that she voted nay again because of 4/5 vote change and wants to stay consistent.

ITEM 17: APPROVE AMENDMENT OF CUP - COUNTRY SUN FARMS; RES. 2013-53

Planning Director Klatt explained the overview of the Conditional Use Permit amendment. It mainly involved adding children's inflatable bouncers to the site. Planning Commission recommended approval.

Mayor Pearson asked about future applications for the same type of activity. Mr. Klatt explained that it would be processed similarly if not a main part of business. As long as it met the criteria, it would be subject to approval.

*MOTION: Council Member Bloyer moved **TO APPROVE RESOLUTION 2013-53(52) APPROVING AN AMENDMENT TO THE COUNTRY SUN FARM AND GREENHOUSES CUP TO ALLOW CHILDREN'S INFLATABLE BOUNCERS.** Council Member Park seconded the motion. **MOTION PASSED 5-0.***

ITEM 18 HAMMES ESTATES SKETCH PLAN REVIEW

Planning Director Klatt explained the overview of the proposal. He noted the applicants are present and would like to speak. The proposal is located in the past gravel pit site. There is a current reclamation plan in place. That would be replaced by whatever council approves. Mayor Pearson asked for clarification on the reclamation. Mr. Klatt explained that there would be a certain amount of time for property to be reinstated as usable.

Tim Freeman and Todd Erickson from Folz, Freeman, Erickson, Inc. presented the proposal. They stated they are representing the Hammes family. They noted that they wanted to be on board for when the sewer is built. They pointed out the changes that have taken place since the proposal submitted to staff and what was included in the council packet. They claimed to have been working with the public, Planning Commission, and will be working with the Parks Commission soon. They noted the long cul-de-sac street. Council Member Nelson asked about the length. It was stated to be about 800 ft.

City Administrator Zuleger pointed out the effort to create a buffer from Stonegate neighborhood with larger lots and the green space. It would be a mixture of national and custom builders. Lot

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sizes were discussed. Council Member Smith noted that she liked what was done with the open space feeling preservation. Mr. Freeman noted his desire to get council input.

Mr. Pearson asked about Planning concerns. Mr. Klatt stated that the cul-de-sac does not currently meet code. That item and the streets would need to be further discussed. Council Member Park asked about other communities' average length of cul-de-sacs. Mr. Klatt said it varies, but most are about 1000'. Mr. Freeman pointed out that Washington County allows ½ mile length if 20 or fewer homes. He also pointed out that plans need to be economically feasible.

Mr. Pearson wants the issues such as cul-de-sacs and streets work out. Mr. Klatt stated that those types of issues would have to be addressed and worked out with the county. Additional buffering from Keats Ave. was discussed at Planning Commission. Mr. Freeman pointed out that because it is a county road, the Right-Of-Way is wide. It is FFE's opinion that no additional buffer is needed. No planned buffer is being proposed at this time. Plans are to build up to ROW.

The development's streets and possible traffic and speeds were discussed. FFE Plans to present at the July 15 Parks Commission meeting. Neighborhood meeting will take place after that.

ITEM 19: APPROVAL OF THE SAVONA PROJECT ENVIRONMENTAL ASSESSMENT WORKSHEET AND FINDING NO NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT; RES. 2013-54

City Administrator Zuleger summarized planning's work on the item. Staff recommends a negative resolution that states no EIS is needed. The resolution was summarized.

MOTION: Mayor Pearson moved TO APPROVE RESOLUTION 2013-54(53) APPROVING THE SAVONA EAW AND FINDING NO NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT. Council Member Park seconded the motion. MOTION PASSED 5-0.

ITEM 20: ADDITIONAL STIPEND FOR CITY COUNCIL FOR WORKSHOP PARTICIPATION (SMITH/PARK REQUEST); RES. 2013-55

City Clerk Bell explained the item. Council Member Smith explained her reasoning for the request. The workload has increased. When she started eight years ago there were no workshops and only the two meetings a month. She would like to get rid of workshops altogether, but acknowledged that they will probably be needed. She noted that some other planning commissioners have quit over various issues, but this may incentivize some to stay. Some other planning commissions do pay their members.

Council Member Park is in favor of Council and Planning Commissioners receiving stipends. The amount of time the officials spend justifies additional compensation. She stated she is in full support of item.

Finance Director Bendel noted that it has been directed that City Staff will not receive raises. Mayor Pearson acknowledged that fact and also does not want to give more incentive to put more business on to workshops.

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The history of staff raises and the percentages were discussed. The previous Council increase was also discussed.

Scheduling workshops was discussed. City administrator Zuleger noted that the workshops are called for by Council and not staff. **The July 9th workshop is cancelled as a matter of fact.** Mayor Pearson stated that it looks bad. Park asked if it could be optional.

*MOTION: Council Member Park moved **TO APPROVE RESOLUTION 2013-55(54) AS AMENDED BY MAKING STIPEND OPTIONAL.** Council Member Smith seconded the motion. **MOTION FAILED 2-3 (PEARSON, NELSON, BLOYER - NAY).***

DISCUSSION OF OLD PARKS BUILDING STATUS

City Administrator Zuleger – reported what has been taking place with the old park bldg. It has been appraised, but difficult to determine actual value. This discussion could be placed on a possible workshop agenda? Still trying to obtain an appraisal for the arts bldg. The location of future fire departments was discussed. Council Member Nelson would like a workshop. Council Member Smith is opposed to selling the property for small amount of money without knowing what the real value is. Council Member Park would like to look at possibly leasing the property. The Mayor directed Staff to inform the purchaser that if the City decides to sell it, it will be later in time

SUMMARY REPORTS AND ANNOUNCEMENTS

City Administrator Zuleger – reported upcoming July 11 meeting of EDA; 7/26 staff council retreat; 7/9 workshop is cancelled; Worked with Finance Director Bendel and City Engineer Griffin on CIP; Bonding bill; working on storm clean up and lake levels; and discussion of developers escrow agreement.

Mayor Pearson – wants to discuss storm response and wants plan in place for future.

Council Member Bloyer – also wants the city to look at storm response. Wants a process in place. Believes that there were abuses by some people. Was out on Lakes Sunday and looked at property on Olson/Demontreville. While on the lake, he witnessed wake violations. Enforcement on lakes and wake creation was discussed. Mr. Zuleger explained that there is a desire for wake restriction, but there is a reluctance to report neighbor.

Council Member Park – no report.

Council Member Nelson – no report.

Council Member Smith – no report.

City Attorney Snyder - reported finalizing easement agreements; worked on administrative code enforcement efforts; received ruling of MN Court of Appeals disqualification of State's Attorney. Can discuss further in executive session.

Planning Director Klatt – reported continuing to work on the Savona preliminary plat review.

City Engineer Griffin – reported receiving bids on Olson Lake Trail. The bids were 45% higher than anticipated. Have looked at line item by item to determine what can be the issue. Looking to bring back as possibly part of larger project. Looking at other options; Met with county regarding putting together RFP for regional drainage study for Village.

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Finance Director Bendel - reported that the audit is completed. Will presented on 7/16. Behind on budget, but will make it up. Working on bonding. Levy money (\$1.7 Million) is coming in on 7/3.

City Clerk Bell reported hiring Office Administrative Assistant. Her name is Stacy Bodsberg. Start date is 7/15, over 250 applicants. Actually closed the posting early due to the overwhelming number of applicants. Many qualified applicants. Interviewed about 10 applicants; Council needs to select a date for first City Council meeting in November due to the ISD 834 special election.

Meeting adjourned at 10:48 P.M.

LAKE ELMO CITY COUNCIL

ATTEST:

Mike Pearson, Mayor

Adam R. Bell, City Clerk



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013

CONSENT

ITEM #: 2

AGENDA ITEM: Approve Disbursements in the Amount of \$499,391.22

SUBMITTED BY: Cathy Bendel, Finance Director

REVIEWED BY: Dean Zuleger, City Administrator

SUMMARY AND ACTION REQUESTED: As part of its Consent Agenda, the City Council is asked to approve disbursements in the amount of \$499,391.22. 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	\$ 11,533.50	Payroll Taxes to IRS & MN Dept of Revenue 7/11/13
ACH	\$ 5,498.88	Payroll Retirement to PERA 7/11/13
DD4741- D4787 40081	\$ 35,976.33	Payroll Dated (Direct Deposits) 7/11/13
40073-40080	\$ 7,538.97	Accounts Payable Manual 7/3/13 & 7/8/13
40082-40134	\$ 437,883.54	Accounts Payable 7/16/13
2027-2042	\$ 960.00	Library Card Reimbursement 7/16/13
TOTAL	\$ 499,391.22	

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 \$499,391.22.

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 16, 2013, Disbursements as
Presented *[and modified]* herein.”**

ATTACHMENTS:

1. Accounts Payable Dated 7/16/2013

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: denise

Printed: 07/03/2013 - 2:22 PM

Batch: 001-07-2013

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
CARDMEMB Cardmember Service										
06/20/2013	06/20/2013	21.12	0.00	07/03/2013	Misc Meals 5/31 - D Zuleger		-	No		0000
101-410-1320-44300	Miscellaneous									
06/20/2013	06/20/2013	9.95	0.00	07/03/2013	People Finders.Com LJB Director - D Zule		-	No		0000
206-450-5300-43150	Contract Services									
06/20/2013	06/20/2013	67.68	0.00	07/03/2013	Amazon 2 QTY Live First Work 2 Bk D-Zul		-	No		0000
101-410-1320-44350	Books									
06/20/2013	06/20/2013	66.00	0.00	07/03/2013	Amazon Books - D Zuleger		-	No		0000
101-410-1320-44350	Books									
06/20/2013	06/20/2013	175.80	0.00	07/03/2013	St Paul Pioneer Press-CI Ad Admi-A Bell		-	No		0000
101-410-1320-44300	Miscellaneous									
06/20/2013	06/20/2013	50.00	0.00	07/03/2013	CraigList Class Ad Admi-A Bell		-	No		0000
101-410-1320-44300	Miscellaneous									
06/20/2013	06/20/2013	19.14	0.00	07/03/2013	Target - MP Wtr PIPO - A Bell		-	No		0000
101-410-1320-44300	Miscellaneous									
06/20/2013	06/20/2013	0.75	0.00	07/03/2013	Parking Receipt 6/10/13 - A Bell		-	No		0000
101-410-1320-44300	Miscellaneous									
06/20/2013	06/20/2013	800.00	0.00	07/03/2013	OMEGA Event Services Tent LE Day-C Bende		-	No		0000
204-450-5200-44300	Miscellaneous									
06/20/2013	06/20/2013	200.00	0.00	07/03/2013	LE Post Office Permit - C Bendel		-	No		0000
101-410-1320-43220	Postage									
06/20/2013	06/20/2013	25.99	0.00	07/03/2013	DJ Wall St. Journal dated 6/10/13-C Bende		-	No		0000
101-410-1320-44330	Dues & Subscriptions									
06/20/2013	06/20/2013	153.68	0.00	07/03/2013	VISTAprint Letterhead - C Bendel		-	No		0000
101-410-1320-42000	Office Supplies									
06/20/2013	06/20/2013	35.00	0.00	07/03/2013	VISA Late Fee due 6/17/13		-	No		0000
101-410-1320-44300	Miscellaneous									
06/20/2013	06/20/2013	43.19	0.00	07/03/2013	VISA Interest Charge on Purchases		-	No		0000
101-410-1320-44300	Miscellaneous									
06/20/2013	06/20/2013	25.65	0.00	07/03/2013	Menards 3129 Shoe Covers 10pk-R Chase		-	No		0000
101-420-2400-44300	Miscellaneous									
06/20/2013	06/20/2013	58.30	0.00	07/03/2013	Holiday Stationstore Fuel-R Chase		-	No		0000
101-420-2400-42120	Fuel, Oil and Fluids									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
06/20/2013	06/20/2013	90.00	0.00	07/03/2013	10,000 Lakes Chapter Mbr Fee-R Chase		-	No		0000
101-420-2400-44330	Dues & Subscriptions	1,842.25								
	06/20/2013 Total:	1,842.25								
	CARDMEMB Total:									
COLEMER Colemer Jamie										
6242013	06/24/2013	118.77	0.00	07/03/2013	Mileage to Wtr Training Class 6/19 J-Col		-	No		0000
603-496-9500-44300	Miscellaneous Expenses	17.95	0.00	07/03/2013	Lunch at Training Class 6/19 - J Colemer		-	No		0000
6242013	06/24/2013	136.72								
603-496-9500-44370	Conferences & Training	136.72								
	6242013 Total:	136.72								
	COLEMER Total:									
DAMON Damon Farbar Associates										
23549	05/02/2013	3,900.00	0.00	07/03/2013	Lake Elmo Theming Project-3/29-4/25		-	No		0000
101-410-1910-43150	Contract Services	3,900.00								
	23549 Total:	3,900.00								
	DAMON Total:	3,900.00								
METCOU Metropolitan Council										
July 03 2013	07/03/2013	900.00	0.00	07/03/2013	MCES Direct Con Appl Inf Str-I-94 to30t		-	No		0000
409-480-8000-43030	Engineering Services	900.00								
	July 03 2013 Total:	900.00								
	METCOU Total:	900.00								
MPCA MN Pollution Control Agency										
July 03 2013	07/03/2013	620.00	0.00	07/03/2013	MPCA Sanit Perm - Infr Str 194-30th		-	No		0000
409-480-8000-43030	Engineering Services	620.00								
	July 03 2013 Total:	620.00								
	MPCA Total:	620.00								
	Report Total:	7,398.97								

Accounts Payable To Be Paid Proof List

User: denise

Printed: 07/08/2013 - 11:02 AM

Batch: 002-07-2013

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
MNSECRET Minnesota Secretary of State										
07082013	07/08/2013	20.00	0.00	07/08/2013	MN UCC Financing Stmt- 8665 Hudson Blvd		-	No		0000
203-490-9070-44300	Miscellaneous Expenses	20.00								
	07082013 Total:	20.00								
	MNSECRET Total:	20.00								
WISDPFIN Wisconsin Dept Financial Inst										
07082013	07/08/2013	20.00	0.00	07/08/2013	WI UCC Financing Stmt-8665 Hudson Blvd		-	No		0000
203-490-9070-44300	Miscellaneous Expenses	20.00								
	07082013 Total:	20.00								
	WISDPFIN Total:	20.00								
	Report Total:	40.00								

Accounts Payable To Be Paid Proof List

User: denise
 Printed: 07/08/2013 - 2:58 PM
 Batch: 003-07-2013

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
METCOU Metropolitan Council July 08 2013 409-480-8000-43030 Engineering Services	07/08/2013	1,000.00	* 0.00	07/08/2013	MCES Direct Connect Applic LE Sewer Infr		-			No 0000
July 08 2013 Total:		1,000.00								
METCOU Total:		1,000.00								
Report Total:		1,000.00								

* REISSUE PER ENGINEERING

Accounts Payable To Be Paid Proof List

User: denise

Printed: 07/11/2013 - 12:11 PM

Batch: 006-07-2013

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
C A C Companion Animal Control, LLC										
6	07/01/2013	500.00	0.00	07/16/2013	Animal Control Services - June 2013		-			No 0000
101-420-2700-43150 Contract Services										
6	07/01/2013	165.00	0.00	07/16/2013	Dog Pick Up / Impoundment (4)		-			No 0000
101-420-2700-43160 Impounding										
		6 Total:								
		C A C Total:								
CENTPOW Century Power Equipment										
593312	06/27/2013	654.66	0.00	07/16/2013	Chain Saw Parts		-			No 0000
101-430-3120-44040 Repairs/Maint Eqpt										
593312	06/27/2013	309.95	0.00	07/16/2013	Chain Saw		-			No 0000
101-430-3100-42400 Small Tools & Minor Equipment										
		593312 Total:								
		CENTPOW Total:								
COMCAST Comcast										
06272013	06/27/2013	7.92	0.00	07/16/2013	Monthly Service - Fire Dept		-			No 0000
101-420-2220-44300 Miscellaneous										
		06272013 Total:								
		COMCAST Total:								
CTYBLOOM City of Bloomington										
June 2013	06/26/2013	31.50	0.00	07/16/2013	Lab Bacteria Tests 6/1/13 - 6/26/13		-			No 0000
601-494-9400-42270 Utility System Maintenance										
		June 2013 Total:								
		CTYBLOOM Total:								
CTYHUGO City of Hugo										
6/10-6/24-6/26	06/27/2013	795.50	0.00	07/16/2013	Building Inspector Services		-			No 0000
101-420-2400-43150 Inspector Contract Services										

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
6/10-6/24-6/26	06/27/2013	140.69	0.00	07/16/2013	Building Inspector-Mileage		-			0000
101-420-2400-43310	Mileage	936.19								No
	6/10-6/24-6/26 Total:	936.19								
	CTYHUGO Total:									
CTYMAPLE City of Maplewood										
006902	06/28/2013	4,050.70	0.00	07/16/2013	Keats MSA Street		-			0000
409-480-8000-43030	Engineering Services									No
006902	06/28/2013	3,055.80	0.00	07/16/2013	Keats Trunk Watermain		-			0000
601-494-9400-43030	Engineering Services									No
	006902 Total:	7,106.50								
	CTYMAPLE Total:	7,106.50								
CTYOAKDA City of Oakdale										
060313-062813	06/30/2013	9,634.57	0.00	07/16/2013	Water Service I-94		-			0000
601-494-9400-43820	Water Utility									No
	060313-062813 Total:	9,634.57								
	CTYOAKDA Total:	9,634.57								
CTYOAKDP City of Oakdale										
201306283727	06/28/2013	824.03	0.00	07/16/2013	E2-Muffler, Slack Adjusters		-			0000
101-420-2220-44040	Repairs/Maint Eqpt									No
	201306283727 Total:	824.03								
	CTYOAKDP Total:	824.03								
CTYROSEV City of Roseville										
0217565	07/01/2013	1,652.08	0.00	07/16/2013	Monthly IT Services Billing - July 2013		-			0000
101-410-1450-43180	Information Technology/Web									No
0217565	07/01/2013	337.06	0.00	07/16/2013	Monthly Telephone - Administration		-			0000
101-410-1320-43210	Telephone									No
0217565	07/01/2013	45.06	0.00	07/16/2013	Monthly Telephone - Building Inspection		-			0000
101-420-2400-43210	Telephone									No
0217565	07/01/2013	51.18	0.00	07/16/2013	Monthly Telephone - Communications		-			0000
101-410-1450-43210	Telephone									No
0217565	07/01/2013	45.06	0.00	07/16/2013	Monthly Telephone - Engineering		-			0000
101-410-1930-43210	Telephone									No
0217565	07/01/2013	90.12	0.00	07/16/2013	Monthly Telephone - Finance		-			0000
101-410-1520-43210	Telephone									No
0217565	07/01/2013	132.08	0.00	07/16/2013	Monthly Telephone - Planning		-			0000
101-410-1910-43210	Telephone									No
0217565	07/01/2013	361.53	0.00	07/16/2013	Monthly Telephone - Public Works		-			0000
101-430-3100-43210	Telephone									No

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
	0217565 Total:	2,714.17								
	CTYROSEV Total:	2,714.17								
FERGUSON Ferguson Waterworks, Inc #2516										
30138	06/25/2013	392.32	0.00	07/16/2013	Hydrant Repair Parts		-	No		0000
601-494-9400-44030	Repairs\Maint Imp Not Bldgs									
	30138 Total:	392.32								
30344	06/25/2013	281.86	0.00	07/16/2013	Hydrant Repair Parts		-	No		0000
601-494-9400-44030	Repairs\Maint Imp Not Bldgs									
	30344 Total:	281.86								
	FERGUSON Total:	674.18								
FINANCE Finance and Commerce										
741003168	07/02/2013	233.26	0.00	07/16/2013	Bids - LE Avenue Sewer Infrastructure		-	No		0000
101-410-1450-43510	Public Notices									
	741003168 Total:	233.26								
	FINANCE Total:	233.26								
FOCUS Focus Engineering, Inc.										
682 & 683	07/01/2013	2,673.12	0.00	07/16/2013	General Engineering - General		-	No		0000
101-410-1930-43030	Engineering Services									
682 & 683	07/01/2013	313.50	0.00	07/16/2013	General Engineering - Planning		-	No		0000
101-410-1910-43030	Engineering Services									
	682 & 683 Total:	2,986.62								
684	07/01/2013	1,244.00	0.00	07/16/2013	General Engineering - VRA -Building		-	No		0000
101-420-2400-43030	Engineering									
684	07/01/2013	715.62	0.00	07/16/2013	General Engineering - VRA -Planning		-	No		0000
101-410-1910-43030	Engineering Services									
684	07/01/2013	742.50	0.00	07/16/2013	General Engineering - VRA -Public Works		-	No		0000
101-430-3100-43030	Engineering Services									
684	07/01/2013	756.28	0.00	07/16/2013	General Engineering - VRA -Water		-	No		0000
601-494-9400-43030	Engineering Services									
684	07/01/2013	225.00	0.00	07/16/2013	General Engineering - VRA -Sewer		-	No		0000
602-495-9450-43030	Engineering Services									
684	07/01/2013	3,740.84	0.00	07/16/2013	General Engineering - VRA -Surface Water		-	No		0000
603-496-9500-43030	Engineering Services									
	684 Total:	7,424.24								
685	07/01/2013	609.62	0.00	07/16/2013	Transportation & Traffic Systems		-	No		0000
409-480-8000-43030	Engineering Services									
685	07/01/2013	396.50	0.00	07/16/2013	Street Maintenance		-	No		0000
409-480-8000-43030	Engineering Services									
685	07/01/2013	275.50	0.00	07/16/2013	Municipal Aid System		-	No		0000
409-480-8000-43030	Engineering Services									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
685	07/01/2013	258.50	0.00	07/16/2013	Capital Improvement Planning		-	No		0000
409-480-8000-43030	Engineering Services									
685	07/01/2013	898.47	0.00	07/16/2013	2013 Seal Coat Project		-	No		0000
409-480-8000-43030	Engineering Services									
685	07/01/2013	778.87	0.00	07/16/2013	Trunk Highway 36 Corridor Planning		-	No		0000
409-480-8000-43030	Engineering Services									
685	07/01/2013	354.00	0.00	07/16/2013	Trunk Highway 36 Corridor Planning		-	No		0000
409-480-8000-43030	Engineering Services									
685 Total:		3,571.46								
686	07/01/2013	112.50	0.00	07/16/2013	Sanctuary		-	No		0000
409-480-8000-43030	Engineering Services									
686 Total:		112.50								
687	07/01/2013	292.62	0.00	07/16/2013	Lake Elmo Area Village Eng. Support		-	No		0000
413-480-8000-43030	Engineering Services									
687 Total:		292.62								
688	07/01/2013	1,459.12	0.00	07/16/2013	10th Street Infrastructure Planning		-	No		0000
420-480-8000-43030	Engineering Services									
688 Total:		1,459.12								
689	07/01/2013	998.60	0.00	07/16/2013	Demontreville Highlands Area Street Impr		-	No		0000
419-480-8000-43030	Engineering Services									
689 Total:		998.60								
690	07/01/2013	418.00	0.00	07/16/2013	Olson Lake Trail Sewer Extension Feasibi		-	No		0000
409-480-8000-43030	Engineering Services									
690 Total:		418.00								
691	07/01/2013	90.00	0.00	07/16/2013	Old Village Municipal Sanitary Sewer		-	No		0000
409-480-8000-43030	Engineering Services									
691 Total:		90.00								
692	07/01/2013	2,998.17	0.00	07/16/2013	Keats Ave Watermain 43%		-	No		0000
601-494-9400-43030	Engineering Services									
692	07/01/2013	3,974.31	0.00	07/16/2013	Keats Ave Street 57%		-	No		0000
409-480-8000-43030	Engineering Services									
692 Total:		6,972.48								
693	07/01/2013	2,357.62	0.00	07/16/2013	Lennar I-94 West Corridor		-	No		0000
203-490-9070-43030	Engineering Services									
693 Total:		2,357.62								
694	07/01/2013	4,275.65	0.00	07/16/2013	LE Ave Infrastructure I-94 to 30th Str		-	No		0000
409-480-8000-43030	Engineering Services									
694 Total:		4,275.65								
695	07/01/2013	894.00	0.00	07/16/2013	Water System Funding Activities (Deeds)		-	No		0000
409-480-8000-43030	Engineering Services									
695 Total:		894.00								
696	07/01/2013	1,031.80	0.00	07/16/2013	Production Well Number 4		-	No		0000
601-494-9400-43030	Engineering Services									
696 Total:		1,031.80								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
697	07/01/2013	2,193.11	0.00	07/16/2013	Section 34 Water 40%		-			0000
601-494-9400-43030	Engineering Services									No
697	07/01/2013	3,289.66	0.00	07/16/2013	Section 34 Sewer Extension 60%		-			0000
602-495-9450-43030	Engineering Services									No
697 Total:		5,482.77								
698	07/01/2013	692.06	0.00	07/16/2013	CSAH 15 (Manning Ave) Corridor Mgmt		-			0000
602-495-9450-43030	Engineering Services									No
698 Total:		692.06								
699	07/01/2013	410.62	0.00	07/16/2013	Amaris Homes (Montgomery Property)		-			0000
203-490-9070-43030	Engineering Services									No
699 Total:		410.62								
700	07/01/2013	573.62	0.00	07/16/2013	Hammes Estates		-			0000
203-490-9070-43030	Engineering Services									No
700 Total:		573.62								
701	07/01/2013	324.50	0.00	07/16/2013	Landucci Property (Ryland)		-			0000
203-490-9070-43030	Engineering Services									No
701 Total:		324.50								
FOCUS Total:		40,368.28								
<hr/>										
GRAPHICR Graphic Resources										
46233	06/28/2013	955.46	0.00	07/16/2013	Print 4 page Park Survey plus #10 envelo		-			0000
404-480-8000-43050	Other Park Ded Prof Services									No
46233 Total:		955.46								
46298	06/28/2013	1,314.00	0.00	07/16/2013	8 Page Summer Newsletter		-			0000
101-410-1450-43090	Newsletter									No
46298 Total:		1,314.00								
GRAPHICR Total:		2,269.46								
<hr/>										
INTERSTA Interstate All Battery Ctr										
54848	07/08/2013	227.32	0.00	07/16/2013	Replacement Batteries for B2-Fire Dept		-			0000
101-420-2220-44040	Repairs/Maint Eqpt									No
54848 Total:		227.32								
INTERSTA Total:		227.32								
<hr/>										
JOHNSON& Johnson & Turner Attorneys										
29312	07/02/2013	845.00	0.00	07/16/2013	Legal Services - 3M		-			0000
601-494-9400-43040	Legal Services									No
29312 Total:		845.00								
29313	07/02/2013	507.00	0.00	07/16/2013	Legal Services - Library		-			0000
206-450-5300-43040	Legal Services									No
29313 Total:		507.00								
29366	07/02/2013	4,250.00	0.00	07/16/2013	Legal Services - Prosecution		-			0000
101-420-2150-43045	Attorney Criminal									No

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
29711-712-713	07/02/2013	4,250.00	0.00	07/16/2013	Legal Services - Civil		-	No		0000
101-410-1320-43040	Legal Services	3,680.75								
29711-712-713 Total:		3,680.75								
JOHNSON& Total:		9,282.75								
KAMCO Kamco, Corp										
3375	07/15/2013	250.00	0.00	07/16/2013	Remove Up Rooted Tree hazard 30th Str		-	No		0000
101-430-3120-43150	Contract Services	250.00								
3375 Total:		250.00								
KAMCO Total:		250.00								
LEOIL Lake Elmo Oil, Inc.										
012310	06/30/2013	1,878.25	0.00	07/16/2013	Fuel - Public Works		-	No		0000
101-430-3120-42120	Fuel, Oil and Fluids	1,878.25								
012310 Total:		1,878.25								
048-944-619-69	06/30/2013	247.25	0.00	07/16/2013	Fuel - Fire Department		-	No		0000
101-420-2220-42120	Fuel, Oil and Fluids	247.25								
048-944-619-69 Total:		247.25								
5076956	06/30/2013	70.00	0.00	07/16/2013	Fuel - Public Works		-	No		0000
101-430-3120-42120	Fuel, Oil and Fluids	70.00								
5076956 Total:		70.00								
LEOIL Total:		2,195.50								
Lillie Newspapers Inc, Lillie Suburban										
Acct No 007148	05/30/2013	26.40	0.00	07/16/2013	6/5 Ordinance #08-077		-	No		0000
101-410-1320-43510	Legal Publishing	26.40								
Acct No 007148	05/30/2013	26.40	0.00	07/16/2013	6/5 Ordinance #08-078		-	No		0000
101-410-1320-43510	Legal Publishing	26.40								
Acct No 007148	05/30/2013	28.60	0.00	07/16/2013	6/5 Ordinance #08-080		-	No		0000
101-410-1320-43510	Legal Publishing	28.60								
Acct No 007148	05/30/2013	24.20	0.00	07/16/2013	6/12 Ordinance #08-081		-	No		0000
101-410-1320-43510	Legal Publishing	24.20								
Acct No 007148	05/30/2013	26.40	0.00	07/16/2013	6/26 Ordinance #08-082		-	No		0000
101-410-1320-43510	Legal Publishing	26.40								
Acct No 007148 Total:		132.00								
Lillie Total:		132.00								
LOFF Loffler Companies, Inc.										
1590693	07/01/2013	388.91	0.00	07/16/2013	Copy Machines Overage&Base 6/10-7/9		-	No		0000
101-410-1940-44040	Repairs/Maint Contractual Eqpt	388.91								
1590693 Total:		388.91								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
	LOFF Total:	388.91								
MALMQ Malmquist Greg										
05242013	07/10/2013	345.38	0.00	07/16/2013	Reimb -Mass Fatalities Class-Camp		-	No		0000
101-420-2220-44370	Conferences & Training				Ripley					
	05242013 Total:	345.38								
	MALMQ Total:	345.38								
MARONEYS Maroney's Sanitation, Inc										
481811	06/27/2013	108.32	0.00	07/16/2013	Waste Revoyal - City Hall		-	No		0000
101-410-1940-43840	Refuse									
481811	06/27/2013	47.68	0.00	07/16/2013	Waste Revoyal - Fire Dept		-	No		0000
101-420-2220-43840	Refuse									
481811	06/27/2013	207.82	0.00	07/16/2013	Waste Revoyal - Public Works		-	No		0000
101-430-3100-43840	Refuse									
481811	06/27/2013	207.82	0.00	07/16/2013	Waste Revoyal - Parks		-	No		0000
101-450-5200-43840	Refuse									
481811	06/27/2013	48.12	0.00	07/16/2013	Waste Revoyal - Library		-	No		0000
206-450-5300-43840	Refuse									
	481811 Total:	619.76								
	MARONEYS Total:	619.76								
MARVS Marv's Professional Tools										
262199	06/27/2013	130.41	0.00	07/16/2013	Tools - Public Works		-	No		0000
101-430-3100-42400	Small Tools & Minor Equipment									
	262199 Total:	130.41								
	MARVS Total:	130.41								
MCKINZIE McKinzie Metro Appraisal										
13-0612LEWO	06/24/2013	1,500.00	0.00	07/16/2013	Appraisal Report Upper 33rd St City of		-	No		0000
411-480-8000-43040	Legal Services				LE					
	13-0612LEWO Total:	1,500.00								
	MCKINZIE Total:	1,500.00								
MES Municipal Emergency Svs. Inc.										
00424788-SNV	06/21/2013	1,071.65	0.00	07/16/2013	Rescue Manequin		-	No		0000
101-420-2220-44370	Conferences & Training									
	00424788-SNV Total:	1,071.65								
	MES Total:	1,071.65								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
METCOU Metropolitan Council 1021233 07/02/2013 602-495-9450-43820 Sewer Utility - Met Council 1021233 Total: METCOU Total:		1,484.55 1,484.55 1,484.55	0.00	07/16/2013	Monthly Wastewater Service - August		-	No		0000
METROFIR Metro Fire 47602 06/13/2013 101-420-2220-44370 Conferences & Training 47602 Total: 47672 06/25/2013 101-420-2220-42400 Small Tools & Equipment 47672 Total: METROFIR Total:		84.06 84.06 215.93 215.93 299.99	0.00	07/16/2013	Harness for Rescue Manequin Replacement Helmet Eagles		-	No		0000
MICHAEL Michael Lee Inc. 07032013 07/03/2013 803-000-0000-22900 Deposits Payable 07032013 Total: 07082013 07/08/2013 803-000-0000-22900 Deposits Payable 07082013 Total: MICHAEL Total:		1,200.00 1,200.00 1,200.00 1,200.00 2,400.00	0.00	07/16/2013	Refund Escrow 2979 Jonquil Trail Refund of Escrow-10225 Tapestry Rd		-	No		0000
MILLEREX Miller Excavating, Inc. 17182 06/28/2013 101-430-3120-43150 Contract Services 17182 Total: MILLEREX Total:		1,345.00 1,345.00 1,345.00	0.00	07/16/2013	Haul in & grade 200 tons repair Klondike		-	No		0000
MINITEX Minitex 82254 06/27/2013 206-450-5300-42000 Office Supplies 82254 Total: MINITEX Total:		70.00 70.00 70.00	0.00	07/16/2013	Barcode Labels - Single - plus shipping		-	No		0000
MPCA MN Pollution Control Agency 07082013 07/08/2013 409-480-8000-43030 Engineering Services 07082013 Total:		400.00 400.00	0.00	07/16/2013	NPDES General Stormwater Permit Fee		-	No		0000

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
MPCA Total:		400.00								
NAPA NAPA Auto Parts										
757576	07/08/2013	91.05	0.00	07/16/2013	Air Filter B2 - Fire Department		-		No	0000
101-420-2220-44040 Repairs/Maint Eqpt		91.05								
757576 Total:		91.05								
NAPA Total:		91.05								
ONECALL Gopher State One Call										
74594	06/30/2013	312.25	0.00	07/16/2013	FTP Tickets - June 2013		-		No	0000
101-430-3100-43150 Contract Services		312.25								
74594 Total:		312.25								
ONECALL Total:		312.25								
PITNEY Pitney Bowes										
387087	07/03/2013	202.53	0.00	07/16/2013	Postage Meter Rental - 04/1/13-06/30/13		-		No	0000
101-410-1940-44040 Repairs/Maint Contractual Eqpt		202.53								
387087 Total:		202.53								
PITNEY Total:		202.53								
REGIONS Regions Hospital										
7610489	06/24/2013	2,173.60	0.00	07/16/2013	Annual EMS 1/4rly Training		-		No	0000
101-420-2220-44370 Conferences & Training		2,173.60								
7610489 Total:		2,173.60								
REGIONS Total:		2,173.60								
RENLUNDT Renlund Terry										
3	07/02/2013	398.25	0.00	07/16/2013	Building Inspector Services 6/28 & 7/1		-		No	0000
101-420-2400-43150 Inspector Contract Services		398.25								
3	07/02/2013	94.35	0.00	07/16/2013	Building Inspector Mileage 6/28 & 7/1		-		No	0000
101-420-2400-43310 Mileage		94.35								
3 Total:		492.60								
RENLUNDT Total:		492.60								
ROTARYLE Lake Elmo Rotary Club										
3rd Quarter2013	07/01/2013	125.00	0.00	07/16/2013	Mbrship Dues - Admin A MacLeod 7/1-9/30		-		No	0000
101-410-1320-44330 Dues & Subscriptions		125.00								
3rd Quarter2013 Total:		125.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
ROTARYLE Total:		125.00								
S&T S&T Office Products, Inc.										
01PW0234 -1169	06/26/2013	203.27	0.00	07/16/2013	Office Supplies - Administration		-	No		0000
101-410-1320-42000	Office Supplies									
01PW0234 -1169	06/26/2013	43.00	0.00	07/16/2013	Office Supplies - Finance		-	No		0000
101-410-1520-42000	Office Supplies									
01PW0234 -1169	Total:	246.27								
S&T Total:		246.27								
SAMSCLUB Sam's Club										
07032013	07/03/2013	116.81	0.00	07/16/2013	Misc Fire Dept Station Supplies		-	No		0000
101-420-2220-44300	Miscellaneous									
07032013	07/03/2013	45.76	0.00	07/16/2013	Towel Dispensers Fire Department		-	No		0000
101-420-2220-44010	Repairs/Maint Bldg									
07032013	07/03/2013	44.72	0.00	07/16/2013	City Hall Coffee		-	No		0000
101-410-1320-42000	Office Supplies									
07032013	Total:	207.29								
SAMSCLUB Total:		207.29								
SUN Sun Newspapers										
613312619	06/30/2013	169.16	0.00	07/16/2013	Advertisement - Office Administrator		-	No		0000
101-410-1320-44300	Miscellaneous									
613312619	Total:	169.16								
SUN Total:		169.16								
SW/WC SW/WC Service Cooperatives										
6/26/2013	06/26/2013	18,360.00	0.00	07/16/2013	August 2013 Insurance Premiums		-	No		0000
101-000-0000-21706	Medical Insurance									
6/26/2013	Total:	18,360.00								
SW/WC Total:		18,360.00								
TASCH T.A. Schifsky & Sons Inc										
Pay Req No 2	07/01/2013	163,625.24	0.00	07/16/2013	Keats MSA Street	6/1/2013-7/1/2013	-	No		0000
409-480-8000-43030	Engineering Services									
Pay Req No 2	07/01/2013	152,772.72	0.00	07/16/2013	Keats Trunk Watermain	6/1/2013-7/1/2013	-	No		0000
601-494-9400-43030	Engineering Services									
Pay Req No 2	Total:	316,397.96								
TASCH Total:		316,397.96								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
TOWNCTRY Town & Country Cleaning Co										
713 297	07/01/2013	245.81	0.00	07/16/2013	July Janitorial Service - City Hall		-			0000
101-410-1940-44010	Repairs/Maint Contractual Bldg									No
	713 297 Total:	245.81								
713 338	07/01/2013	187.47	0.00	07/16/2013	July Janitorial Service - Library		-			0000
206-450-5300-44010	Repairs/Maint Bldg									No
	713 338 Total:	187.47								
	TOWNCTRY Total:	433.28								
TRISTATE Tri State Bobcat, Inc.										
A98221	07/03/2013	323.63	0.00	07/16/2013	Tool Cat Parts		-			0000
101-450-5200-42210	Equipment Parts									No
	A98221 Total:	323.63								
	TRISTATE Total:	323.63								
VANCEBRO Vance Brothers, Inc										
24604	06/25/2013	567.76	0.00	07/16/2013	Dura Patch Oil		-			0000
101-430-3120-42240	Street Maintenance Materials									No
	24604 Total:	567.76								
	VANCEBRO Total:	567.76								
VANGADOR Vang Adora										
Cable Operator	07/02/2013	55.00	0.00	07/16/2013	Cable Operations - 7/2/13 CC Meet (4hrs)		-			0000
101-410-1450-43620	Cable Operations									No
	Cable Operator Total:	55.00								
	VANGADOR Total:	55.00								
WAS-SHER Washington County										
76181	07/01/2013	35.50	0.00	07/16/2013	Code Red 6/25-6/26 & 6/28 - 142 minutes		-			0000
101-420-2100-43150	Law Enforcement Contract									No
	76181 Total:	35.50								
	WAS-SHER Total:	35.50								
WASH-REC Washington County										
P227774	07/01/2013	46.00	0.00	07/16/2013	Recorded/Registrar Assessmt Boyle Brian		-			0000
101-410-1910-42030	Printed Forms									No
	P227774 Total:	46.00								
	WASH-REC Total:	46.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
WASHCONS Washington Conservation Dist.										
2681	06/30/2013	556.25	0.00	07/16/2013	2nd of 4 Quarterly billings shared		-	No		0000
603-496-9500-44370 Conferences & Training										
2681 Total: 556.25										
WASHCONS Total: 556.25										
WASHPARK Washington County										
75733	06/26/2013	397.72	0.00	07/16/2013	Trail Grooming Sunfish Lake Park		-	No		0000
101-450-5200-44030 Repairs/Maint Imp Not Bldgs										
75733 Total: 397.72										
WASHPARK Total: 397.72										
XCEL Xcel Energy										
070112013	07/11/2013	114.66	0.00	07/16/2013	3509 Laverne Lights Legion Pk		-	No		0000
101-450-5200-43810	Electric Utility				-302177887					
070112013	07/11/2013	37.11	0.00	07/16/2013	8860 Hudson Lift Station - 303135351		-	No		0000
602-495-9450-43810	Electric Utility									
070112013	07/11/2013	90.69	0.00	07/16/2013	100 Inwood Traffic Lights -302271471		-	No		0000
101-430-3160-43810	Street Lighting									
070112013	07/11/2013	354.41	0.00	07/16/2013	4259 Jamaca Fire Sta #2 -302202054		-	No		0000
101-420-2220-43810	Electric Utility									
070112013	07/11/2013	411.36	0.00	07/16/2013	3800 Laverne City Hall -302429100		-	No		0000
101-410-1940-43810	Electric Utility									
070112013	07/11/2013	37.39	0.00	07/16/2013	100 Keats - Traffic Lights - 304120112		-	No		0000
101-430-3160-43810	Street Lighting									
070112013	07/11/2013	308.76	0.00	07/16/2013	3800 Laverne City Hall -304124969		-	No		0000
101-410-1940-43810	Electric Utility									
070112013	07/11/2013	12.39	0.00	07/16/2013	3510 Laverne Tennis Court -		-	No		0000
101-450-5200-43810	Electric Utility				302683308					
070112013	07/11/2013	90.67	0.00	07/16/2013	11194 Upper 33rd Parks Bldg -		-	No		0000
101-450-5200-43810	Electric Utility				302533349					
070112013	07/11/2013	22.94	0.00	07/16/2013	8170 Lake Jane Trl Pebble Park-		-	No		0000
101-450-5200-43810	Electric Utility				302538822					
070112013	07/11/2013	45.45	0.00	07/16/2013	998 Inwood Traffic lights - 302575319		-	No		0000
101-430-3160-43810	Street Lighting									
070112013	07/11/2013	50.25	0.00	07/16/2013	3585 Laverne Arts Center - 302657033		-	No		0000
101-450-5200-43810	Electric Utility									
070112013	07/11/2013	20.51	0.00	07/16/2013	11062 34th Str Lift Station -303515329		-	No		0000
101-430-3160-43810	Street Lighting									
070112013	07/11/2013	18.28	0.00	07/16/2013	2759 Legion Ave Lift Station-		-	No		0000
101-495-9450-43810	Electric Utility				303318225					
070112013	07/11/2013	291.30	0.00	07/16/2013	3510 Laverne Fire Station #1 -		-	No		0000
101-420-2220-43810	Electric Utility				303235391					

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
070112013	07/11/2013	60.89	0.00	07/16/2013	3511 Laverne Legion Prk- 3036i49047		-			0000
101-450-5200-43810	Electric Utility									No
070112013	07/11/2013	2,046.53	0.00	07/16/2013	Street Lights		-			0000
101-430-3160-43810	Street Lighting									No
070112013	07/11/2013	31.64	0.00	07/16/2013	11915 Stillwater Blvd /Manning Traffic		-			0000
101-430-3160-43810	Street Lighting									No
070112013	07/11/2013	12.26	0.00	07/16/2013	3675 Layton VFW Ballfields Lis- 303400517		-			0000
101-450-5200-43810	Electric Utility									No
070112013	07/11/2013	549.47	0.00	07/16/2013	3675 Layton VFW Ballfields Lis- 303895169		-			0000
101-450-5200-43810	Electric Utility									No
070112013	07/11/2013	587.15	0.00	07/16/2013	3400 Ideal Public Works-303968012- 74101		-			0000
101-430-3100-43810	Electric Utility									No
070112013	07/11/2013	20.94	0.00	07/16/2013	3445 Ideal Ave Water Tower #2 303959462		-			0000
101-494-9400-43810	Electric Utility									No
070112013	07/11/2013	12.64	0.00	07/16/2013	10910 Stillwater Blvd Speed Sign Hwy5		-			0000
101-430-3160-43810	Street Lighting									No
070112013	07/11/2013	22.41	0.00	07/16/2013	425 Keats Welcome Sign - 304248622		-			0000
101-430-3160-43810	Street Lighting									No
070112013	07/11/2013	569.78	0.00	07/16/2013	3537 Lake Elmo Ave-Library #303676479		-			0000
101-450-5300-43810	Electric Utility									No
070112013	Total:	5,819.88								
	XCEL Total:	5,819.88								
ZULEGER Zuleger Dean										
July 2 thru 6	07/06/2013	72.60	0.00	07/16/2013	Reimbursement Mileage - D Zuleger		-			No
101-410-1320-43310	Mileage									0000
July 2 thru 6 Total:		72.60								
June23 thru 27	06/28/2013	81.40	0.00	07/16/2013	Reimbursement Mileage - D Zuleger		-			No
101-410-1320-43310	Mileage									0000
June23 thru 27 Total:		81.40								
ZULEGER Total:		154.00								
Report Total:		435,739.62								

Accounts Payable To Be Paid Proof List

User: denise
 Printed: 07/11/2013 - 1:40 PM
 Batch: 007-07-2013

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
ENVENTIS Erventis										
Acc#738507	07/01/2013	53.81	0.00	07/16/2013	Telephone/Data Service-City Hall-July		-	No		0000
101-410-1940-43210	Telephone									
	Acc#738507 Total:	53.81								
	ENVENTIS Total:	53.81								
XCEL Xcel Energy										
7/5/2013	07/05/2013	2,090.11	0.00	07/16/2013	3303 Langly&11975 55th Wells 1 & 2		-	No		0000
601-494-9400-43810	Electric Utility									
	7/5/2013 Total:	2,090.11								
	XCEL Total:	2,090.11								
	Report Total:	2,143.92								



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013
CONSENT
ITEM #: 3

AGENDA ITEM: June 2013 Financial Reporting

SUBMITTED BY: Cathy Bendel, Finance Director

THROUGH: Dean Zuleger, City Administrator

REVIEWED BY: Dean Zuleger, City Administrator

SUMMARY AND ACTION REQUESTED: As part of its Consent Agenda, The City Council is asked to accept the June 2013 Financial Reporting Packet. 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 operations and report the financial (unaudited) statement to the City Council. City guidelines suggest the Council be updated on a regular basis.

STAFF REPORT: Attached please find a report for June reflecting the monthly detail supporting the year to date actual results and comparing those results to the 2013 Budget.

As of mid-year 2013, the actual results are within 1% of budget. As reported last month, the annual insurance expense was budgeted in June so the year to date numbers are now in sync.

The most significant variances are highlighted below:

Revenues:

- Building Permit revenue for the month were 18% above budget. On a year to date basis actual activity is still above plan by 15%. It is believed that the weather caused numerous building delays for 2013 but the activity has begun to pick up and the inspection schedule has filled up. As reported on the building activity report, the new homes in 2013 are tracking very close to 2012 on a year to date basis.
- Plan review fees for the month were 41% above budget bringing the year to date revenue to 52% above budget.

Expenses:

Most departments are below budget for the month as all Departments continue to be very cost conscious. A few key items to note:

- As mentioned earlier, the annual insurance premium of \$73.7k was paid to the League of Minnesota cities in May but was budgeted in June.
- As mentioned last month, the Mayor and City Council salaries were paid in May that were budgeted for June.
- The dues and subscription expense reflected for the Mayor & Council represents the annual cost for memberships in the League of Minnesota Cities (\$6,958). This membership cost was budgeted later in the year based on when it was paid in 2012.
- The legal services expense is higher than budgeted due to the increased number of notices needing to be published and filed related to the code revisions.
- Due to coordinating initial audit fieldwork earlier than last year, the initial interim billing expense for audit hit earlier than budgeted for 2013 in the Finance Department budget.
- The Planning Department has incurred expenses above the amounts budgeted for many expense items due to the City expansion initiative. The majority of the expenses were related to Engineering support and Contractor expenses.
- In June a bill for \$9.2k was paid as a result of receiving a past due notice on a bill that had not previously been paid. This related to salt for the last snow season.
- Please note that the salary expenses are based on more accurate departmental allocations than we had in August 2012 when the 2013 budget was initially compiled. As a result, some departments are above budget, while others are under but overall, personnel expenses are below budget.

RECOMMENDATION: It is recommended that the City Council receive the June monthly Financial Reporting Packet *as part of tonight's Consent Agenda.*

Alternately, the City Council does have the authority to remove this item from the Consent Agenda and further discuss and review.

ATTACHMENTS:

1. June Financial Reports

EXPENSE

1110 - Mayor & Council

PT Salaries	12,845.00	0.00	12,845.00	12,845.00	0.00	0.00%
FICA Contributions	796.39	0.00	796.39	796.39	0.00	0.00%
Medicare Contributions	186.25	0.00	186.25	186.27	(0.02)	0.00%
Workers Compensation	0.00	0.00	0.00	215.80	(179.80)	-499.44%
Mileage	0.00	0.00	0.00	0.00	0.00	0.00%
Miscellaneous	0.00	0.00	0.00	1,634.36	(1,069.09)	0.00%
Dues & Subscriptions	1,000.00	0.00	1,000.00	10,339.00	(5,948.00)	-135.46%
Conferences & Training	0.00	0.00	0.00	1,586.00	(431.00)	-37.32%
Total Mayor & Council	14,827.64	0.00	14,827.64	27,602.82	(7,627.91)	-38.19%

1320 - Administration

FT Salaries	13,000.00	11,215.58	1,784.42	82,746.60	7,698.33	8.51%
PERA Contributions	942.50	736.01	206.49	5,877.55	354.02	5.68%
ICMA Contributions	0.00	0.00	0.00	0.00	0.00	0.00%
FICA Contributions	806.00	670.82	135.18	4,795.27	616.86	11.40%
Medicare Contributions	188.50	156.89	31.61	1,121.52	144.28	11.40%
Health/Dental Insurance	3,127.60	2,611.00	516.60	15,666.00	3,099.60	16.52%
Unemployment Benefits	0.00	0.00	0.00	0.00	0.00	0.00%
Workers Compensation	0.00	0.00	0.00	728.39	667.61	47.82%
Office Supplies	300.00	634.77	(334.77)	3,227.94	210.67	6.13%
Printed Forms	0.00	0.00	0.00	0.00	363.91	0.00%
Legal Services	4,000.00	7,941.00	(3,941.00)	31,556.67	(7,556.67)	-31.49%
Newsletter/Website	0.00	0.00	0.00	0.00	0.00	0.00%
Assessing Services	2,000.00	2,000.00	0.00	11,296.00	2,204.00	16.33%
Contract Services	0.00	0.00	0.00	0.00	0.00	0.00%
Telephone	0.00	337.06	(337.06)	674.12	(674.12)	0.00%
Postage	300.00	0.00	300.00	1,941.79	(141.79)	-7.88%
Mileage	150.00	173.19	(23.19)	803.67	96.33	10.70%
Legal Publishing	0.00	81.40	(81.40)	1,147.08	(989.34)	0.00%
Insurance	38,000.00	0.00	38,000.00	35,339.30	3,460.70	8.92%
Cable Operation Expense	0.00	0.00	0.00	0.00	0.00	0.00%
Miscellaneous	100.00	702.63	(602.63)	1,297.41	(697.41)	-116.24%
Dues & Subscriptions	100.00	0.00	100.00	805.99	(205.99)	-34.33%
Books	0.00	91.81	(91.81)	91.81	(91.81)	0.00%
Conferences & Training	200.00	199.00	1.00	2,367.32	(1,391.39)	-142.57%
Staff Development	0.00	0.00	0.00	470.00	470.00	0.00%
Total Administration	63,214.60	27,551.16	35,663.44	201,484.43	7,637.79	3.65%

1410 - Elections

PT Salaries	0.00	0.00	0.00	100.00	(100.00)	0.00%
Office Supplies	0.00	0.00	150.00	0.00	150.00	0.00%
Legal Publications/Notification	150.00	150.00	2,150.00	0.00	2,150.00	0.00%
Election Equipment	7,460.00	0.00	7,460.00	0.00	7,460.00	0.00%
Equipment Repair	0.00	0.00	300.00	0.00	300.00	100.00%
County Election Fees	0.00	940.00	940.00	0.00	0.00	0.00%
Printed Forms	150.00	0.00	450.00	0.00	450.00	0.00%
Miscellaneous	0.00	0.00	100.00	0.00	100.00	100.00%
Total Elections	7,760.00	940.00	11,550.00	1,040.00	10,510.00	91.00%

1450 - Communications

FT Salaries	2,916.67	1,452.92	17,500.00	8,975.56	8,524.44	48.71%
PERA Contributions	211.46	105.35	1,268.75	650.76	617.99	48.71%
FICA Contributions	180.83	87.25	1,085.00	539.04	545.96	50.32%
Medicare Contributions	42.29	20.39	253.75	126.01	127.74	50.34%
Health/Dental Insurance	0.00	272.00	0.00	1,632.00	(1,632.00)	0.00%
Workers Compensation	0.00	0.00	56.00	85.23	(29.23)	-52.20%
Newsletter	3,000.00	0.00	6,061.00	4,485.18	1,575.82	26.00%
Office Supplies	50.00	61.48	100.00	165.89	(65.89)	0.00%
Info Technology/Web	2,000.00	1,652.08	12,000.00	17,376.96	(5,376.96)	-44.81%
Telephone	0.00	108.81	1,500.00	418.36	1,081.64	72.11%
Public Notices	250.00	1,058.33	1,200.00	4,284.89	(3,084.89)	-257.07%
Cable Operations	200.00	475.41	1,650.00	1,672.25	(22.25)	-1.35%
Conferences	275.00	0.00	0.00	249.00	(249.00)	0.00%
Repair/Maint Equipment	0.00	99.00	0.00	155.50	(155.50)	0.00%
Total Communications	9,126.25	5,393.02	42,674.50	40,816.63	1,857.87	4.35%

1520 - Finance

FT Salaries	4,576.40	6,905.99	27,458.40	42,996.59	(15,538.19)	-56.59%
PERA Contributions	331.79	500.68	1,990.73	3,117.25	(1,126.52)	-56.59%
FICA Contributions	283.74	407.32	1,702.42	2,534.92	(832.50)	-48.90%
Medicare Contributions	66.36	95.24	398.15	592.78	(194.63)	-48.88%
Health/Dental Insurance	718.02	1,088.00	4,308.11	6,528.00	(2,219.89)	-51.53%
Unemployment Benefits	0.00	0.00	0.00	0.00	0.00	0.00%
Workers Compensation	0.00	0.00	0.00	405.18	(405.18)	0.00%
Office Supplies	100.00	0.00	200.00	201.55	(1.55)	-0.77%
Printed Forms	0.00	0.00	300.00	0.00	300.00	100.00%
Audit Services	0.00	0.00	500.00	12,650.00	(12,150.00)	-2430.00%
Contract Services	5,000.00	32.94	10,000.00	9,016.58	983.42	9.83%
Software Programs	0.00	0.00	0.00	128.54	(128.54)	0.00%
Telephone	0.00	90.12	0.00	180.24	(180.24)	0.00%
Mileage	0.00	0.00	0.00	44.40	(44.40)	0.00%
Miscellaneous	0.00	646.95	1,500.00	692.43	807.57	53.84%
Dues & Subscriptions	0.00	185.00	100.00	185.00	(85.00)	0.00%
Conferences & Training	0.00	0.00	500.00	225.00	275.00	55.00%
Total Finance	11,076.30	9,952.24	48,957.81	79,498.46	(30,540.65)	-62.38%

1910 - Planning & Zoning

FT Salaries	8,278.95	12,675.93	(4,396.98)	-53.11%	49,673.70	73,619.99	(23,946.29)	-48.21%
PERA Contributions	600.22	919.00	(318.78)	-53.11%	3,601.34	5,337.48	(1,736.14)	-48.21%
FICA Contributions	513.29	741.44	(228.15)	-44.45%	3,079.77	4,346.41	(1,266.64)	-41.13%
Medicare Contributions	120.04	173.42	(53.38)	-44.46%	720.27	1,016.62	(296.35)	-41.14%
Health/Dental Insurance	886.48	1,656.00	(769.52)	-86.81%	5,318.91	9,936.00	(4,617.09)	-86.81%
Workers Compensation	0.00	0.00	0.00	0.00%	500.00	751.34	(251.34)	-50.27%
Office Supplies	50.00	120.94	(70.94)	-141.88%	300.00	2,235.25	(1,935.25)	-645.08%
Printed Forms	0.00	92.00	(92.00)	0.00%	0.00	355.85	(355.85)	0.00%
Engineering Services	1,500.00	1,109.00	391.00	26.07%	9,000.00	13,921.31	(4,921.31)	-54.68%
Contract Services	0.00	0.00	0.00	0.00%	0.00	10,969.24	(10,969.24)	0.00%
Telephone	30.00	148.41	(118.41)	0.00%	0.00	280.49	(280.49)	0.00%
Postage	20.00	0.00	20.00	0.00%	0.00	18.15	(18.15)	0.00%
Mileage	0.00	0.00	0.00	#DIV/0!	180.00	0.00	180.00	100.00%
Miscellaneous	0.00	0.00	0.00	#DIV/0!	120.00	402.99	(282.99)	-235.83%
Dues & Subscriptions	0.00	0.00	0.00	0.00%	0.00	270.00	(270.00)	0.00%
Books	0.00	180.32	(180.32)	0.00%	0.00	180.32	(180.32)	0.00%
Conferences & Training	0.00	349.00	(349.00)	0.00%	1,600.00	644.00	956.00	59.75%
Total Planning & Zoning	11,999.00	18,165.46	(6,166.46)	-51.39%	74,093.99	124,285.44	(50,191.45)	-67.74%

1930 - Engineering Services

Engineering Services	5,000.00	2,730.47	2,269.53	45.39%	30,000.00	15,327.23	14,672.77	48.91%
Total Engineering Services	5,000.00	2,730.47	2,269.53	45.39%	30,000.00	15,327.23	14,672.77	48.91%

1940 - City Hall

Cleaning Supplies	50.00	0.00	50.00	100.00%	300.00	7.48	292.52	97.51%
Building Repair Supplies	75.00	0.00	75.00	100.00%	450.00	36.53	413.47	91.88%
Telephone	700.00	167.84	532.16	76.02%	4,400.00	943.73	3,456.27	78.55%
Utilities	900.00	734.01	165.99	18.44%	5,400.00	5,211.13	188.87	3.50%
Refuse	108.32	108.32	0.00	0.00%	649.92	649.92	0.00	0.00%
Repairs/Maint Contractual Bldg	700.00	361.15	338.85	48.41%	4,200.00	3,655.99	544.01	12.95%
Repairs/Maint Contractual Equip	400.00	504.39	(104.39)	-26.10%	2,400.00	2,175.81	224.19	9.34%
Miscellaneous	75.00	18.52	56.48	75.31%	450.00	92.33	357.67	79.48%
Total City Hall	3,008.32	1,894.23	1,114.09	37.03%	18,249.92	12,772.92	5,477.00	30.01%

Total General Government

Total General Government	126,012.11	66,626.58	59,385.53	47.13%	454,623.36	502,827.93	(48,204.57)	-10.60%
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DEPT 420 - PUBLIC SAFETY

2100 - Police

Law Enforcement Contract

Total Police

0.00	0.00	0.00	0.00	0.00	634.22	(634.22)	0.00%
0.00	0.00	0.00	0.00	0.00	634.22	(634.22)	0.00%

2150 - Prosecution

Attorney Criminal

Total Prosecution

4,250.00	4,250.00	0.00	0.00%
4,250.00	4,250.00	0.00	0.00%

2220 - Fire

FT Salaries

PT Salaries

PERA Contributions

FICA Contributions

Medicare Contributions

Health/Dental Insurance

Unemployment Benefits

Workers Compensation

Office Supplies

EMS Supplies

Fire Prevention

Fuel, Oil & Fluids

Small Tools & Equip

Physicals

Telephone

Radio

Mileage

Vehicle Insurance

Electric Utility

Refuse

Repair/Maint Bldg

Repair/Maint Equip

Uniforms

Miscellaneous

Dues & Subscriptions

Books

Conferences & Training

Total Fire

6,000.00	5,701.47	298.53	4.98%
11,000.00	8,739.33	2,260.67	20.55%
1,232.50	986.03	246.47	20.00%
1,054.00	496.92	557.08	52.85%
246.50	202.88	43.62	17.70%
1,276.70	1,142.00	134.70	10.55%
0.00	0.00	0.00	0.00%
0.00	0.00	0.00	0.00%
125.00	65.76	59.24	0.00%
150.00	133.59	16.41	10.94%
0.00	0.00	0.00	0.00%
1,122.00	1,179.73	(57.73)	-5.15%
100.00	398.92	(298.92)	-298.92%
1,058.00	1,055.00	3.00	0.28%
250.00	362.64	(112.64)	-45.06%
3,846.08	3,800.76	45.32	1.18%
100.00	0.00	100.00	0.00%
0.00	0.00	0.00	0.00%
1,000.00	609.00	391.00	39.10%
47.68	47.68	0.00	0.00%
376.30	37.95	338.35	89.91%
1,800.00	7,742.28	(5,942.28)	0.00%
150.00	1,518.65	(1,368.65)	-912.43%
75.00	7.92	67.08	89.44%
0.00	85.00	(85.00)	0.00%
0.00	0.00	0.00	0.00%
1,150.00	960.00	190.00	16.52%
32,159.76	35,273.51	(3,113.75)	-9.68%

2250 - Fire Relief

Fire State Aid

Total Fire Relief

0.00	0.00	0.00	0.00%
0.00	0.00	0.00	0.00%

2100 - Police

Law Enforcement Contract

Total Police

0.00	634.22	(634.22)	0.00%
0.00	634.22	(634.22)	0.00%

2150 - Prosecution

Attorney Criminal

Total Prosecution

25,500.00	21,250.00	4,250.00	16.67%
25,500.00	21,250.00	4,250.00	16.67%

2220 - Fire

FT Salaries

PT Salaries

PERA Contributions

FICA Contributions

Medicare Contributions

Health/Dental Insurance

Unemployment Benefits

Workers Compensation

Office Supplies

EMS Supplies

Fire Prevention

Fuel, Oil & Fluids

Small Tools & Equip

Physicals

Telephone

Radio

Mileage

Vehicle Insurance

Electric Utility

Refuse

Repair/Maint Bldg

Repair/Maint Equip

Uniforms

Miscellaneous

Dues & Subscriptions

Books

Conferences & Training

Total Fire

39,050.40	36,531.01	2,519.39	6.45%
62,000.00	59,967.23	2,032.77	3.28%
7,326.15	6,125.41	1,200.74	16.39%
6,265.12	3,409.71	2,855.41	45.58%
1,465.23	1,359.42	105.81	7.22%
7,660.18	6,852.00	808.18	10.55%
0.00	0.00	0.00	0.00%
10,130.00	8,042.06	2,087.94	20.61%
250.00	2,624.91	(2,374.91)	-949.96%
2,058.00	804.94	1,253.06	60.89%
0.00	50.00	(50.00)	0.00%
6,732.00	4,918.76	1,813.24	26.93%
30,700.00	5,112.38	25,587.62	83.35%
5,916.60	1,333.59	4,583.01	77.46%
1,500.00	1,700.82	(200.82)	-13.39%
7,892.16	8,248.17	(356.01)	-4.51%
100.00	99.44	0.56	0.00%
0.00	5,237.00	(5,237.00)	0.00%
5,500.00	6,923.88	(1,423.88)	-25.89%
286.08	493.90	(207.82)	-72.64%
18,757.80	11,357.45	7,400.35	39.45%
11,556.00	14,043.64	(2,487.64)	-21.53%
5,791.50	2,715.66	3,075.84	53.11%
450.00	747.61	(297.61)	-66.14%
2,000.00	2,295.00	(295.00)	-14.75%
0.00	0.00	0.00	0.00%
14,300.00	3,021.35	11,278.65	78.87%
247,687.23	194,015.34	53,671.89	21.67%

2250 - Fire Relief

Fire State Aid

Total Fire Relief

0.00	0.00	0.00	0.00%
0.00	0.00	0.00	0.00%

2400 - Building Inspection

FT Salaries	5,747.36	6,689.07	(941.71)	-16.39%	37,357.84	42,980.05	(5,622.21)	-15.05%
PERA Contributions	416.68	484.96	(68.28)	-16.39%	2,151.15	3,116.10	(964.95)	-44.86%
FICA Contributions	356.34	389.43	(33.09)	-9.29%	1,796.05	2,502.57	(706.52)	-39.34%
Medicare Contributions	83.34	91.06	(7.72)	-9.27%	420.06	585.24	(165.18)	-39.32%
Health/Dental Insurance	767.49	1,414.00	(646.51)	-84.24%	4,604.94	8,484.00	(3,879.06)	-84.24%
Unemployment Benefits	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Workers Compensation	0.00	0.00	0.00	0.00%	1,000.00	397.88	602.12	60.21%
Office Supplies	0.00	9.15	(9.15)	0.00%	0.00	756.59	(756.59)	0.00%
Printed Forms	0.00	0.00	0.00	0.00%	0.00	146.61	(146.61)	0.00%
Fuel, Oil & Fluids	0.00	0.00	0.00	0.00%	0.00	106.04	(106.04)	0.00%
Engineering	500.00	855.00	(355.00)	-71.00%	3,000.00	4,528.00	(1,528.00)	-50.93%
Surcharge Prnts	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Inspector Contract Services	0.00	816.75	(816.75)	0.00%	0.00	1,698.25	(1,698.25)	0.00%
Telephone	18.00	89.73	(71.73)	-398.50%	108.00	335.05	(227.05)	-210.23%
Mileage	0.00	75.14	(75.14)	0.00%	0.00	254.50	(254.50)	0.00%
Insurance	255.00	0.00	255.00	0.00%	255.00	340.00	(85.00)	0.00%
Repairs/Maint Equip	0.00	0.00	0.00	0.00%	250.00	0.00	250.00	100.00%
Uniforms	0.00	0.00	0.00	0.00%	0.00	86.38	(86.38)	0.00%
Miscellaneous	0.00	0.00	0.00	#DIV/0!	250.00	300.00	(50.00)	-20.00%
Dues & Subscriptions	0.00	0.00	0.00	0.00%	90.00	0.00	90.00	100.00%
Books	50.00	0.00	50.00	0.00%	50.00	108.24	(58.24)	0.00%
Conferences & Training	0.00	0.00	0.00	0.00%	0.00	500.00	(500.00)	0.00%
Total Building Inspections	8,194.21	10,914.29	(2,720.08)	-33.20%	51,333.04	67,225.50	(15,892.46)	-30.96%

2500 - Emergency Communications

Contract Services	0.00	0.00	0.00	0.00%	6,000.00	0.00	6,000.00	0.00%
Total Emergency Communications	0.00	0.00	0.00	0.00%	6,000.00	0.00	6,000.00	0.00%

2700 - Animal Control

Printed Forms	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Contract Services	650.00	500.00	150.00	23.08%	3,450.00	2,842.08	607.92	17.62%
Miscellaneous	0.00	210.00	(210.00)	0.00%	0.00	450.00	(450.00)	0.00%
Total Animal Control	650.00	710.00	(60.00)	-9.23%	3,450.00	3,292.08	157.92	4.58%

Total Public Safety

	45,253.96	51,147.80	(5,893.84)	-13.02%	333,970.28	286,417.14	47,553.14	14.24%
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DEPT 430 - PUBLIC WORKS

3100 - Public Works

FT Salaries	10,700.00	13,321.75	(2,621.75)	80,818.19	67,500.00	(13,318.19)	-19.73%
PT Salaries	0.00	1,092.23	(1,092.23)	2,199.00	0.00	(2,199.00)	0.00%
PERA Contributions	775.75	1,044.97	(269.22)	6,014.36	4,893.75	(1,120.61)	-22.90%
FICA Contributions	663.40	845.25	(181.85)	4,834.71	4,185.00	(649.71)	-15.52%
Medicare Contributions	155.15	197.67	(42.52)	1,130.73	978.75	(151.98)	-15.53%
Health/Dental Insurance	2,893.14	2,899.00	(5.86)	17,394.00	17,358.85	(35.15)	-0.20%
Unemployment Benefits	0.00	0.00	0.00	0.00	2,500.00	2,500.00	100.00%
Workers Compensation	0.00	0.00	0.00	7,399.76	6,000.00	(1,399.76)	-23.33%
Office Supplies	50.00	0.00	50.00	196.70	300.00	103.30	34.43%
Shop Materials	150.00	0.00	150.00	436.77	900.00	463.23	51.47%
Building Repair Supplies	0.00	42.58	(42.58)	229.25	0.00	(229.25)	0.00%
Small Tools and Minor Equip	250.00	80.32	169.68	1,025.93	1,500.00	474.07	31.60%
Engineering Services	150.00	794.50	(644.50)	3,567.50	900.00	(2,667.50)	-296.39%
Contract Services	400.00	6.38	393.62	265.41	2,400.00	2,134.59	88.94%
Telephone	650.00	670.25	(20.25)	2,605.78	4,100.00	1,494.22	36.44%
Radio	300.00	300.06	(0.06)	609.12	1,800.00	1,190.88	66.16%
Mileage	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Insurance	0.00	0.00	0.00	19,772.00	0.00	(19,772.00)	0.00%
Electric Utility	2,000.00	1,238.38	761.62	11,911.61	12,000.00	88.39	0.74%
Refuse	207.82	207.82	0.00	1,039.10	1,246.92	207.82	16.67%
Fuel, Oil, Fluids (ALL depts)	3,000.00	0.00	3,000.00	19,212.09	18,000.00	(1,212.09)	-6.73%
Repair/Maint Bldg	250.00	225.00	25.00	4,130.97	1,500.00	(2,630.97)	-175.40%
Repair/Maint NOT Bldg	40.00	0.00	40.00	153.38	260.00	106.62	41.01%
Repair/Maint Equip (out)	500.00	0.00	500.00	140.73	3,000.00	2,859.27	95.31%
Equipment Parts	500.00	0.00	500.00	0.00	3,000.00	3,000.00	100.00%
Uniforms	175.00	0.00	175.00	547.35	1,050.00	502.65	47.87%
Miscellaneous	75.00	0.00	75.00	242.15	450.00	207.85	46.19%
Landscaping Material	85.00	64.13	20.87	64.13	510.00	445.87	87.43%
Dues & Subscriptions	0.00	0.00	0.00	56.00	60.00	4.00	6.67%
Conferences & Training	0.00	0.00	0.00	160.00	619.60	459.60	74.18%
Clean up Days	6,000.00	0.00	6,000.00	0.00	6,000.00	6,000.00	0.00%
Total Public Works	29,970.26	23,030.29	6,939.97	186,156.72	163,012.87	(23,143.85)	-14.20%

3120 - Streets

Equipment Parts	0.00	0.00	0.00	886.81	0.00	(886.81)	0.00%
Street Maintenance Materials	1,000.00	4,746.22	(3,746.22)	6,386.51	6,000.00	(386.51)	-6.44%
Sign Repair Materials	250.00	154.98	95.02	154.98	1,500.00	1,345.02	89.67%
Contract Services	850.00	6,595.67	(5,745.67)	6,865.67	5,100.00	(1,765.67)	-34.62%
Repairs/Maint Equipment	0.00	317.93	(317.93)	749.97	0.00	(749.97)	0.00%
Total Streets	2,100.00	11,814.80	(9,714.80)	15,043.94	12,600.00	(2,443.94)	-19.40%

3125 - Ice & Snow Removal

Landscaping Material	0.00	0.00	0.00	0.00	0.00	0.00%
Sand/Salt	0.00	9,232.30	(9,232.30)	57,097.76	(17,097.76)	-42.74%
Contract Services	0.00	0.00	0.00	4,307.75	1,942.25	31.08%
Repairs/Maint Equipment	250.00	0.00	250.00	4,941.95	(3,441.95)	-229.46%
Total Ice & Snow Removal	250.00	9,232.30	(8,982.30)	66,347.46	(18,597.46)	-38.95%

3160 - Street Lighting

Street Lighting	2,100.00	2,353.47	(253.47)	11,625.97	974.03	7.73%
Total Street Lighting	2,100.00	2,353.47	(253.47)	11,625.97	974.03	7.73%

3200 - Recycling

Recycling Supplies	0.00	0.00	0.00	3,584.25	(1,284.25)	-55.84%
Newsletter	0.00	0.00	0.00	0.00	1,000.00	0.00%
Miscellaneous	400.00	0.00	400.00	0.00	2,400.00	100.00%
Total Recycling	400.00	0.00	400.00	3,584.25	2,115.75	37.12%

3250 - Tree Program

Contract Services	500.00	0.00	500.00	0.00	2,600.00	100.00%
Total Tree Program	500.00	0.00	500.00	0.00	2,600.00	100.00%

Total Public Works

	35,320.26	46,430.86	(11,110.60)	282,758.34	(38,495.47)	-15.76%
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DEPT 450 - CULTURE, RECREATION

5200 - Parks & Recreation

FT Salaries	8,583.96	6,993.15	1,590.81	18.53%	55,795.54	45,485.08	10,310.46	18.48%
PT Salaries	700.00	2,081.98	(1,381.98)	-197.43%	9,950.00	8,353.65	1,596.35	16.04%
PERA Contributions	622.34	563.03	59.31	9.53%	4,045.18	3,860.80	184.38	4.56%
FICA Contributions	575.61	534.83	40.78	7.08%	4,076.22	3,219.47	856.75	21.02%
Medicare Contributions	134.62	125.11	9.51	7.06%	953.31	752.90	200.41	21.02%
Health/Dental Insurance	1,084.57	290.16	794.41	73.25%	6,507.44	2,986.16	3,521.28	54.11%
Unemployment Benefits	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Workers Compensation	0.00	0.00	0.00	0.00%	3,000.00	4,105.81	(1,105.81)	-36.86%
Shop Materials	0.00	382.39	(382.39)	0.00%	0.00	382.39	(382.39)	0.00%
Chemicals	50.00	471.88	(421.88)	-843.76%	300.00	471.88	(171.88)	-57.29%
Equipment Parts	150.00	641.15	(491.15)	-327.43%	900.00	664.65	235.35	26.15%
Building Repair Supplies	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Landscaping Materials	200.00	164.87	35.13	17.57%	1,200.00	164.87	1,035.13	86.26%
Small Tools and Minor Equip	75.00	0.00	75.00	100.00%	450.00	1,609.01	(1,159.01)	-257.56%
Telephone	100.00	93.66	6.34	6.34%	600.00	425.15	174.85	29.14%
Mileage	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Insurance	5,000.00	0.00	5,000.00	0.00%	5,000.00	3,683.00	1,317.00	0.00%
Electric Utility	750.00	675.29	74.71	9.96%	4,500.00	4,379.44	120.56	2.68%
Refuse	207.82	207.82	0.00	0.00%	1,246.92	1,246.92	0.00	0.00%
Repair/Maint Bldg	25.00	0.00	25.00	100.00%	150.00	246.25	(96.25)	-64.17%
Repair/Maint NOT Bldg	50.00	2,694.38	(2,644.38)	-5288.76%	300.00	2,763.45	(2,463.45)	-821.15%
Repair/Maint Equip	100.00	0.00	100.00	100.00%	600.00	0.00	600.00	100.00%
Rental Buildings	400.00	1,216.17	(816.17)	-204.04%	2,400.00	1,216.17	1,183.83	49.33%
Miscellaneous	0.00	187.03	(187.03)	0.00%	0.00	382.03	(382.03)	0.00%
Total Parks & Recreation	18,808.91	17,322.90	1,486.01	7.90%	101,974.61	86,399.08	15,575.53	15.27%

DEPT 460 - COMP ADJ

DEPT 490 - CONTINGENCY FUND

DEPT 493 - OTH FINANCING

GRAND TOTAL ALL DEPTS

Net Income over Expenses

DEPT 460 - COMP ADJ	0.00	0	0	0.00%	0.00	0.00	0.00	0.00%
DEPT 490 - CONTINGENCY FUND	0.00	0	0	0.00%	0.00	0.00	0.00	0.00%
DEPT 493 - OTH FINANCING	0.00	0	0	0.00%	0.00	0.00	0.00	0.00%
GRAND TOTAL ALL DEPTS	225,395.25	181,528.14	43,867.11	19.46%	1,134,831.11	1,158,402.49	(23,571.38)	-2.08%
Net Income over Expenses	(174,906.00)	(139,608.58)	35,297.42	-20.18%	(859,197.38)	(864,847.33)	(5,649.95)	0.66%



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013
CONSENT
ITEM #: 4

AGENDA ITEM: New Single Family Home Permit Report
SUBMITTED BY: Rick Chase, Building Official
THROUGH: Rick Chase, Building Official
REVIEWED BY: Kyle Klatt, Planning Director

SUMMARY AND ACTION REQUESTED: As part of its Consent Agenda, the City Council is asked to accept the monthly permit report. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

STAFF REPORT: Below is the year to date statistics through June 2013, Companion data is also include from prior years.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
New homes	17	17	13
Total valuation	\$7,269,742	\$6,943,112	\$5,721,800
Average home value	\$427,631	\$408,418	\$440,138

- Please note the building department is transitioning to new software in July, additional reporting will be reviewed when install is complete.



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013
CONSENT
ITEM #: 5

AGENDA ITEM: Keats MSA Street and Trunk Watermain Improvements – Change Order No. 2
SUBMITTED BY: Chad Isakson, Project Engineer
THROUGH: Dean A. Zuleger, City Administrator
REVIEWED BY: Jack Griffin, City Engineer
Cathy Bendel, Finance Director

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

- Questions from Council to Staff.....Mayor Facilitates
- Public Input, if Appropriate..... Mayor Facilitates
- Call for Motion.....Mayor & City Council
- DiscussionMayor & City Council
- Action on MotionMayor Facilitates

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving Change Order No. 2 for the Keats MSA Street and Trunk Watermain Improvements.

STAFF REPORT:

This Change Order was initiated and requested by the city. The change order includes the removal of a large cotton wood tree that was originally intended to be saved. The tree and root system was found in the field to be interfering with a storm sewer pipe and undermining the roadway bedding. Removal of the tree always for the replacement of a storm sewer culvert and will protect the future integrity of the road. The Contractor, T.A. Schifsky and Sons, Inc., provided a quote of \$3,960.00 to remove the tree which was reviewed and approved by the Engineer. The change is within the scope of the current project budget and contingencies.

Change Order No. 2 results in an increase of \$3,960.00 to the current Contract amount. With approval of this Change Order, the revised Contract amount will be \$1,610,793.47.

RECOMMENDATION:

Staff is recommending that the City Council consider approving, *as part of the Consent Agenda*, Change Order No. 2 for the Keats MSA Street and Trunk Watermain Improvements in the amount of \$3,960.00. If removed from the consent agenda, the recommended motion for this action is as follows:

“Move to approve Change Order No. 2 for the Keats MSA Street and Trunk Watermain Improvements”

ATTACHMENT(S):

1. Change Order No. 2.

CONTRACT CHANGE ORDER FORM

CITY OF LAKE ELMO, MINNESOTA
 KEATS MSA STREET AND TRUNK WATERMAIN IMP
 PROJECT NO. 2012.129

FOCUS ENGINEERING, inc.

CHANGE ORDER NO. 2

DATE: July 3, 2013

TO: T.A. SCHIFSKY & SONS, INC., 2370 E HIGHWAY 36, NORTH ST. PAUL, MN 55109

This Document will become a supplement to the Contract and all provisions will apply hereto. The Contract Documents are modified as follows upon execution of this Change Order.

CHANGE ORDER DESCRIPTION / JUSTIFICATION:


The City has requested the Contractor to remove a large cotton wood tree (with 8 trunks) and stump in order to complete storm sewer improvements and protect the future integrity of the roadway.

Attachments (list documents supporting change): N/A

ITEM	DESCRIPTION OF PAY ITEM	UNIT	QTY.	UNIT PRICE	INCREASE/(DECREASE)
CO2-1	Remove Cottonwood Tree and Stump	LS	1	\$3,960.00	\$3,960.00
NET CONTRACT CHANGE					\$3,960.00


Amount of Original Contract	\$ 1,606,833.47
Sum of Additions/Deductions approved to date (CO Nos. 1)	\$ 0.00
Contract Amount to date	\$ 1,606,833.47
Amount of this Change Order (ADD) (DEDUCT) (NO-CHANGE)	\$ 3,960.00
Revised Contract Amount	\$ 1,610,793.47

The Contract Period for Completion will be (UNCHANGED) (INCREASED) (DECREASED) 0 days

APPROVED BY ENGINEER: FOCUS Engineering, inc.


 ENGINEER
7/3/2013

 DATE

APPROVED BY CONTRACTOR


 BY
7/3/13

 DATE

APPROVED BY OWNER: CITY OF LAKE ELMO, MINNESOTA

 BY

 DATE



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013

CONSENT

ITEM #: 6

AGENDA ITEM: Keats MSA Street and Trunk Watermain Improvements – Pay Request No. 2

SUBMITTED BY: Chad Isakson, Project Engineer

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Jack Griffin, City Engineer
 Cathy Bendel, Finance Director
 Mike Bouthilet, Public Works

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

- 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

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving Pay Request No. 2 for the Keats MSA Street and Trunk Watermain Improvements.

STAFF REPORT:

T.A. Schifsky and Sons, Inc., the Contractor for the project, has submitted Partial Pay Estimate No. 2 in the amount of \$316,397.96. The request has been reviewed and payment is recommended in the amount requested. In accordance with the contract documents, the City has retained 5% of the total work completed. The amount retained is \$34,062.10.

RECOMMENDATION:

Staff is recommending that the City Council consider approving, *as part of the Consent Agenda*, Pay Request No. 2 for the Keats MSA Street and Trunk Watermain Improvements. If removed from the consent agenda, the recommended motion for this action is as follows:

“Move to approve Pay Request No. 2 to T.A. Schifsky & Sons in the amount of \$316,397.96, for the Keats MSA Street and Trunk Watermain Improvements”

ATTACHMENT(S):

1. Partial Pay Estimate No. 2

PROJECT PAY FORM


PARTIAL PAY ESTIMATE NO. <u>2</u>	FOCUS ENGINEERING, inc.
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KEATS MSA STREET AND TRUNK WATERMAIN IMP. PROJECT NO. 2012.129	PERIOD OF ESTIMATE FROM <u>6/1/2013</u> TO <u>7/1/2013</u>
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PROJECT OWNER: CITY OF LAKE ELMO 3800 LAVERNE AVENUE NORTH LAKE ELMO, MN 55042 ATTN: CHAD ISAKSON, P.E., PROJECT ENGINEER	CONTRACTOR: T.A. SCHIFSKY & SONS 2370 E. HIGHWAY 36 NORTH ST. PAUL, MN 55109 ATTN: CHRIS GRIMES
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CONTRACT CHANGE ORDER SUMMARY				PAY ESTIMATE SUMMARY	
No.	Approval Date	Amount			
		Additions	Deductions		
1	5/21/2013	\$0.00	\$0.00	1. Original Contract Amount	\$1,606,833.47
				2. Net Change Order Sum	\$0.00
				3. Revised Contract (1+2)	\$1,606,833.47
				4. *Work Completed	\$681,240.09
				5. *Stored Materials	\$0.00
				6. Subtotal (4+5)	\$681,240.09
				7. Retainage* <u>5.0%</u>	\$34,062.00
				8. Previous Payments	\$330,780.12
				9. Amount Due (6-7-8)	\$316,397.96
TOTALS		\$0.00	\$0.00		
NET CHANGE		\$0.00	\$0.00	*Detailed Breakdown Attached	

CONTRACT TIME					
START DATE:	<u>5/8/2013</u>	ORIGINAL DAYS	<u>149</u>	ON SCHEDULE YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	
SUBSTANTIAL COMPLETION:	<u>8/30/2013</u>	REVISED DAYS	<u>0</u>		
FINAL COMPLETION:	<u>10/4/2013</u>	REMAINING	<u>95</u>		

ENGINEER'S CERTIFICATION: The undersigned certifies that the work has been reviewed and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.	FOCUS Engineering, inc.  _____ ENGINEER <u>7/9/2013</u> _____ DATE
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CONTRACTOR'S CERTIFICATION: The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.	CONTRACTOR _____ BY _____ DATE
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APPROVED BY OWNER: CITY OF LAKE ELMO, MINNESOTA	
BY _____	BY _____
DATE _____	DATE _____

KEATS MSA STREET AND TRUNK WATERMAIN IMP.
CITY OF LAKE ELMO, MINNESOTA
PROJECT NO. 2012.129

ITEM	MN/DOT NO.	DESCRIPTION OF PAY ITEM	UNIT	CONTRACT			THIS PERIOD		TOTAL TO DATE	
				QUANTITY	UNIT PRICE	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
DIVISION 1 - GENERAL										
1	2021.501	MOBILIZATION	LS	1.0	\$53,000.00	\$53,000.00	0.0	\$0.00	0.5	\$26,500.00
2	2101.502	CLEARING	TREE	1.0	\$400.00	\$400.00	0.0	\$0.00	0.0	\$0.00
3	2101.507	GRUBBING	TREE	1	\$100.00	\$100.00	0.0	\$0.00	0.0	\$0.00
4	2105.525	TOPSOIL BORROW (CV)	CY	2,744	\$5.00	\$13,720.00	0.0	\$0.00	0.0	\$0.00
5	2453.61	EXPLORATORY DIGGING	HR	8	\$300.00	\$2,400.00	0.0	\$0.00	0.0	\$0.00
6	2563.601	TRAFFIC CONTROL	LS	1	\$24,000.00	\$24,000.00	0.0	\$0.00	0.5	\$12,000.00
7	2573.502	SILT FENCE	LF	5,880	\$1.00	\$5,880.00	0.0	\$0.00	5,482.0	\$5,482.00
8	2573.530	INLET PROTECTION	EA	9	\$60.00	\$540.00	0.0	\$0.00	3.0	\$180.00
9	2573.602	TEMPORARY ROCK CONSTRUCTION ENTRANCE	EA	2	\$200.00	\$400.00	3.0	\$600.00	3.0	\$600.00
10	2573.602	CULVERT PROTECTION	EA	14	\$75.00	\$1,050.00	0.0	\$0.00	13.0	\$975.00
11	2575.505	SODDING (SALT RESISTANT)	SY	213	\$7.00	\$1,491.00	0.0	\$0.00	0.0	\$0.00
12	2575.523	EROISION CONTROL BLANKET, CAT. 3	SY	16,465	\$1.03	\$16,958.95	0.0	\$0.00	0.0	\$0.00
13	2575.605	SEEDING (SEED MIXTURE 250 AND FERTILIZER TYPE, 3)	AC	3.36	\$525.00	\$1,764.00	0.0	\$0.00	0.0	\$0.00
14	2575.605	SEEDING (SEED MIXTURE 328 AND FERTILIZER TYPE, 4)	AC	0.23	\$1,545.00	\$355.35	0.0	\$0.00	0.0	\$0.00
SUBTOTAL - DIVISION 1						\$122,059.30		\$600.00		\$45,737.00
DIVISION 2 - WATERMAIN										
1	2504.602	12" WATERMAIN OFFSET	EA	2	\$3,811.00	\$7,622.00	1	\$3,811.00	1	\$3,811.00
2	2504.602	CONNECT TO EXISTING WATERMAIN	EA	2	\$3,399.00	\$6,798.00	0	\$0.00	0	\$0.00
3	2504.602	6" HYDRANT	EA	13	\$3,244.50	\$42,178.50	5	\$16,222.50	7	\$22,711.50
4	2504.602	6" GATE VALVE & BOX	EA	13	\$1,236.00	\$16,068.00	5	\$6,180.00	9	\$11,124.00
5	2504.602	8" GATE VALVE & BOX	EA	3	\$1,627.40	\$4,882.20	0	\$0.00	1	\$1,627.40
6	2504.602	12" GATE VALVE & BOX	EA	15	\$2,811.90	\$42,178.50	4	\$11,247.60	8	\$22,495.20
7	2504.602	1" CORPORATION STOP	EA	3	\$278.10	\$834.30	0	\$0.00	2	\$556.20
8	2504.602	1.5" CORPORATION STOP	EA	18	\$607.70	\$10,938.60	8	\$4,861.60	12	\$7,292.40
9	2504.602	2" CORPORATION STOP	EA	1	\$741.60	\$741.60	1	\$741.60	1	\$741.60
10	2504.602	1" CURB STOP AND BOX	EA	3	\$566.50	\$1,699.50	0	\$0.00	2	\$1,133.00
11	2504.602	1.5" CURB STOP AND BOX	EA	18	\$690.10	\$12,421.80	8	\$5,520.80	12	\$8,281.20
12	2504.602	2" CURB STOP AND BOX	EA	1	\$844.60	\$844.60	1	\$844.60	1	\$844.60
13	2504.603	1" TYPE K COPPER WATER SERVICE PIPE	LF	135	\$20.60	\$2,781.00	0	\$0.00	77	\$1,586.20
14	2504.603	1.5" TYPE K COPPER WATER SERVICE PIPE	LF	548.00	\$23.69	\$12,982.12	176	\$4,169.44	292	\$6,917.48
15	2504.603	2" TYPE K COPPER WATER SERVICE PIPE	LF	45.00	\$30.90	\$1,390.50	45	\$1,390.50	45	\$1,390.50
16	2504.603	6" DIP CL. 52 WATERMAIN	LF	303	\$27.81	\$8,426.43	51	\$1,418.31	116	\$3,225.96
17	2504.603	8" DIP CL. 52 WATERMAIN	LF	52	\$32.96	\$1,713.92	0	\$0.00	34	\$1,120.64
18	2504.603	12" DIP CL. 52 WATERMAIN	LF	5,954	\$43.00	\$256,022.00	2,087	\$89,741.00	3,962	\$170,366.00
19	2504.603	12" HDPE DR. 11(DIPS), BY HDD	LF	2,435	\$58.00	\$141,230.00	-200	\$11,600.00	2,435	\$141,230.00
20	2504.608	MJ DIP COMPACT FITTINGS	LBS	4,294	\$4.74	\$20,353.56	596	\$2,825.04	1,338	\$6,342.12
21	2564.551	OFF ROAD STRUCTURE MARKER	EA	2	\$170.00	\$340.00	0	\$0.00	0	\$0.00
SUBTOTAL - DIVISION 2						\$592,447.13		\$160,573.99		\$412,797.00
DIVISION 3 - STORM SEWER										
1	2104.501	REMOVE PIPE CULVERTS (ALL TYPES & SIZES)	LF	1,016	\$7.00	\$7,112.00	0	\$0.00	259	\$1,813.00
2	2104.521	SALVAGE CONCRETE PIPE CULVERT (ALL TYPES & SIZES)	LF	85	\$13.00	\$1,105.00	0	\$0.00	0	\$0.00
3	2501.515	15" RCP FES W/ TRASH GUARD	EA	4	\$1,163.90	\$4,655.60	0	\$0.00	0	\$0.00
4	2501.515	18" RCP FES W/ TRASH GUARD	EA	4	\$1,215.40	\$4,861.60	0	\$0.00	0	\$0.00
5	2501.515	21" RCP FES W/ TRASH GUARD	EA	6	\$1,421.40	\$8,528.40	0	\$0.00	0	\$0.00
6	2501.521	22" SPAN RCP CL. 5 STORM SEWER PIPE	LF	47	\$50.00	\$2,350.00	0	\$0.00	0	\$0.00
7	2501.521	28" SPAN RCP CL. 5 STORM SEWER PIPE	LF	49	\$60.00	\$2,940.00	0	\$0.00	0	\$0.00
8	2501.521	36" SPAN RCP CL. 5 STORM SEWER PIPE	LF	60	\$82.40	\$4,944.00	0	\$0.00	60	\$4,944.00
9	2501.525	22" SPAN RCP FES W/ TRASH GUARD	EA	2	\$1,287.50	\$2,575.00	0	\$0.00	0	\$0.00
10	2501.525	28" SPAN RCP FES W/ TRASH GUARD	EA	2	\$1,565.60	\$3,131.20	0	\$0.00	0	\$0.00
11	2501.525	36" SPAN RCP FES W/ TRASH GUARD	EA	2	\$2,183.60	\$4,367.20	0	\$0.00	2	\$4,367.20
12	2501.571	INSTALL SALVAGED CONCRETE PIPE CULVERT (ALL TYPES & SIZES)	LF	85	\$21.63	\$1,838.55	0	\$0.00	0	\$0.00
13	2502.521	15" CMP DRIVEWAY CULVERT W/ APRON	LF	326	\$28.84	\$9,401.84	10	\$288.40	169	\$4,873.96
14	2502.521	18" CMP DRIVEWAY CULVERT W/ APRON	LF	120	\$33.99	\$4,078.80	0	\$0.00	28	\$951.72
15	2503.511	15" RCP CL. 5 STORM SEWER PIPE	LF	126	\$26.78	\$3,374.28	0	\$0.00	0	\$0.00
16	2503.511	18" RCP CL. 5 STORM SEWER PIPE	LF	63	\$29.87	\$1,882.07	0	\$0.00	0	\$0.00
17	2503.511	21" RCP CL. 5 STORM SEWER PIPE	LF	226	\$34.00	\$7,684.00	0	\$0.00	0	\$0.00
18	2506.502	48" DIAMETER MANHOLE, TYPE 4065	EA	6	\$2,266.00	\$13,596.00	0	\$0.00	0	\$0.00
19	2506.601	INFILTRATION BASIN	EA	6	\$600.00	\$3,600.00	0	\$0.00	0	\$0.00
20	2511.501	CL. 3 RIPRAP W/ GEOTEXTILE FILTER FABRIC	CY	94.2	\$100.00	\$9,420.00	0	\$0.00	10.8	\$1,080.00
21	2511.501	CL. 4 RIPRAP W/ GEOTEXTILE FILTER FABRIC	CY	16.2	\$105.00	\$1,701.00	0	\$0.00	0	\$0.00
SUBTOTAL - DIVISION 3						\$103,086.54		\$288.40		\$18,029.88

ITEM	MN/DOT NO.	DESCRIPTION OF PAY ITEM	UNIT	CONTRACT			THIS PERIOD		TOTAL TO DATE	
				QUANTITY	UNIT PRICE	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
DIVISION 4 - STREETS AND RESTORATION										
1	2104.501	REMOVE & DISPOSE OF EXIST. CONCRETE CURB & GUTTER	LF	213	\$3.09	\$658.17	0	\$0.00	0	\$0.00
2	2104.501	REMOVE & DISPOSE OF EXIST. FLUME (ALL TYPES)	EA	6	\$360.50	\$2,163.00	0	\$0.00	0	\$0.00
3	2104.505	REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT	SY	19,710	\$1.00	\$19,710.00	8,333	\$8,333.00	14,867	\$14,867.00
4	2104.509	REMOVE SIGN	EA	18	\$30.00	\$540.00	0	\$0.00	18	\$540.00
5	2104.523	SALVAGE MAILBOX	EA	20	\$25.00	\$500.00	0	\$0.00	20	\$500.00
6	2104.523	SALVAGE POST & SIGN	EA	9	\$30.00	\$270.00	0	\$0.00	9	\$270.00
7	2105.501	COMMON EXCAVATION (P)	CY	19,252	\$8.00	\$154,016.00	4,400	\$35,200.00	6,307	\$50,456.00
8	2105.522	SELECT GRANULAR BORROW (CV), SPEC 3149.2B	CY	8,527	\$8.29	\$70,688.83	2,482	\$20,575.78	2,787	\$23,104.23
9	2105.604	GEOTEXTILE FOR ROAD STABILIZATION; MnDOT TYPE V	SY	300	\$1.00	\$300.00	325	\$325.00	1,225	\$1,225.00
10	2106.607	SUBGRADE CORRECTION	CY	100	\$15.00	\$1,500.00	260.4	\$3,906.00	504.4	\$7,566.00
11	2112.501	SUBGRADE PREPARATION (ROADWAY)	RS	65	\$100.00	\$6,500.00	16	\$1,600.00	19	\$1,900.00
12	2211.501	CL5 AGGREGATE BASE	TN	7,534	\$8.50	\$64,039.00	2,455.23	\$20,869.46	2,555.19	\$21,719.12
13	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GA	1,044	\$3.00	\$3,132.00	40	\$120.00	40	\$120.00
14	2360.501	SPWEA240B BITUMINOUS WEARING COURSE (STREETS)	TN	1,867	\$66.00	\$123,222.00	0	\$0.00	0	\$0.00
15	2360.501	SPWEA240B BITUMINOUS WEARING COURSE (DRIVES)	TN	115	\$80.00	\$9,200.00	0	\$0.00	0	\$0.00
16	2360.502	SPNWB230B BITUMINOUS NON-WEARING COURSE (STREETS)	TN	3,111	\$58.00	\$180,438.00	835.57	\$48,463.06	835.57	\$48,463.06
17	2502.501	4" PRECAST CONCRETE HEADWALL	EA	6	\$412.00	\$2,472.00	0	\$0.00	0	\$0.00
18	2502.541	4" PERFORATED PVC EDGE DRAIN W/BACKFILL & WRAP	LF	6,083	\$3.50	\$21,290.50	450	\$1,575.00	950	\$3,325.00
19	2502.602	DRAINTILE CLEANOUT (INCL. PIPE, FITTINGS, & STEEL CAP)	EA	26	\$155.00	\$4,030.00	2	\$310.00	2	\$310.00
20	2502.602	DRAINTILE CONNECTION INTO CATCH BASIN	EA	10	\$250.00	\$2,500.00	0	\$0.00	0	\$0.00
21	2531.501	B418 CONCRETE CURB & GUTTER	LF	12,650	\$8.34	\$105,501.00	3,620	\$30,190.80	3,620	\$30,190.80
22	2531.602	CONCRETE PEDESTRIAN RAMP	EA	1	\$400.00	\$400.00	0	\$0.00	0	\$0.00
23	2531.602	CONCRETE CURB CUT	EA	38	\$10.00	\$380.00	12	\$120.00	12	\$120.00
24	2531.602	6" CONCRETE FLUME	SY	82	\$36.00	\$2,952.00	0	\$0.00	0	\$0.00
25	2531.618	CAST IRON TRUNCATED DOME PANELS	SF	8	\$50.00	\$400.00	0	\$0.00	0	\$0.00
26	2540.602	INSTALL SALVAGED MAILBOX	EA	20	\$10.00	\$200.00	0	\$0.00	0	\$0.00
27	2554.602	PERMANENT BARRICADE	EA	1	\$400.00	\$400.00	0	\$0.00	0	\$0.00
28	2564.531	INSTALL SIGN PANELS, TYPE C (INCLUDING POSTS & ASSEMBLY)	EA	18	\$55.00	\$990.00	0	\$0.00	0	\$0.00
29	2564.531	INSTALL SALVAGED SIGN	EA	9	\$50.00	\$450.00	0	\$0.00	0	\$0.00
30	2564.533	FURNISH SIGN PANELS, TYPE C	SF	117	\$24.00	\$2,808.00	0	\$0.00	0	\$0.00
31	2582.502	4" SOLID DOUBLE LINE YELLOW - EPOXY	LF	4,720	\$0.62	\$2,926.40	0	\$0.00	0	\$0.00
32	2582.502	4" SOLID LINE WHITE - EPOXY	LF	12,240	\$0.32	\$3,916.80	0	\$0.00	0	\$0.00
33	2582.502	4" SOLID LINE YELLOW - EPOXY	LF	755	\$0.31	\$234.05	0	\$0.00	0	\$0.00
34	2582.502	4" BROKEN LINE YELLOW - EPOXY	LF	1,265	\$0.10	\$126.50	0	\$0.00	0	\$0.00
35	2582.502	24" SOLID LINE YELLOW - EPOXY	LF	25	\$15.45	\$386.25	0	\$0.00	0	\$0.00
SUBTOTAL - DIVISION 4						\$789,240.50		\$171,588.10		\$204,676.21

TOTALS

\$1,606,833.47

\$333,050.49

\$681,240.09



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013
CONSENT
ITEM #: 7

AGENDA ITEM: Trunk Highway 5 Pedestrian Refuge Island and Crossing – Resolution No. 2013-54 Approving MnDOT Maintenance Agreement No. 04109
SUBMITTED BY: Jack Griffin, City Engineer
THROUGH: Dean A. Zuleger, City Administrator
REVIEWED BY: Adam Bell, City Clerk
Mike Bouthilet, Public Works
Dave Snyder, City Attorney

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

- 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

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving, as part of the *Consent Agenda*, Resolution No. 2013-54 Approving MnDOT Maintenance Agreement No. 04109 for the ongoing maintenance of the proposed Trunk Highway 5 Pedestrian Refuge Island and Crosswalk. If removed from the consent agenda, the recommended motion for this action is as follows:

***“Move to approve Resolution No. 2013-54,
Approving MnDOT Maintenance Agreement No. 04109.”***

STAFF REPORT:

As part of MnDOT’s 2013 Trunk Highway 5 Microsurfacing and Restriping project within the City of Lake Elmo, MnDOT will be constructing, at the request of the City of Lake Elmo, a Pedestrian Refuge Island and Crosswalk in the vicinity of the Lake Elmo Elementary School. The improvements will include the construction of the center refuge island and crosswalk including grading, concrete curb and sidewalk. The improvements will not include Rapid Flashing Beacons or a connecting sidewalk along the south side of Trunk Highway 5. These additional improvements will become the responsibility of the City of Lake Elmo to be installed at a future time.

Once the Pedestrian Refuge Island and Crosswalk is installed, the ongoing maintenance will become the responsibility of the City of Lake Elmo. MnDOT Agreement No. 04109 sets forth the responsibility and the terms and conditions for this routine maintenance, including snow and ice removal, debris removal, patching, crack repair, and any other maintenance activity necessary to perpetuate the pedestrian facility in a safe, usable, and aesthetically pleasing condition.

RECOMMENDATION:

Staff is recommending the City Council approve, as part of the *Consent Agenda*, Resolution No. 2013-54 Approving MnDOT Maintenance Agreement No. 04109 for the ongoing maintenance of the proposed Trunk Highway 5 Pedestrian Refuge Island and Crosswalk. If removed from the consent agenda, the recommended motion for this action is as follows:

***“Move to approve Resolution No. 2013-54,
Approving MnDOT Maintenance Agreement No. 04109.”***

ATTACHMENT(S):

1. Resolution No. 2013-54
2. MnDOT Maintenance Agreement No. 04109

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

RESOLUTION NO. 2013-54

**A RESOLUTION APPROVING AGREEMENT NO. 04109 WITH THE
MINNESOTA DEPARTMENT OF TRANSPORTATION FOR THE
MAINTENANCE OF THE TRUNK HIGHWAY 5 PEDESTRIAN REFUGE
ISLAND AND CROSSWALK (S.P. 8214-163)**

WHEREAS, the Minnesota Department of Transportation (MnDOT) will construct a Pedestrian Refuge Island and Crosswalk on Trunk Highway 5 within the city limits of Lake Elmo, in accordance with the State prepared plans, specifications and provisions of S.P. 8214-163; and

WHEREAS, the State and City are authorized to enter into this agreement pursuant to Minnesota Statutes Sections 161.20, and 161.38; and

WHEREAS, the parties are entering into this Agreement to set forth responsibility for the routine maintenance of the Pedestrian Refuge Island and Crosswalk.

NOW, THEREFORE, IT IS HEREBY RESOLVED,

1. That the City of Lake Elmo enter into MnDOT Agreement No. 04109 with the State of Minnesota, Department of Transportation, to provide for the proper maintenance of the Pedestrian Refuge Island and Crosswalk within the corporate limits of the City of Lake Elmo on Trunk Highway 5 upon the terms and conditions set forth in the Agreement; and
2. That the Mayor and City Administrator are authorized to execute the Agreement.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SIXTEENTH DAY OF
JULY 2013.**

CITY OF LAKE ELMO

By: _____
Mike Pearson
Mayor

(Seal)

ATTEST:

Adam Bell
City Clerk

MINNESOTA DEPARTMENT OF TRANSPORTATION
MAINTENANCE AGREEMENT

PREPARED BY
MnDOT
METRO DISTRICT
MAINTENANCE OPERATIONS

AGREEMENT NO.
04109

AGREEMENT BETWEEN

THE STATE OF MINNESOTA, DEPARTMENT OF TRANSPORTATION,

AND

THE CITY OF LAKE ELMO

For the maintenance of the Pedestrian Refuge island and crosswalk located on Trunk Highway 5, east of westerly Lake Elmo Ave (County State Aid Highway 17) within the corporate limits of the City of Lake Elmo upon the terms and conditions set forth in this Agreement. This is associated with S.P. 8214-163.

THIS AGREEMENT is made and entered into by and between the State of Minnesota, Department of Transportation, hereinafter referred to as the "State" and the City of Lake Elmo, Minnesota, acting by and through its City Council, hereinafter referred to as the "City".

WHEREAS, State will construct a Pedestrian Refuge Island on Trunk Highway (T.H.) 5 within the City limits, in accordance with State-prepared plans, specifications, and provisions; and

WHEREAS, The Pedestrian Refuge Island construction will be constructed as part of State Project No. 8214-163, and includes grading, concrete curb and sidewalk; and

WHEREAS, State and City are authorized to enter into this agreement pursuant to Minnesota Statutes Sections 161.20, and 161.38; and

WHEREAS, The parties have entered into this Agreement to set forth responsibility for the routine maintenance of the Pedestrian Refuge.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS

I. GENERAL PROVISIONS

- A. Once the State has accepted the completed Pedestrian Refuge Island shown in Exhibit A, the City will perform or provide for the proper routine maintenance of the Pedestrian Refuge Island. Such maintenance will be performed without cost or expense to the State. Maintenance includes snow and ice removal, debris removal, patching, crack repair, and any other maintenance activities necessary to perpetuate the pedestrian facility in a safe, usable, and aesthetically pleasing condition.
- B. If the City fails to maintain the Pedestrian Refuge in accordance with this Agreement, the State may perform such maintenance on its own initiative and after providing reasonable notice to the City. The City will promptly reimburse the State for the costs incurred by the State performing such maintenance. If the City fails to pay such costs, the State may avail itself of the remedy permitted by Minnesota Statutes §161.38 (subd. 6).

II. CONSIDERATION AND TERMS OF PAYMENT

The City agrees to maintain and operate the Pedestrian Refuge, without cost or expense to the State, in consideration of the State permitting the construction of the Pedestrian Refuge on trunk highway right-of-way.

III. TERM OF AGREEMENT

This Agreement will be in effect until superseded by another agreement between State and City or until such time that the Pedestrian Refuge Island is removed.

IV. AUTHORIZED REPRESENTATIVE

- A. State's Authorized Representative for the purposes of administering this Agreement is Beverly Farraher, Assistant District Engineer - Maintenance, Minnesota Department of Transportation Metro District, 1500 West County Road B2, Roseville, Minnesota 55113, (651) 234-7901, or her successor.
- B. The City's Authorized Representative for the purposes of administering this Agreement is Dean Zuleger, City Administrator, City of Lake Elmo, 3800 Laverne Ave. N., Lake Elmo, Minnesota 55042, (651) 747-3905, or his successor.
- C. State's Authorized Representative will have final authority for accepting maintenance services performed by City under this Agreement.

V. ASSIGNMENT

- A. No party will assign or transfer any rights or obligations under this Agreement, in whole or in part, without prior written consent of the other.
- B. If the City contracts out the performance of maintenance work covered by this Agreement, the City will award such contracts in accordance with the terms of this Agreement and in compliance with applicable state laws.
- C. This Agreement will not be construed as a relinquishment by State of any powers or control it may have over the trunk highway covered under this Agreement. This Agreement will not be construed to create an easement or any other interest in property in favor of the City.

VI. MERGER/AMENDMENTS

This Agreement contains all negotiations and agreements between the State and City. No other understanding regarding this agreement, whether written or oral, may be used to bind either party. Any amendments to this Agreement must be in writing, and must be executed by the same parties who executed the original Agreement, or their successors in office.

VII. LIABILITY

- A. The employees and agents of the City will not be deemed to be employees of the State for any reason.
- B. Each party will be solely responsible for its own acts and omissions, the acts and omissions of its employees, and results thereof, to the extent authorized by law. The parties will not be responsible for the acts of the other party or any third parties or the results thereof.
- C. The State's liability will be governed by the provisions of Minnesota Statutes Section 3.736 and other applicable law. The City's liability will be governed by Minnesota Statutes Chapter 466 and other applicable law. This clause will not be construed to bar any legal remedies each party may have for the other party's failure to fulfill its obligations pursuant to this Agreement.
- D. Each party to this Agreement will defend at its sole cost and expense any action or proceeding commenced for the purpose of asserting any claim of whatsoever character arising in connection with or by virtue of performance of its own work as provided herein.

VIII. WORKERS COMPENSATION

Each party will be solely responsible for its own employees for any workers compensation claims.

IX. CIVIL RIGHTS

The City must comply with the provisions of Minnesota Statutes Section 181.59, and any applicable local ordinance relating to civil rights and discrimination.

X. STATE AUDITS

The books, records, documents, and accounting procedures and practices of the City, relevant to this Agreement, will be subject to examination by the MnDOT Auditor, the Legislative Auditor, or the State Auditor, as appropriate, for no less than six years.

XI. DATA PRACTICES

The State and the City must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to any information provided to or by a party to this agreement.

XII. AGREEMENT APPROVAL

Before this Agreement will become binding and effective, it must be approved by a City of Lake Elmo City Council resolution, and be executed by State and City officers as provided by law.

[the remainder of this page has been intentionally left blank]

IN TESTIMONY WHEREOF the parties have executed this Agreement through their duly authorized officials:

DEPARTMENT OF TRANSPORTATION

Recommended for Approval:

By _____
Assistant District Engineer – Metro
District Maintenance

Date _____

Approved:

By: _____
District Engineer

Date: _____

CITY OF LAKE ELMO, MINNESOTA

Recommended for Approval:

By _____
Dean Zuleger, City Administrator

Date: _____

By _____
Mike Pearson, Mayor

Date: _____

COMMISSIONER OF ADMINISTRATION

By _____
Authorized Signature

Date _____

(SAMPLE)

CITY OF LAKE ELMO

RESOLUTION

IT IS RESOLVED that the City of Lake Elmo enter into MnDOT Agreement No. 04109 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for the proper maintenance of the Pedestrian Refuge Island within the corporate limits of the City of Lake Elmo on TH 5 upon the terms and conditions set forth in the Agreement.

IT IS FURTHER RESOLVED that the Mayor and City Administrator are authorized to execute the Agreement.

CERTIFICATION

State of Minnesota
City of Lake Elmo

I certify that the above Resolution is an accurate copy of the Resolution adopted by the City Council of the City of Lake Elmo at an authorized meeting held on the _____ day of _____, 2013, as shown by the minutes of the meeting in my possession.

(Signature)

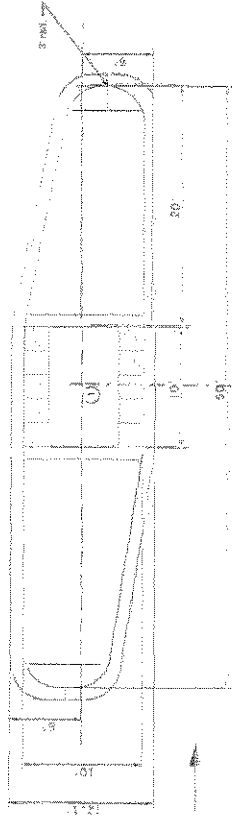
(Type or Print Name)

(Title)

PEDESTRIAN REFUGE DETAILS

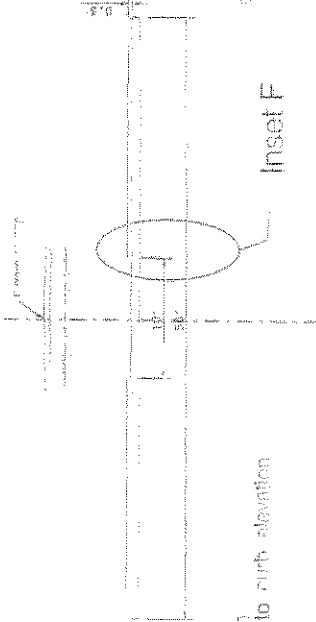
Exhibit A, Pg. 1 of 2

Direction of Travel



Direction of Travel

① Maximum 2% slope in all directions



Design these ends to be flush with driveway ramping up to curb elevation

Inset F

Top of Path, 24" above

Elevation of pad, refuge curb F higher than existing bit surface (HSVC) to Match to New Flare.

Inset F

Macro Milling

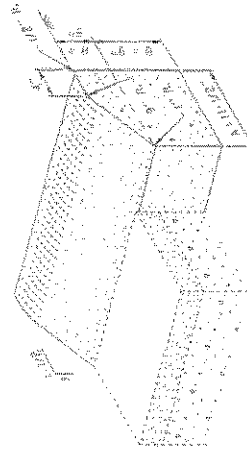
Finished Grade

Existing Bit Grade

Type S Curb

Base

Existing Driveway

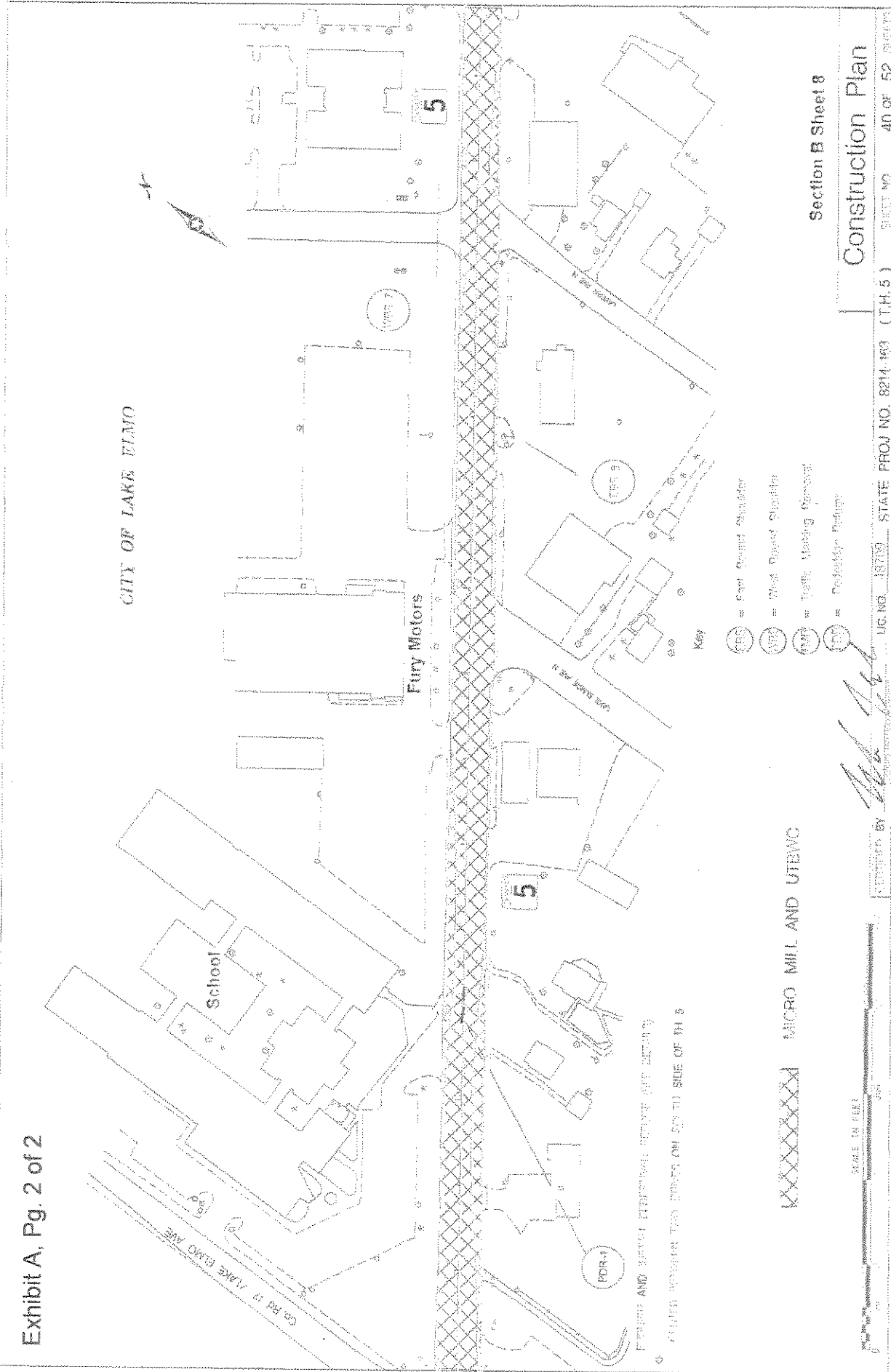


DESIGN 5

DESIGNED BY *[Signature]*

DETAILS

Exhibit A, Pg. 2 of 2





MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013
CONSENT
ITEM #: 8

AGENDA ITEM: Easement Encroachment Agreement – 12521 Marquess Way North
SUBMITTED BY: Nick Johnson, City Planner
THROUGH: Dean Zuleger, City Administrator
REVIEWED BY: Rick Chase, Building Official
Adam Bell, City Clerk

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

- Introduction of Item.....Staff
- Report/Presentation.....Staff
- 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

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to authorize as part of tonight’s Consent Agenda the execution of an easement encroachment agreement. The City has received a request to install a fence within a drainage and utility easement area at 12521 Marquess Way North from Peter and Terrence Zoller. Approval of the requested agreement would allow the property owners to construct the requested improvement within the City’s drainage and utility easements located on their private property.

BACKGROUND AND STAFF REPORT:

The City holds easements of different sizes and for different purposes on many residential and commercial properties throughout the city. When a resident is interested in putting a structure within an easement, the city has requested the property owner provide a site plan showing where the improvement is proposed to be located, a detail of what the improvement will look like and how it will function. After that information is received, Staff reviews the proposed improvement and the use of the easement to determine if the proposed improvement will impede the functionality of the easement. If Staff determines that the improvement will not negatively impact the functionality of the easement, an approved building permit showing the requested work and an Easement Encroachment Agreement is needed before the work may commence.

The Easement Encroachment Agreement that has been submitted for Council consideration is for a fence and has been reviewed by planning staff. The proposed fence meets all city code requirements and Staff would have otherwise authorized construction of the fence if it did not encroach into a drainage and utility easement.

The Easement Encroachment Agreement is a legal document which has been signed by all property owners seeking to install an improvement within an easement. The document, among other things, indemnifies the city from responsibility if damage occurs to the improvement or if it needs to be removed at some point in the future.

RECOMMENDATION:

Based upon the above background information and staff report, it is recommended that the City Council approve the Easement Encroachment Agreement as part of tonight's Consent Agenda.

ATTACHMENT(S):

1. Easement Encroachment Agreement – 12521 Marquess Way North

ENCROACHMENT AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2013, by and between the CITY OF LAKE ELMO, a Minnesota municipality (hereinafter "City"), and PETER R. ZOLLER, a married person and TERRENCE L. ZOLLER, a married person, (hereinafter "Owner") and their successors in title.

WHEREAS, the City has an easement for drainage and utility purposes over that part of the property legally described on the attached Exhibit A, located in Washington County, Minnesota;

WHEREAS, Owner is desirous of constructing a fence ("The Improvements") within the Easement; and,

WHEREAS, the permission granted herein is limited to The Improvement proposed within the easement.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt of which is acknowledged, the City will permit the encroachment on its easement area as set forth herein and subject to the conditions set forth below:

1. Owner and successors in title may install and maintain The Improvements in the configuration directed by the City and in accordance herewith.
2. Owner must notify the City at least forty-eight (48) hours before construction, repair and/or maintenance work commences within the easement. No such work shall take place without the City staff being given the opportunity to be present at the site. Further, if the City determines in its reasonable estimation that any proposed work may potentially cause an unsafe condition or damage or impair the City's easement area, the City shall have the authority to prevent such work from being done by giving notice to Owner; notwithstanding the foregoing, in the event of an emergency situation and/or the existence of an unsafe condition of Owner's land,

the prescribed forty-eight (48) hour notice requirement shall be waived by the City. However, in the event of such situation, said waiver shall not relieve Owner from their obligation to notify the City in a timely and practical manner. The City shall have no obligation to notify Owner of their intent to do work.

3. To the fullest extent permitted by law, Owner, their successors and assigns agree to release, defend, protect, indemnify, save and hold harmless the City, its agents, directors, employees and contractors against any and all claims, costs and liabilities, including the costs of defense for damages, injury or death arising from or in any way connected to the installation, maintenance, repair, removal and/or presence of The Improvements permitted hereunder, regardless of whether such harm is to Owner, the City, the employees or officers of either or any other person or entity, except shall not be liable under this paragraph for loss or damage to the extent resulting from the negligence or intentional acts of the indemnified parties.

4. The permission granted herein is limited exclusively to the proposed improvement within the City's easement. Owner shall not alter the grade, perform any other site disturbing activities, or permit such alteration anywhere upon the land upon which the City has reserved its easement without proper express written consent of the City. Owner shall construct and maintain The Improvements in compliance with all applicable laws and in good repair.

Owner shall, at all times, use best efforts to conduct all of activities on said easement area in such a manner as to not interfere with or impede the operation of the City's easement and related activities in any manner whatsoever and shall remove The Improvements at no cost to the City when directed by the City. The work shall be done and The Improvements maintained in conformance with the direction of the City.

[SIGNATURES ON FOLLOWING PAGES]

Exhibit A

LOT 9, BLOCK 2, CARRIAGE STATION, WASHINGTON COUNTY, MINNESOTA

(12521 Marquess Way North, Lake Elmo, MN 55042)



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013
CONSENT
ITEM #: 9

AGENDA ITEM: Easement Encroachment Agreement – 11619 58th Street North
SUBMITTED BY: Nick Johnson, City Planner
THROUGH: Dean Zuleger, City Administrator
REVIEWED BY: Rick Chase, Building Official
Adam Bell, City Clerk

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

- Introduction of Item..... Staff
- Report/Presentation.....Staff
- 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

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to authorize as part of tonight’s Consent Agenda the execution of an easement encroachment agreement. The City has received a request to install a fence within a drainage and utility easement area at 11619 58th Street North from Jed and Teresa Bastyr. Approval of the requested agreement would allow the property owners to construct the requested improvement within the City’s drainage and utility easements located on their private property.

BACKGROUND AND STAFF REPORT:

The City holds easements of different sizes and for different purposes on many residential and commercial properties throughout the city. When a resident is interested in putting a structure within an easement, the city has requested the property owner provide a site plan showing where the improvement is proposed to be located, a detail of what the improvement will look like and how it will function. After that information is received, Staff reviews the proposed improvement and the use of the easement to determine if the proposed improvement will impede the functionality of the easement. If Staff determines that the improvement will not negatively impact the functionality of the easement, an approved building permit showing the requested work and an Easement Encroachment Agreement is needed before the work may commence.

The Easement Encroachment Agreement that has been submitted for Council consideration is for a fence and has been reviewed by planning staff. The proposed fence meets all city code requirements and Staff would have otherwise authorized construction of the fence if it did not encroach into a drainage and utility easement.

The Easement Encroachment Agreement is a legal document which has been signed by all property owners seeking to install an improvement within an easement. The document, among other things, indemnifies the city from responsibility if damage occurs to the improvement or if it needs to be removed at some point in the future.

RECOMMENDATION:

Based upon the above background information and staff report, it is recommended that the City Council approve the Easement Encroachment Agreement as part of tonight's Consent Agenda.

ATTACHMENT(S):

1. Easement Encroachment Agreement – 11619 58th Street North

ENCROACHMENT AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2013, by and between the CITY OF LAKE ELMO, a Minnesota municipality (hereinafter "City"), and JED T. BASTYR, a married person, and TERESA L. BASTYR, a married person, (hereinafter "Owner") and their successors in title.

WHEREAS, the City has an easement for drainage and utility purposes over that part of the property legally described on the attached Exhibit A, located in Washington County, Minnesota;

WHEREAS, Owner is desirous of constructing a fence ("The Improvements") within the Easement; and,

WHEREAS, the permission granted herein is limited to The Improvement proposed within the easement.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt of which is acknowledged, the City will permit the encroachment on its easement area as set forth herein and subject to the conditions set forth below:

1. Owner and successors in title may install and maintain The Improvements in the configuration directed by the City and in accordance herewith.
2. Owner must notify the City at least forty-eight (48) hours before construction, repair and/or maintenance work commences within the easement. No such work shall take place without the City staff being given the opportunity to be present at the site. Further, if the City determines in its reasonable estimation that any proposed work may potentially cause an unsafe condition or damage or impair the City's easement area, the City shall have the authority to prevent such work from being done by giving notice to Owner; notwithstanding the foregoing, in the event of an emergency situation and/or the existence of an unsafe condition of Owner's land,

the prescribed forty-eight (48) hour notice requirement shall be waived by the City. However, in the event of such situation, said waiver shall not relieve Owner from their obligation to notify the City in a timely and practical manner. The City shall have no obligation to notify Owner of their intent to do work.

3. To the fullest extent permitted by law, Owner, their successors and assigns agree to release, defend, protect, indemnify, save and hold harmless the City, its agents, directors, employees and contractors against any and all claims, costs and liabilities, including the costs of defense for damages, injury or death arising from or in any way connected to the installation, maintenance, repair, removal and/or presence of The Improvements permitted hereunder, regardless of whether such harm is to Owner, the City, the employees or officers of either or any other person or entity, except shall not be liable under this paragraph for loss or damage to the extent resulting from the negligence or intentional acts of the indemnified parties.

4. The permission granted herein is limited exclusively to the proposed improvement within the City's easement. Owner shall not alter the grade, perform any other site disturbing activities, or permit such alteration anywhere upon the land upon which the City has reserved its easement without proper express written consent of the City. Owner shall construct and maintain The Improvements in compliance with all applicable laws and in good repair.

Owner shall, at all times, use best efforts to conduct all of activities on said easement area in such a manner as to not interfere with or impede the operation of the City's easement and related activities in any manner whatsoever and shall remove The Improvements at no cost to the City when directed by the City. The work shall be done and The Improvements maintained in conformance with the direction of the City.

[SIGNATURES ON FOLLOWING PAGES]

CITY OF LAKE ELMO

By _____
Mike Pearson, Mayor

By _____
Dean A. Zuleger, City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

On this _____ day of _____, 2013, before me, a Notary Public, personally appeared Mike Pearson, Mayor of the City of Lake Elmo, a Minnesota municipality within the State of Minnesota, and that said instrument was signed on behalf of the City of Lake Elmo by the authority of the City Council of the City of Lake Elmo, and acknowledged said instrument to be the free act and deed of said City of Lake Elmo.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

On this _____ day of _____, 2013, before me, a Notary Public, personally appeared Dean A. Zuleger, City Administrator of the City of Lake Elmo, a Minnesota municipality within the State of Minnesota, and that said instrument was signed on behalf of the City of Lake Elmo by the authority of the City Council of the City of Lake Elmo, and acknowledged said instrument to be the free act and deed of said City of Lake Elmo.

Notary Public

Exhibit A

LOT 1, BLOCK 7, ST. CROIX'S SANCTUARY, WASHINGTON COUNTY, MINNESOTA
(11619 58th Street North, Lake Elmo, MN 55042)



MAYOR & COUNCIL COMMUNICATION

DATE: 7/16/2013
CONSENT
ITEM #: 10

AGENDA ITEM: Master Escrow Agreement for Municipal Services

SUBMITTED BY: Dean Zuleger, City Administrator

THROUGH: City Attorney Dave Snyder

REVIEWED BY: Dean Zuleger, City Administrator

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

FISCAL IMPACT: Recovery of all review fees (sum sufficient) associated with new development in the City of Lake Elmo.

SUMMARY AND ACTION REQUESTED: Approval of a Master Escrow Agreement for Municipal Review Services as they related to planning, public works, legal and engineering review with the intent of recovering all costs incurred by the City in the comprehensive review of development. The recommended motion for this action is as follows:

“Approve the 2013 City of Lake Elmo Master Escrow Agreement for Municipal Services complete with Exhibits and subject to the 2013 Fee Schedule where applicable”

BACKGROUND INFORMATION: The City of Lake Elmo has historically absorbed the cost of development review either through undercharging for municipal services or in some cases performing review function at gratis to the developer. With Met Council-mandated growth projects on the rise, and staff resources at the minimum, it is now necessary for the City to recover review costs associated with development in the areas planning, public works, legal and

contracted engineering. Staff and the City Attorney reviewed (6) similar agreements from surrounding communities to construct the agreement with (4) particular items added specific to Lake Elmo. They are:

1. Specific accountability between the review function and the accounting function of the City;
2. Addition of review schedules for developer service and City Accountability;
3. Lean government precepts;
4. Eliminate taxpayer burden for developer costs

The Agreement also assures that there will be enough funds in the review account for work to commence / terminate or in other words no escrow funds no project advancement.

STAFF REPORT: The staff has reviewed workload and technical needs for development review in light of no less than (7) planned developments in the City of Lake Elmo. In light of the current demand, and to bring the city up to speed it is agreed among all Departments that a Master Escrow Agreement is needed for Concept Plat, Preliminary Plat, Final Plat, Planned Unit Development, Open Space Development and other items that will take up at least 5 FTE man hours to complete. A flat fee schedule was developed based on a review of surrounding communities and a contracted consulting services Exhibit was created.

RECOMMENDATION: It is the staff recommendation to:

“Approve the 2013 City of Lake Elmo Master Escrow Agreement for Municipal Services complete with Exhibits and subject to the 2013 Fee Schedule where applicable”



City of Lake Elmo
Escrow Agreement for Municipal Review Services
Deposit Agreement

THIS AGREEMENT is made this _____ day of _____ 2013, by the Applicant and Owner (hereinafter individually and collectively referred to as "Applicant") in favor of the City of Lake Elmo, a municipal corporation of Minnesota (hereinafter referred to as "City").

A. "Applicant" whose name and address is:

B. "Owner" whose name and address is:

RECITALS

WHEREAS, the Applicant has applied to the City for approval for one or more of the following:
(Circle One)

- 1. Concept / Sketch Plan
- 2. Preliminary Plat
- 3. Final Plat
- 4. Planned Unit Development
- 5. Open Space Development
- 6. Conditional Use Permit
- 7. Commercial Zoning / Use
- 8. EAW Review

WHEREAS, the Applicant acknowledges the receipt of benefit to the property, from the City's technical and compliance review of the application; and

WHEREAS, under authority granted to it, including Minnesota Statutes Chapters 412 and 462, the City will process the application on the condition that the Applicant enter into this Deposit Agreement, which agreement defines certain duties and responsibilities of the Applicant, as well as the City; and the Applicant shall provide cash to the City in the amount satisfactory to the City; and provide security to the City for the payment of all review costs incurred by the City.

NOW THEREFORE, the City and Applicant agree as follows:

1. **Requirement.** The Applicant is required to make the necessary deposits prior to the process of municipal planning, public works, legal & engineering review commences.
2. **Review Process.** Applicant acknowledges and agrees that the City shall commence to review and process the review request checked above at such a time that this Agreement is executed by all parties and the cash required for the specific review is deposited and posted by the City's Finance Department. The City may provide a review completion schedule to the Applicant at the time of deposit. The City reserves the right to modify the schedule based on the completeness of the application, the need for additional information for review, or revisions to the application that may occur during the scheduled review.
3. **Use of Deposited Funds.** The City may draw upon the deposits to pay the costs it incurs in connection with reviewing the application. The City shall determine all of its costs, including both administrative and consulting services, at the rates charged by the City or its consultants, determined according to the City's adopted fee schedule. A copy of the current administrative and consulting rates is attached as Exhibit "A", which rates are subject to change by the City, without notice to the Applicant. Exhibit "A" should not be construed as an exhaustive list of consultants and Applicants shall be responsible for all other consulting fees related to the application. The City shall provide Applicant with the applicable rates for consultants used in the review prior to commencement. This Agreement does not pertain to ancillary charges incurred by reviewing of other governmental bodies, including but not limited to, Soil & Water Conservation Districts, Washington County Government, Water Shed, or any other unit of government that may, by right, have review authority.
4. **Conditions of Deposit.** The following stipulations and conditions shall apply to the deposit account for review services contemplated under this Agreement.
 - a. Payment shall be made to City consultants, included but not limited to legal and planning, in the amounts billed to the City, according to consulting rates in effect at the time of the execution of the agreement. Such consulting deemed necessary for the proper review of the application shall be at a usual and customary rate as it relates to the subject matter of the application for payment as determined by the City.
 - b. The City shall reimburse itself from deposit accounts for all costs and expense incurred by the City in connection with the implementation and enforcement of this Agreement. Reimbursement shall occur on a monthly basis and the City's Finance Department shall notify Applicant of the reimbursement via account reconciliation report.
 - c. The City shall not be responsible for paying any interest on the money deposited under the Agreement.
 - d. If in the discretion of both the City's Finance Department and the Community Development Department, there is deemed to be an inadequate balance in the deposit account to pay for all fees and costs incurred by the City, the City will notify the Applicant for the need for an additional deposit. The total of the additional deposit shall be calculated by City staff based on the amount of work yet to be completed in the review of the application. Applicant

agrees to make the additional deposit within (10) days of a receipt of such notice. For purposes hereof, receipt of notice shall be deemed made upon the depositing of the notice in the U.S. Mail, postage paid. In the event, the Applicant fails to make the additional deposit with (10) days of receipt of the notice, the City will terminate its review process and not re-commence until the appropriate deposit is made and posted by the City's Finance Department.

- e. No applications will be processed or forwarded to the appropriate governing reviewing body by the City until all amounts due under this Agreement have been paid in full.
5. **Positive Balance in Escrow Accounts.** Upon the happening of any of the following events, the balance in the deposit account less outstanding fees shall be paid to the Applicant within (90) days of receipt by the City of a written request by the Applicant for payment: (1) completion of the development process; or (2) the application is withdrawn by the Applicant; (3) the applicant is denied by the City for any reason.
 6. **Deposit Amounts.** The initial deposit amount contemplated for each the purposes described under the Agreement, which may be revised by the City from time to time, are set forth for Exhibit "B" attached hereto.
 7. **Accounting.** If there has been activity in the account, the City will provide a monthly accounting of all expenses charged against the account or when requested by the Applicant. An accounting will also be provided when the City notices the need for an additional escrow deposit.
 8. **Terms of Breach.** In the event of any terms of this Agreement are breached by the Applicant, including, but not limited to failure to make additional deposits when required by the City, the City may cease processing any application submitted by the Applicant or order the Applicant to cease any further development or progress under the terms of this Agreement, or both. Applicant indemnifies and holds the City harmless from any liability, claim, action or suit by or any obligation to the Applicant arising from or in connection with the City exercising or enforcing the terms and conditions of this Agreement or action on the Application. The Applicant shall pay all costs and expenses, including reasonable attorney fees and suit costs, incurred by the City arising from or in connection with the City any terms and conditions of this Agreement.
 9. **Validity.** If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portion of this Agreement.
 10. **Binding Agreement.** The parties mutually recognize and agree that all terms and conditions of this Agreement shall run with the land herein described and shall be binding upon the heirs, successors, administrators and assigns of the parties referenced in this Agreement.
 11. **Amendments.** The terms of this Agreement shall not be amended without the written consent of the City and all parties hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, we have hereunto set our hands and seals.

APPLICANT

OWNER:

By: _____
Its: _____

By: _____
Its: _____

By: _____
Its: _____

By: _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

On this _____ day of _____, 2013, before me a Notary Public within and for said County, personally appeared _____ and _____ to me personally known, to be the person described in and who executed the foregoing instrument and acknowledged that he / she/ they executed that same as his / her / their free act and deed.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

On this _____ day of _____, 2013, before me a Notary Public within and for said County, personally appeared _____ and _____ to me personally known, to be the person described in and who executed the foregoing instrument and acknowledged that he / she/ they executed that same as his / her / their free act and deed.

Notary Public

CITY OF LAKE ELMO

By: Dean Zuleger
Its: City Administrator

Attest: Adam Bell, Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

On this ____ day of _____, 2013, before me a Notary Public within and for said County, personally appeared _____ and _____ to me personally known, to be the person described in and who executed the foregoing instrument and acknowledged that he / she / they executed that same as his / her / their free act and deed.

Notary Public

EXHIBIT A

2013 CITY OF LAKE ELMO CONTRACTED CONSULTING FEES

Review Category / (Approved Consultant)	Current Fees
Civil Engineering (Focus Engineering) <ul style="list-style-type: none">- Senior Engineer- Project Engineer	\$118 per hour \$ 90 per hour
Legal (Johnson & Turner) <ul style="list-style-type: none">- Contracted City Attorney- Paralegal Support	\$130 per hour \$75 per hour

EXHIBIT B

2013 CITY OF LAKE ELMO REVIEW ESCROW SCHEDULE

APPLICATION TYPE	ESCROW DEPOSIT MINIMUM AMOUNT
Concept Plan	\$3,500
Preliminary Plat Review	\$10,000
Final Plat Review	\$8,000
Planned Unit Development	\$7,500
Open Space Development	\$5,000 (<100 units) \$7,500 (>100 units)
Conditional Use Permit	\$1,050
Interim Use Permit	\$1,050
EAW	\$5,000
Commercial Development Approvals	**See City of Lake Elmo Fee Schedule

For Office Use Only	
<hr/> Receipt Date	<hr/> Receipt Number
<hr/> Escrow Amount	<hr/> Finance Dept. Accounting Code



MAYOR & COUNCIL COMMUNICATION

DATE: 7/16/2013
REGULAR
ITEM #: 11
MOTION

AGENDA ITEM: A Resolution Accepting Resignation and Declaring a Vacancy
SUBMITTED BY: Adam Bell, City Clerk
THROUGH: Dean Zuleger, City Administrator
REVIEWED BY: Dean Zuleger, City Administrator

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Staff
- Report/Presentation..... City Staff
- 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

SUMMARY AND ACTION REQUESTED:

Due to the resignation of Council Member Nicole Park from her Council seat, the City Council is required by Minnesota law to pass a resolution accepting the resignation and declare a vacancy on the Council. The Council is respectfully asked to adopt the resolution by taking the following action:

*“Move to Adopt Resolution No. 2013-55, A Resolution Accepting Resignation
And Declaring A Vacancy”*

BACKGROUND & STAFF REPORT:

Nicole Park was elected to the office of Council Member for the period of January 3, 2011 to January 5, 2015. According to Minnesota Statute § 351.02(2) a resigning elected public official must submit a written resignation to the council. On June 18, 2013, Council Member Nicole Park announced her resignation from her elected office to Mayor Pearson. This resignation creates a vacancy on the Council. Minn. Stat. § 351.01, subd. 1 states that after receiving a resignation, a council should pass a resolution stating it has received and accepted the resignation, and declaring that a vacancy exists.

Unless the resignation expressly states it is to take effect at a future date, the resignation will be effective when received by the council. If the resignation states it takes effect on a specified date, the vacancy occurs on that date if it has been received by the council or other official authorized

by the council to receive documents on its behalf even if the council has not formally accepted it at a council meeting. Minn. Stat. § 351.01, subs. 2, 3, 4 (2013). Ms. Park's resignation stated that her resignation would be effective July 16, 2013.

RECOMMENDATION:

The City Council is respectfully requested to adopt a resolution pursuant to state statute accepting Council Member Park's resignation and declaring a vacancy on the City Council by making the following recommended motion:

***"Move to Adopt Resolution No. 2013-55, A Resolution Accepting Resignation
And Declaring A Vacancy"***

ATTACHMENTS:

- 1) Resolution 2013-55: A Resolution Accepting Resignation and Declaring a Vacancy
- 2) Council Member Park's Written Resignation

AUTHORITY:

2012 Minnesota Statutes:

§ 351.01 RESIGNATIONS.

Subdivision 1. To whom made.

Resignations shall be made in writing signed by the resigning officer:

- (1) By incumbents of elective offices, to the officer authorized by law to fill a vacancy in such office by appointment, or to order a special election to fill the vacancy;
- (2) By appointive officers, to the body, board, or officer appointing them, unless otherwise specially provided.

Subd. 2. When effective.

Except as provided by subdivision 3 or other express provision of law or charter to the contrary, a resignation is effective when it is received by the officer, body, or board authorized to receive it.

Subd. 3. Contingent resignations prohibited; exception.

(a) Except as provided in paragraph (b), no resignation may be made to take effect upon the occurrence of a future contingency. Statements explaining the reasons for a resignation must not be considered to be contingencies unless expressly stated as contingencies.

(b) A resignation may be made expressly to take effect at a stated future date. Unless it is withdrawn as provided under subdivision 4, a resignation is effective at 12:01 a.m. on the stated date.

Subd. 4. Withdrawal of resignation.

A prospective resignation permitted by subdivision 3 may only be withdrawn by a written statement signed by the officer and submitted in the same manner as the resignation, and may only be withdrawn before it has been accepted by resolution of the body or board or before a written acceptance of the resignation by an officer authorized to receive it.

§ 351.02 VACANCIES.

Every office shall become vacant on the happening of either of the following events, before the expiration of the term of such office:

- (1) the death of the incumbent;
- (2) the incumbent's resignation;

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

RESOLUTION NO. 2013-55

**A RESOLUTION ACCEPTING RESIGNATION AND
DECLARING A VACANCY**

WHEREAS, Mayor Mike Pearson, Lake Elmo City Council, and City Staff received written notice of Council Member Nicole Park's resignation on June 18, 2013; and

WHEREAS, Council Member Nicole Park's letter indicates that her resignation will be effective on July 16, 2013.

NOW, THEREFORE, BE IT RESOLVED that the Lake Elmo City Council hereby accepts the resignation of Council Member Nicole Park and declares a vacancy in the council seat held by Council Member Nicole Park, effective on July 16, 2013

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SIXTEENTH DAY OF
JULY 2013.**

(Seal)

By: _____

Mike Pearson

Mayor

ATTEST:

Adam Bell
City Clerk

Dean Zuleger

From: Nicole Park <nikipark@comcast.net>
Sent: Tuesday, June 18, 2013 5:21 PM
To: mikepearson1965@yahoo.com
Cc: Dean Zuleger
Subject: from Nicole , THANK YOU

Hello Mayor Mike!

In case I don't make it to the City Council meeting tonight, I am sending you this email to read for me during announcements. ;)

I need to share that my last meeting as a Council Member will be on Tuesday July 16th, 2013. I have really enjoyed my six and a half years of service on the Lake Elmo City Council. I have met some brilliant people along the way, and have made some true and lasting friendships. I also believe that I have been a part of this wonderful Council for a reason.

It was a difficult decision to end my term early, but with much thought, over this past year, I decided that it is the best decision for myself and for my family.

Honestly I was only able to make this decision due to the four exceptional members that I am now serving with. I believe that Mike, Anne, Justin, Wally and also our our fearless Administrator Dean, will do what's right for Lake Elmo. I am also excited to see who will be appointed to fulfill my term for the next year & a half. Thank you to our Lake Elmo Residents for trusting me all of these years.

Faithfully,
Nicole Park



MAYOR & COUNCIL COMMUNICATION

DATE: 7/16/2013
REGULAR
ITEM #: 12

AGENDA ITEM: Appointment to Fill Council Vacancy
SUBMITTED BY: Adam Bell, City Clerk
THROUGH: Dean Zuleger, City Administrator
REVIEWED BY: Dean Zuleger, City Administrator

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Staff
- Report/Presentation..... City Staff
- 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

SUMMARY AND ACTION REQUESTED:

Due to the vacancy created on the Council as a result of Council Member Nicole Park’s resignation, a vacancy exists on the Council, and Minnesota State Law requires the position be filled in a timely manner. The Council is respectfully asked to appoint an individual who is eligible for election to this position for the remainder of the unexpired term. The recommended motion for this action is as follows:

“Move to appoint _____ to the Council for the remainder of the term previously held by Council Member Nicole Park, and her/his appointment shall expire on January 5, 2015.”

BACKGROUND & STAFF REPORT:

Nicole Park was elected to the office of Council Member for the period of January 3, 2011 to January 5, 2015. On June 18, 2013, Council Member Nicole Park announced her resignation from her elected office, effective July 16, 2013, which results in a vacancy on the Council.

Pursuant to Minn. State Statute § 412.02, Subd. 2a, vacancies shall be filled by council appointment. Because the vacancy occurred with less than two years of the unexpired term, a Special Election is not required. Applications for the vacancy were collected by the City Clerk. Four applicants applied to fill the vacancy. Interviews of those applicants were held on July 16th 2013, immediately preceding this meeting.

As mentioned, state law provides that statutory city councils make the appointment to fill a vacancy, except in the case of a tie vote when the mayor makes the appointment. That means all members of the council, including the mayor, can vote on the appointment. And as long as at least a quorum of the council is present, a majority vote of those present is sufficient to make the appointment.

State law does not place any limitation on a mayor's ability to make an appointment in the case of a tie vote. As a result, the mayor can appoint any qualified person willing to fill the vacancy even if that person was not the subject of the original appointment vote.

State law generally provides that the terms of elected city officials begin on the first Monday in January following the election. However, the attorney general has advised that a person elected to fill a vacancy is eligible to qualify and assume office upon receipt of an election certificate.

RECOMMENDATION:

It is recommended that the City Council appoint an individual who is eligible for election to this position for the remainder of the unexpired term, pursuant to state statute, by making the following recommended motion:

“Move to appoint _____ to the Council for the remainder of the term previously held by Council Member Nicole Park, and her/his appointment shall expire on January 5, 2015.”

ATTACHMENTS:

- 1) Resolution No. 2013-56: A Resolution Appointing Council Member to Fill Vacancy

AUTHORITY:

2012 Minnesota Statutes: § 412.02 CITY ELECTIONS; OFFICERS, TERMS, VACANCIES, CITY EMPLOYEES.

Subd. 2a.Vacancy.

Except as otherwise provided in subdivision 2b, a vacancy in an office shall be filled by council appointment until an election is held as provided in this subdivision. In case of a tie vote in the council, the mayor shall make the appointment. If the vacancy occurs before the first day to file affidavits of candidacy for the next regular city election and more than two years remain in the unexpired term, a special election shall be held at or before the next regular city election and the appointed person shall serve until the qualification of a successor elected at a special election to fill the unexpired portion of the term. If the vacancy occurs on or after the first day to file affidavits of candidacy for the regular city election or when less than two years remain in the unexpired term, there need not be a special election to fill the vacancy and the appointed person shall serve until the qualification of a successor. The council must specify by ordinance under what circumstances it will hold a special election to fill a vacancy other than a special election held at the same time as the regular city election.

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

RESOLUTION NO. 2013-56

**A RESOLUTION APPOINTING COUNCIL MEMBER TO
FILL VACANCY**

WHEREAS, Nicole Park was duly elected to the office of Council Member, for the period of January 3, 2011 to January 5, 2015; and

WHEREAS, Council Member Nicole Park resigned from the Council on June 18, 2013; and

WHEREAS, a vacancy exists on the Council, and Minnesota State Law requires the position be filled in a timely manner; and

WHEREAS, the City of Lake Elmo has advertised the Council vacancy, and the City Council has considered the several applicants who applied and has decided whom it deems best to fill the Council vacancy.

NOW, THEREFORE, BE IT RESOLVED by the Lake Elmo City Council of Lake Elmo, Minnesota, hereby appoints _____ to the Council for the remainder of the term previously held by Council Member Nicole Park, and her appointment shall expire on January 5, 2015.

ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SIXTEENTH DAY OF JULY 2013.

(Seal)

By: _____

Mike Pearson

Mayor

ATTEST:

Adam Bell
City Clerk



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013
REGULAR
ITEM #: 13

AGENDA ITEM: Section 34 Water and Sewer Utility Extension Improvements – (1) Resolution Receiving Feasibility Report and Calling Hearing on Improvement and (2) Resolution Approving Plans & Specifications and Ordering Advertisement for Bids

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Adam Bell, City Clerk
Cathy Bendel, Finance Director
Dave Snyder, City Attorney
Ryan Stempski, Assistant City Engineer

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item.....City Engineer
- Report/Presentation.....City Engineer
- 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

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider (1) adopting Resolution No. 2013-57 receiving the Feasibility Report and calling for a Public Improvement Hearing to be held on September 3, 2013, and (2) adopting Resolution No. 2013-58 approving plans and specifications and ordering advertisement for bids for the Section 34 Water and Sewer Utility Extension Improvements. The recommended motions for these actions are as follows:

(1) "Move to adopt Resolution No. 2013-57, receiving the Feasibility Report and calling Hearing on Improvement for the Section 34 Water and Sewer Utility Extension Improvements."

(2) "Move to adopt Resolution No. 2013-58, approving the plans and specifications and ordering the advertisement for bids for the Section 34 Water and Sewer Utility Extension Improvements."

STAFF REPORT:

On March 19, 2013, the City Council ordered Preparation of Feasibility Report and Preparation of Plans and Specifications for the Section 34 Water and Sewer Utility Extension Improvements. The City received a Petition, pursuant to Minnesota Statute 429, requesting the extension of trunk watermain and sanitary sewer facilities to serve the properties that will be a part of the Lennar development and the surrounding undeveloped properties located in Section 34, Township 29 North, Range 21 West.

The recommended improvements consist of trunk watermain and sanitary sewer (including a lift station near Goose Lake), extending from the Eagle Point Business Park along Hudson Boulevard and Keats Avenue to the south end of Goose Lake. The total estimated cost of the watermain improvements is \$671,800. The total estimated cost of the sanitary sewer improvements is \$1,706,400.

The feasibility report recommendations are a result of continuous communications with the impacted property owners and potential development partners. Staff conducted three property owner meetings and corresponded with many of the property owners throughout the preparation of the report. Both the scope of improvements to be constructed for this project and the cost allocation methodology were revised multiple times in response to stakeholder input.

As the Report is now presented, it is staff's belief, that the Report findings and recommendations, including the recommended improvements and the preliminary assessment roll, puts forth a proposed project that substantially achieves the goals and objectives of the requested project while balancing the specific interests of the various stakeholders and fairly distributing the burden of cost. The proposed scope of improvements together with the assessment methodology and preliminary assessment amounts are detailed in the feasibility report and will be presented at the council meeting.

The preliminary assessment roll has been distributed to each of the benefitting properties and the City has requested an Agreement of Assessment and Waiver of Irregularity and Appeal from each of them, in a form acceptable to the City Attorney. Receipt of this agreement provides the City with certainty of recovering all costs apportioned to that property through the levy of the assessment and avoids potential litigation. If the City does not receive this agreement from 100% of the property owners, the City will be required to conduct the necessary public hearings per MN State Statute 429.

RECOMMENDATION:

Staff is recommending that the City Council (1) adopt Resolution No. 2013-57, receiving the Feasibility Report and calling Hearing on Improvements and (2) adopt Resolution No. 2013-58, approving the plans and specifications and ordering the advertisement for bids for the Section 34 Water and Sewer Utility Extension Improvements. The recommended motions for these actions are as follows:

(1) "Move to adopt Resolution No. 2013-57, receiving the Feasibility Report and calling Hearing on Improvement for the Section 34 Water and Sewer Utility Extension Improvements."

(2) "Move to adopt Resolution No. 2013-58, approving the plans and specifications and ordering the advertisement for bids for the Section 34 Water and Sewer Utility Extension Improvements."

ATTACHMENT(S):

1. Resolution No. 2013-57 Receiving the Feasibility Report for the Section 34 Water and Sewer Utility Extension Improvements and Calling Hearing on Improvement
2. Notice of Hearing on Improvement
3. Resolution No. 2013-58 Approving Plans and Specification and Ordering Ad for Bids for the Section 34 Water and Sewer Utility Extension Improvements
4. Project Schedule

(The Feasibility Report and Project Plans and Specifications are available for review at City Hall)

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

RESOLUTION NO. 2013-57

**A RESOLUTION RECEIVING FEASIBILITY REPORT FOR THE
SECTION 34 WATER AND SEWER UTILITY EXTENSION
IMPROVEMENTS AND CALLING HEARING ON IMPROVEMENT**

WHEREAS, pursuant to City Council authorization, adopted on March 19, 2013, a feasibility report has been prepared by Bolton & Menk, Inc. for the extension of watermain and sanitary sewer improvements to serve the properties located in Section 34, Township 29 North, Range 21 West, with the exception of the properties located within the Stonegate subdivision; and

WHEREAS, the feasibility report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvements as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW, THEREFORE, BE IT RESOLVED,

1. That the City Council will consider the improvements in accordance with the report and the assessments of the abutting properties for all or a portion of the cost of the improvements pursuant to Minnesota Statutes, Chapter 429 at an estimated total project cost of \$671,800 for watermain improvements and \$1,706,400 for sanitary sewer improvements.
2. A public hearing shall be held on such proposed improvements' on the 3rd day of September, 2013, in the council chambers of the City Hall at or approximately after 7:00 P.M. and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SIXTEENTH DAY OF
JULY 2013.**

CITY OF LAKE ELMO

By: _____
Mike Pearson
Mayor

(Seal)
ATTEST:

Adam Bell
City Clerk

CITY OF LAKE ELMO
NOTICE OF HEARING ON IMPROVEMENT
SECTION 34 WATER AND SEWER UTILITY EXTENSION IMPROVEMENTS

Notice is hereby given that the City Council of Lake Elmo will meet in the council chambers of the city hall at or approximately after 7:00 P.M. on Tuesday, September 3, 2013, to consider the making of the following improvements, pursuant to Minnesota Statutes, Sections 429.011 to 429.111;

The improvement will consist of the extension of watermain and sanitary sewer east of Eagle Point Business Park along Hudson Boulevard to Keats Avenue North, then northerly along Keats Avenue North to the south end of Goose Lake, including trunk watermain, gravity sewer, and a sanitary lift station with connecting forcemain.

The area proposed to be assessed for these improvements include the properties abutting the watermain and sanitary sewer extensions and being located in Section 34, Township 29 North, Range 21 West. The estimated total cost of the watermain extension is \$671,800. The estimated total cost of the sanitary sewer extension is \$1,706,400. A reasonable estimate of the impact of the assessment will be available at the hearing. Such persons as desire to be heard with reference to the proposed improvements will be heard at this meeting.

DATED: July 16, 2013

BY ORDER OF THE LAKE ELMO CITY COUNCIL

Mike Pearson, Mayor

(Published in the Oakdale-Lake Elmo Review on July 24, 2013 and July 31, 2013)

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

RESOLUTION NO. 2013-58

**A RESOLUTION APPROVING PLANS AND SPECIFICATIONS
AND ORDERING ADVERTISEMENT FOR BIDS FOR THE
SECTION 34 WATER AND SEWER UTILITY EXTENSION IMPROVEMENTS**

WHEREAS, pursuant a resolution passed by the city council on the 19th day of March, 2013, the city engineer, together with Bolton & Menk, Inc. has prepared plans and specifications for the Section 34 Water and Sewer Utility Extension Improvements and has presented such plans and specifications to the council for approval.

NOW, THEREFORE, BE IT RESOLVED,

1. Such plans and specifications, a copy of which is on file at Lake Elmo City Hall and made a part hereof, are hereby approved.
2. The City Clerk shall prepare and cause to be inserted in the official paper and in Finance & Commerce an advertisement for bids upon the making of such improvements under such approved plans and specifications. The advertisement shall be published for at least 21 days, shall specify the work to be done, and shall state that sealed bids provided to the City Clerk prior to the specified bid date and time and accompanied by a bid bond or cashier's check made payable to the City of Lake Elmo in an amount not less than 5% of the amount of such bid will be considered.

ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SIXTEENTH DAY OF JULY, 2013.

CITY OF LAKE ELMO

By: _____
Mike Pearson
Mayor

(Seal)

ATTEST:

Adam Bell
City Clerk

PROJECT SCHEDULE
SECTION 34 UTILITY EXTENSIONS

FOCUS ENGINEERING, inc.

Cara Geheren, P.E. 651.300.4261
Jack Griffin, P.E. 651.300.4264
Ryan Stempski, P.E. 651.300.4267
Chad Isakson, P.E. 651.300.4283

JULY 16, 2013

March 19, 2013	Council accepts the Petition and Security for Engineering Fees; authorizes the Preparation of a Feasibility Report; authorizes the preparation of the Plans and Specifications; and Awards Engineering Report and Design Services Contract.
July 16, 2013	Council Accepts Report; and Adopts Project Assessment Policy; Approve Plans and Specifications and Authorize Advertisement for Contractor Bids.
August 1, 2013	Council receives signed Agreements of Assessment and Waiver of Irregularity and Appeal from 100% of the properties. Agreement Waives 429 Hearings. Council receives all permanent and temporary construction easements.
August 20, 2013	Accept Contractor Bids.
Sept. 3, 2013	Council Orders the Improvement and Awards the Contract.
Sept. 5, 2013	Process and send out Contract Documents.
Sept. 13, 2013	Receipt of Contractor's Bonds/Legal Review.
Sept. 16, 2013	Conduct Pre-construction Meeting & Issue Notice to Proceed.
Dec. 20, 2013	Contractor Work is substantially complete [estimated 14 weeks]; except Lift Station due to equipment deliver schedule.
Jan. 24, 2013	Final Completion Date [Lift station; all punchlist items and final close-out paperwork].



Feasibility Report

for
Section 34 Water and Sewer
Utility Extension Improvements

City of Lake Elmo, Minnesota

July 2013

Project Number N15.106424





BOLTON & MENK, INC.[®]

Consulting Engineers & Surveyors

2035 County Road D East • Suite B • Maplewood, MN 55109-5314

Phone (651) 704-9970 • Fax (651) 704-9971

www.bolton-menk.com

July 12, 2013

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

RE: Section 34 Water and Sewer Utility Extension Improvements
BMI Project No. N15.106424

Honorable Mayor and City Council Members,

Enclosed for your review is the Feasibility Report on the proposed Section 34 Water and Sewer Utility Extension Improvements project. The project scope includes extension of sanitary sewer and water main along Hudson Boulevard from the Eagle Point Business Park to Keats Avenue, and on Keats Avenue from Hudson Boulevard to Goose Lake. These improvements are intended to serve an immediate development request by Lennar Corporation as well as to provide for the development of the remaining properties in Section 34.

This Report describes the existing infrastructure as well as the improvements recommended within the project area. Detailed cost estimates for the proposed improvements have been prepared, along with a method of cost allocation to those properties receiving benefit from the improvements. This information is presented in the Report.

We would be happy to discuss this report at your convenience. Please contact me at 651-968-7384 if you have any questions.

Sincerely,

BOLTON & MENK, INC.

Joseph R. Rhein, P.E.



FEASIBILITY REPORT

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APPENDICES

Appendix A - Figures

Figure 1 – Location Plan

Figure 2 – Site Plan

Figure 3 – Land Use and REC Units

Appendix B – Cost Estimate

Appendix C – Assessment Calculations

CERTIFICATION

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

By:



Joseph R. Rhein, P.E.
License No. 23781
Bolton & Menk, Inc.

Date: July 12, 2013

SECTION 34 UTILITY EXTENSIONS

INTRODUCTION

Proposed development within Section 34 of Lake Elmo has prompted the need to investigate extension of water main and sanitary sewer to serve the undeveloped properties within the Section. In response to the need, on March 19, 2013 the City Council authorized the preparation of this Report to determine the feasibility of the proposed utility improvements. This Report will include a discussion of the improvements required to serve the project area, estimated costs of those improvements, and a method of cost allocation to determine project feasibility.

PROJECT AREA

The project area is generally described as being east of the Eagle Point Business Park, north of Hudson Boulevard, west of Keats Avenue (Washington County State Aid Highway (CSAH) 19), and south of Goose Lake and the Stonegate development. A location plan of the project area is shown on Figure 1 in Appendix A of this Report.

The parcels included in the project area are shown on Figure 2 in Appendix A. Figure 2 shows a number in a circle on each parcel. Those numbers have been created for this Report simply for ease of reference, and are not related in any way to the actual Property Identification Numbers (PIDs) for these parcels as listed through Washington County. The following table lists the reference number shown in Figure 2, as well as the actual PID and the owner for each parcel:

Reference #	PIN	OWNER
1	34-029-21-33-0002	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY
1a	34-029-21-33-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY
1b	34-029-21-32-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY
2	34-029-21-33-0005	STAR RIVER HOLDINGS LLC
3	34-029-21-33-0004	LAMPERT YARDS INC
4	34-029-21-34-0004	GATSBY INV I LLC
5	34-029-21-34-0003	DALE PROPERTIES LLC
6	34-029-21-34-0001	DALE PROPERTIES LLC
7	34-029-21-31-0001	DALE PROPERTIES LLC
8	34-029-21-42-0001	DALE PROPERTIES LLC
9	34-029-21-44-0004	EBERTZ WALTER J
10	34-029-21-44-0006	EBERTZ WALTER J
11	34-029-21-44-0007	CM PROPERTIES 94 LMTD PARTNERSHIP
12	34-029-21-44-0009	MFC PROPERTIES 94 LMTD PARTNERSHIP
13	34-029-21-41-0004	FRANSEN BANK & TRUST
14	34-029-21-13-0001	HAMMES WILLIAM E ETAL

EXISTING CONDITIONS

SANITARY SEWER

In 1996, sanitary sewer was extended from Oakdale across Inwood Ave (Washington CSAH 13), and then easterly along Hudson Boulevard. A lift station was constructed at the low point in Hudson Boulevard to the east of Eagle Point Boulevard. From the lift station, a gravity 10-inch diameter sanitary sewer pipe was extended approximately 1,400-feet to the east, reaching the west edge of Section 34. An 8-inch diameter pipe is currently stubbed to the east out of the last manhole. Sewer flows in this pipe drain to the lift station and are then pumped west across Inwood Avenue, discharging into the gravity sewer system in Oakdale.

According to the 2030 Sanitary Sewer Comprehensive plan developed in 2005, the southwest quarter of Section 34 was planned to receive sanitary sewer service through the existing pipe and lift station extending along Hudson Boulevard from Inwood Avenue. The southeast quarter of Section 34 as well as the undeveloped area in the northeast quarter was planned for development in a later phase (approximately 2020) and was to be served by gravity sewer flowing east across Keats Avenue and Lake Elmo Avenue (County Road 17B) to the Cottage Grove Interceptor provided by the Metropolitan Council Environmental Services (MCES).

WATER MAIN

Along with the sanitary sewer extension in 1996, a 12-inch diameter ductile iron pipe (DIP) trunk water main was extended from Oakdale across Inwood Ave (CSAH 13), and then easterly along Hudson Boulevard. The pipe runs parallel to the sanitary sewer and terminates at approximately the same point, near the west edge of Section 34 in front of what is now Park Dental.

SERVICES

No municipal water or sewer services exist to the project areas within Section 34. There is some amount of existing development on a few of the parcels in this area, but they are currently served by individual well and septic systems.

STREETS

There are two public roads bordering the project area – Hudson Boulevard along the south, and Keats Avenue (CSAH 19) along the east. Hudson Boulevard is under the jurisdiction of the City and exists as a rural 2-lane roadway with paved shoulders. The lanes are striped at 12-feet wide and the shoulders are 6.5-feet wide. Driveway entrances exist to properties on the north side of the road. Hudson Boulevard is bounded by Interstate-94 for a majority of its length and therefore has no properties fronting its south side. However as Hudson Boulevard approaches Keats Avenue it curves to the north, allowing two small properties to front the south side of Hudson Boulevard immediately west of Keats Avenue.

Keats Avenue is under the jurisdiction of Washington County, and is designated as CSAH No. 19. Keats Avenue is also a rural section roadway, although unlike Hudson Boulevard it is divided by a grassy median and includes two lanes for each direction of through traffic as well as dedicated turn lanes at intersections.

SECTION 34 UTILITY EXTENSIONS

DRAINAGE

An existing high point near the center of Section 34 divides surface runoff in the project area into three primary directions. The southwest portion of the project area generally drains south towards Hudson Boulevard. Runoff is conveyed by existing culverts to the south beneath Hudson Road and Interstate-94. The southeast portion of the project area generally drains east towards Kramer Lake, with runoff being conveyed beneath Keats Avenue (CSAH 19) by an existing culvert. The northeast portion of the project area generally drains north to Goose Lake.

Due to their rural design, drainage along both Hudson Boulevard and Keats Avenue is conveyed in ditches paralleling the roadway. Culverts exist beneath driveway connections to the road to maintain drainage flow within the ditches.

PRIVATE UTILITIES

A summary of existing private utilities in and around the project area is as follows:

- An existing natural gas transmission pipeline runs north-south across the western portion of Section 34, extending across Hudson Boulevard. The pipeline is located within a 50-foot wide permanent easement.
- A major overhead power transmission line runs in an east-west direction along the center of Section 34 and crosses Keats Avenue.
- A more 'standard' overhead power line exists along the north side of Hudson Boulevard adjacent to the existing ditch line. This overhead line extends from the west end of the project to approximately 1500 feet west of Keats Avenue. Another line exists along the west side of Keats Avenue for approximately 1,000 feet north from Hudson Boulevard.
- Two existing underground gas mains run in an east-west direction along the north side of Hudson Boulevard.
- An existing communication line runs in an east-west direction along the north side of Hudson Boulevard.
- No buried utilities appear to be present along the west side of Keats Avenue.

PROPOSED IMPROVEMENTS

SANITARY SEWER

Properties in the eastern portion of Section 34 have indicated a desire to develop sooner than the timeline shown in the 2030 Sanitary Sewer Comprehensive Plan. The proposed gravity sewer flowing east to the Cottage Grove Interceptor will not be installed to accommodate the proposed development schedules of these properties. Therefore, it is proposed to revise the sewer plan to allow the area up to the west edge of Keats Avenue to flow west to the existing sanitary sewer along Hudson Boulevard.

In order to provide sanitary sewer service to the undeveloped area (project area) within Section 34, the following improvements are proposed. The existing gravity sanitary sewer line currently terminating at the west edge of Section 34 will be extended east along Hudson Boulevard for approximately ½ mile. This extension will provide direct gravity sewer service to more than half the undeveloped area in Section 34. As noted previously, the southeast and northeast portions of the project area generally drain east and north. Therefore, the elevation of the gravity sanitary sewer to be extended along Hudson Boulevard is not sufficiently deep to provide service to those portions of the project area.

The lowest ground surface elevations are located in the northeast portion of the project area, near Goose Lake. These surface elevations control the required elevation for the sanitary sewer. As a result, a new sanitary sewer lift station is proposed to be installed near the northeast corner of the project area, in this location of the critical ground elevations. The new sewer lift station will be installed at an elevation such that it will be able to serve the balance of the project area not served by the gravity sewer main along Hudson Boulevard.

A new 8-inch diameter gravity sewer main will extend from the new lift station south along the west side of Keats Avenue, towards Hudson Boulevard. A portion of the sewer alignment is proposed to be routed along street alignments shown on the preliminary plat for the Savona development submitted by the Lennar Corporation. Once the gravity sewer main reaches Hudson Boulevard, it will extend west along the north side of Hudson Boulevard a distance of approximately 650 feet from Keats Avenue, to reach parcels in that area. A sewer stub will also be extended across Hudson Boulevard to serve the properties on the south side of the road.

Sewer flows collected in the new gravity sewer line along Keats Avenue will drain to the new lift station near the northeast corner of the project area. The sewage will be pumped from the lift station back to the gravity sewer line along Hudson Boulevard. In order to accommodate this, an 8-inch diameter force main will be extended from the new lift station down the west side of Keats Avenue to Hudson Boulevard, then west along Hudson Boulevard approximately ½ mile, discharging into the terminus of the extended gravity sewer main on Hudson Boulevard.

The preliminary layout of the sanitary sewer improvements described here are shown on Figure 2 included in Appendix A of this Report. Figure 2 also indicates the portion of the project area that will receive direct gravity service from the sewer main along Hudson Boulevard, and the portion of the project area where sewer service will be provided by the gravity system connected to the new lift station.

SECTION 34 UTILITY EXTENSIONS

The Land Use Plan for the project area, along with the corresponding anticipated number of Residential Equivalent (REC) Units is shown on Figure 3 in Appendix A. This information was updated by the City in March 2013.

In order to provide gravity service to the western portion of the project area, as well as to receive the pumped sewer flows from the southeast and northeast portions of the project area, at the anticipated REC Unit counts, the proposed sanitary sewer main along Hudson Boulevard will need to be 12-inch diameter. This 12-inch pipe will connect to the 10-inch diameter pipe that currently exists along Hudson Boulevard west of Section 34.

The existing 10-inch diameter gravity sanitary sewer main and existing lift station along Hudson Boulevard, as well as the connection to the gravity system in Oakdale, do not have sufficient capacity to accommodate sewer flows developed by the anticipated REC Units within the project area. Ultimately, as the project area in Section 34 develops, the existing lift station along Hudson Boulevard will need to be replaced with a larger capacity station. Discharge from the larger capacity station would then be directed south to the WONE Interceptor sewer in Woodbury, rather than to the system in Oakdale. The WONE Interceptor is owned and operated by the MCES and has sufficient capacity to accept flow from the entire project area in Section 34.

The existing 10-inch pipe along Hudson Boulevard is anticipated to reach capacity limitations when development of the project area in Section 34 nears approximately 82% of the projected REC Units. In order to accommodate full anticipated development of the project area, the capacity of the segment of 10-inch sanitary sewer would need to be increased. This could be accomplished through replacement of the 10-inch pipe with a larger capacity sewer, installation of a parallel sewer main, or other means.

Replacement of the existing lift station and increasing the capacity of the existing 10-inch diameter sewer are not part of this proposed project and are beyond the scope of this Report. As such, they have not been investigated further than the discussion provided here. This information is presented as a reference and as a tool for future planning by the City. As development occurs in the Section 34 project area, the City should monitor the actual development REC Unit count compared to the projected REC Units to determine when the existing 10-inch pipe will reach capacity.

The gravity sanitary sewer mains to be installed on this project are proposed to be polyvinyl chloride (PVC) pipe. Precast concrete manholes would be provided at appropriate locations along the new sewer to allow for grade and / or alignment changes as well as access. The force main extending from the new lift station is proposed to be ductile iron pipe (DIP). Air release valves contained in precast concrete access structures would be provided at appropriate locations along the force main.

The new gravity sanitary sewer and force main installed along Hudson Boulevard is proposed to be located within the existing public right-of-way of Hudson Boulevard. The new gravity sanitary sewer and force main installed along Keats Avenue is proposed to be located just outside the existing public right-of-way of Keats Avenue.

LIFT STATION

As mentioned previously, the proposed new lift station will serve the portion of the project area indicated on Figure 2. Design sewer flows to the new lift station have been calculated based on the proposed service area and the corresponding anticipated REC Unit counts.

The lift station is proposed to be a duplex submersible type of station similar to the existing lift station on Hudson Boulevard. The wet well of the station is proposed to be an 8-foot diameter precast concrete structure, approximately 25-feet deep. The wet well would contain two submersible pumps, each with a 25 horsepower (hp) motor. The pumps would run in an alternating cycle. A second underground structure would also be installed as part of the lift station. This structure is referred to as the valve vault and would provide access to valves on the new force main. The valve vault is proposed to be a 6-foot diameter precast concrete structure, approximately 10-feet deep.

A three-phase electrical service is needed to power the new lift station. Electric utility does not exist adjacent to the lift station site. The closest electric utility is a single-phase, located on Keats Avenue just south of 10th Street, approximately 1,000 feet north of the lift station site. The most cost effective method of providing electric service to the lift station would be to run a new single-phase line down Keats Avenue to the site, then convert it to three-phase through use of a variable frequency drive (VFD).

In order to maintain sewer service in the event of a power outage, a permanently mounted backup natural gas generator is proposed to be installed at the lift station site. The generator would be 50 kilowatts (kW) in size and would maintain normal operation of the lift station during an electric outage or other emergency situation. Since the generator would run on natural gas, a new natural gas service would also be run to the lift station site.

WATER MAIN

A 12-inch diameter water main exists on Hudson Boulevard at the west end of the project. As part of the project, the 12-inch water main will be extended east along Hudson Boulevard to Keats Avenue, then north along Keats Avenue to the north edge of the proposed Savona development, where it could be connected to by the furthest undeveloped property in the project area (Hammes). The water main will be equipped with the necessary valves and hydrants for operation and maintenance.

The 12-inch diameter main will be sufficient to provide service to all undeveloped properties within the project area. However, future extension and looping of the water main is recommended as properties within the project area develop to provide improved system reliability and quality.

SERVICES

Individual sewer and water services are not planned to be installed as part of this project. As development occurs, connections can be made to the sewer and water systems in the locations most appropriate for the development layout.

For the portion of the gravity sanitary sewer running through the Savona development, since a preliminary plat for those lots has been submitted, service wyes and risers would be extended from the main at locations indicated by the developer. This will assist the developer with installation of the individual sewer services to those lots at a later date when the development proceeds, and will prevent the need to make multiple cut-ins to the existing sewer main at that time.

SECTION 34 UTILITY EXTENSIONS

STREETS

A preliminary analysis of the sanitary sewer and water main trench dimensions along Hudson Boulevard was performed. As a result, the existing bituminous shoulder will need to be removed to allow the installation of the utilities, and would be replaced as part of the project. Existing driveways and culverts disturbed by the utility installations will be replaced with in-kind materials. No additional storm sewer or street work is proposed with this project.

GEOTECHNICAL EVALUATION

Investigation of the soils along the proposed utility installation routes is underway, however results are not available for inclusion in this Report. Soil borings are being taken at various locations along the proposed alignments of the sewer and water mains, as well as at the lift station site. Findings of the soil investigation will be incorporated into the final design of the project.

PERMITS

In order to construct the proposed improvements described in this Report, it will be necessary to obtain the following permits prior to the start of construction:

- Minnesota Department of Health (MDH) for water main extension.
- Minnesota Pollution Control Agency (MPCA) for sanitary sewer extension.
- Minnesota Pollution Control Agency (MPCA), NPDES Phase II General Storm Water Permit for Construction Activities since this project would disturb more than one acre of land.
- Washington County for construction activity within their right-of-way. Although the utilities along Keats Avenue will be installed outside the County right-of-way, activities for the construction (trenching, restoration, etc.) will extend into their right-of-way.
- South Washington Watershed District for construction activity. The western portion of the project area lies within the boundary of the South Washington Watershed District.
- Valley Branch Watershed District for construction activity. The eastern portion of the project area lies within the boundary of the Valley Branch Watershed District.
- BP Pipelines for work within their easement and crossing of their natural gas pipeline.
- Xcel Energy for work within their easement and crossing of their electric transmission lines.

EASEMENTS

Permanent utility easements will be needed from the properties abutting Keats Avenue, since the sewer and water mains along Keats Avenue are proposed to be installed outside the right-of-way.

Although the sewer and water mains along Hudson Boulevard will be located within the right-of-way, due to the depth of the sanitary sewer it is recommended permanent easements be obtained from those properties abutting the sewer, to allow future access to the utility as needed by the City.

Temporary construction easements will need to be obtained from each parcel abutting the utility installations, to allow for activities such as staging, trenching, and restoration.

SECTION 34 UTILITY EXTENSIONS

Exact sizes and configurations of the easements necessary for the project will be determined during final design. Appropriate documentation for each easement will be prepared, including sketches and legal descriptions. It will be necessary to obtain all easements prior to the start of construction. It is anticipated all easements will be provided to the City for no direct compensation to the property owner. Therefore, no costs for permanent or temporary easements have been included in this report. Furthermore, it is recommended the City Council require the easements needed for the project be obtained at no cost to the City as a condition of adopting this Report.

ESTIMATED COSTS

Detailed cost estimates for the project have been prepared and are included in Appendix B. All costs are based on anticipated unit prices for the 2013 construction season. All costs include a 10 percent contingency and a 25 percent allowance for indirect costs associated with the project (engineering, administrative, financing, and legal). No costs are included for capitalized interest during the construction period or before assessments are collected.

Costs for the improvements have been broken down between sanitary sewer and water main. Within the sanitary sewer, costs have further been broken down into four components as described:

- Gravity sanitary sewer along Hudson Boulevard.
- Lift station system, including the station, gravity sanitary sewer draining to the station, and force main from the station to the connection point at the gravity sewer along Hudson Boulevard.
- Service to the CM Properties, which consists of the sewer crossing of Hudson Blvd to reach reference property #11 (PID 34-029-21-44-0007; CM Properties 94 Lmted Partnership).
- Lennar Area Services, which consists of the sewer wyes and risers for preliminary platted lots within the Savona development.

Following is an overall summary of the estimated costs:

Estimated Project Costs	
Item	Cost
Water Main	\$671,726
Sanitary Sewer	
Gravity Sewer – Hudson Boulevard	\$490,644
Lift Station System	\$1,190,186
Service to CM Properties	\$20,939
Lennar Area Services	\$4,455
Total – Sanitary Sewer	\$1,706,224
Total Estimated Project Costs	\$2,377,950

COST ALLOCATION

The Total Estimated Project Costs are proposed to be assessed to all benefiting properties. Project costs for the improvements were apportioned based on the Residential Equivalent (REC) Units method. REC Units were determined by the City in March 2013 for the area of the City south of 10th Street, based on the Land Use Plan and the anticipated development density. The Land Use Plan and corresponding REC Units for this area are shown on Figure 3 in Appendix A.

The total number of REC Units within the project area is 1092.

REC ALLOCATION ADJUSTMENT

One adjustment was made to the REC Unit allocation method. In looking at the properties within the project area as shown on Figure 2, it is seen that the existing sewer and water utility along Hudson Blvd currently terminates near the southwest corner of property #1. Properties #1 and #1a have the same owner. Therefore, in theory the owner of properties #1 and #1a could extend sewer and water across their frontage to obtain service, without the need for the larger project being undertaken here. Accordingly, the costs allocated to properties #1 and #1a for this large project should be capped at the estimated amount of the 'theoretical' project to extend the utilities just across their frontage, since that is the maximum amount of benefit they can receive from any additional extension of the water and sewer utilities.

The difference between the actual calculated allocation amount to properties #1 and #1a and the capped amount to allocate to them must be redistributed over other properties within the project area. It is recommended to redistribute this incremental difference over those properties within the project area that have the greatest development potential and correspondingly the greatest potential benefit from the extension of sewer and water utilities across the larger project area. Those properties would be #5 through #14.

Properties #2, #3, and #4 are in a similar situation to properties #1 and #1a. That is, in theory those properties could just extend sewer and water across their frontage, without the need or benefit of the larger project being proposed. When this exercise was performed for properties #2, #3, and #4 though, it was found the estimated costs from the 'theoretical' project were very close to the actual allocations calculated for the larger project. As a result, it is deemed that an adjustment or capping of the allocations to properties #2, #3, and #4 is not warranted.

WATER UTILITY COST ALLOCATION

Water main assessments were determined by dividing the total water main costs by the number of REC Units in the project area to establish the cost per REC Unit. Properties were then assigned an assessment based upon the number of REC's contained in their parcel, plus any REC Allocation Adjustment needed as described above. The following table shows the project cost for the water main, the number of REC's, and the resulting cost per REC Unit. The adjustment of the capping of the cost to properties #1 and #1a is also illustrated in the table. The detailed worksheet showing the assessment calculations by parcel is included in Appendix C of this Report.

SECTION 34 UTILITY EXTENSIONS

Assessment Rates – Water Main			
Item	Project Cost	REC	Cost per REC Unit
Water Main	\$671,726	1092*	\$615.13
Capped rate for properties #1 and #1a		156	\$419.28
Reduction to properties #1 and #1a (\$615.13 - \$419.28) * 156 REC Units	(\$30,553)		
Adjustment for Capped rate to #1 and #1a	\$30,553	859**	\$35.57
<i>Total</i>	<i>\$671,726</i>		

* Includes properties #1 and #1a

** Costs assigned to properties #5 through #14

SEWER UTILITY COST ALLOCATION

Sanitary sewer assessments were determined by dividing the cost for each component of the sanitary sewer improvements by the number of REC Units associated with that component. Properties were then assigned an assessment based upon the number of REC's contained in their parcel and the components of the sewer improvements that applied to that parcel.

The allocation of cost for each component of the sanitary sewer improvements is described as:

- Gravity Sewer – Hudson Boulevard: Since this sewer will ultimately receive all flow from all properties within the project area, this cost was divided over all REC Units in the entire project area. The allocation adjustment for properties #1 and #1a were also applied to this component.
- Lift Station System: These costs were divided over the REC Units included within the lift station service area as shown on Figure 2.
- Service to CM Properties: Since this portion of the improvement will serve only property #11, the costs were divided only by the REC Units included in that property.
- Lennar Area Services: Since this portion of the improvement affects only property #13, the costs were divided only by the REC Units included in that property.

The following table shows the project cost for each component of the sanitary sewer, the number of REC's assigned to that cost, and the cost per REC Unit. The adjustment of the capping of the cost to properties #1 and #1a is also illustrated in the table. The detailed worksheet showing the assessment calculations by parcel is included in Appendix C of this Report.

SECTION 34 UTILITY EXTENSIONS

Assessment Rates – Sanitary Sewer			
Item	Project Cost	REC	Cost per REC Unit
Gravity Sewer – Hudson Boulevard	\$490,644	1092*	\$449.31
Capped rate for properties #1 and #1a		156	\$411.84
Reduction to properties #1 and #1a (\$449.31 - \$411.84) * 156 REC Units	(\$5,845)		
Adjustment for Capped rate to #1 and #1a	\$5,845	859**	\$6.80
Lift Station System	\$1,190,186	490	\$2,428.95
Service to CM Properties (#11)	\$20,939	23	\$910.37
Lennar Area Services (#13)	\$4,455	146	\$30.51
<i>Total</i>	<i>\$1,706,224</i>		

* Includes properties #1 and #1a

** Costs assigned to properties #5 through #14

FINANCING

The entire project costs are proposed to be financed by assessments levied against benefitting properties based on the cost allocation described in this report. The proposed assessment roll for the project is shown in Appendix C of this Report.

Since the assessments will be levied over a period of time, an interim funding source will be needed to pay project costs as they are incurred. It is the understanding of this Report that the City intends to bond for the project as the interim funding source, and will repay the bond using the assessments as they are collected. Per the City's adopted Special Assessment Policy, it is recommended the City levy the assessments over a 15-year period and assign an interest rate of 1% to 2% over the average coupon rate of the bond to the assessments. This will address the internal costs the City will incur associated with the bonding and with documentation of the assessments.

PUBLIC HEARING

This project has been initiated by petition of the property owners. The petition was received by the City Council and found adequate on March 19, 2013. As such, it is the intent that prior to proceeding with these improvements, all properties benefitting from this project will sign an Agreement of Assessment and Waiver of Irregularity and Appeal. Obtaining signed Agreements from all property owners will waive the need for a Public Hearing on the proposed improvements. In the event that not all property owners sign the Agreement, it is recommended the City Council order the Public Hearing and continue the process until all property owners have signed the Agreement.

PROJECT SCHEDULE

Below is the proposed schedule for the project to be constructed in 2013:

- March 19, 2013 Council accepts the Petition; authorizes Preparation of a Feasibility report; and authorizes Preparation of the Plans and Specifications.
- March 21, 2013 Project kickoff meeting.
- July 16, 2013 Council Accepts Report; Adopts Project Assessment Policy; Approves Plans and Specifications; and Authorizes Advertisement for Contractor Bids.
- August 20, 2013 Accept Contractor Bids.
- August 30, 2013 Council receives signed Agreements of Assessment and Waiver of Irregularity and Appeal from 100% of the properties; Agreement Waives 429 Hearings; Council receives all permanent and temporary construction easements from property owners.
- September 3, 2013 Council Orders the Improvement and Awards the Contract.
- September 16, 2013 Conduct Pre-Construction Meeting & Issue Notice to Proceed.
- December 20, 2013 Contractor Work is Substantially Complete (estimated 14 weeks) except Lift Station due to equipment delivery schedule.
- January 24, 2014 Final Completion Date including Lift Station, all punch list items, and Final Project Close-Out.

CONCLUSION AND RECOMMENDATIONS

To support development of properties within Section 34, sanitary sewer and water main extensions are needed. This Report has identified the recommended utility improvements to provide sanitary sewer and water service to the properties within the project area. It has also estimated the cost of the recommended improvements and identified a method of cost allocation to finance the project.

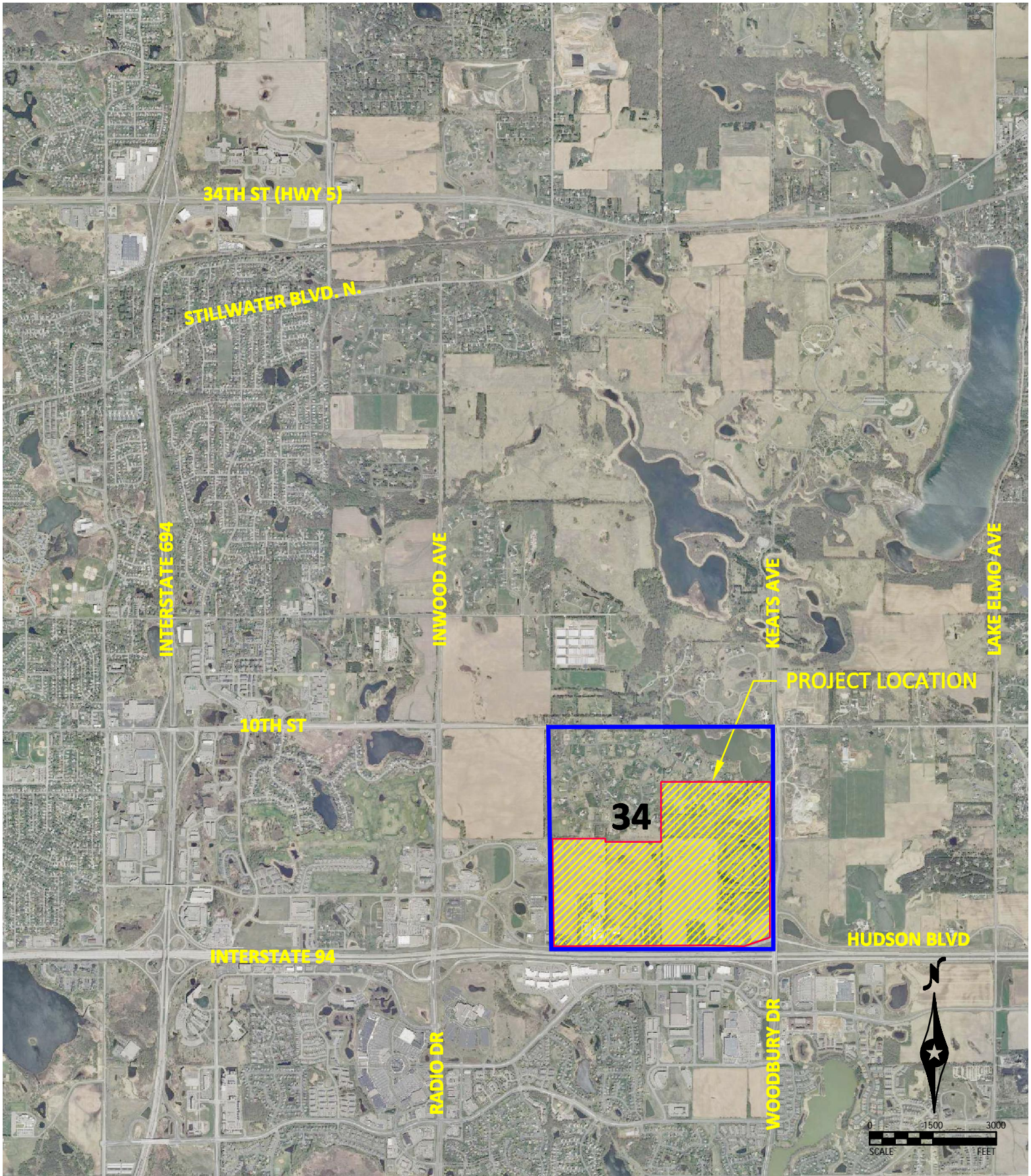
This project as proposed is technically and financially feasible, is necessary, cost-effective, and will result in a benefit to the properties to be assessed. It is recommended that the City Council accept this Report.



Appendix A

Figures





LOCATION PLAN

**SECTION 34 WATER AND SEWER
UTILITY EXTENSION IMPROVEMENTS**

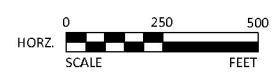
FIGURE: 1



LEGEND	
EXISTING SANITARY SEWER	
EXISTING FORCE MAIN	
EXISTING WATER MAIN	
PROPOSED SANITARY SEWER	
PROPOSED FORCE MAIN	
PROPOSED WATER MAIN	
FUTURE WATER MAIN	
SERVICE AREA	
LIFT STATION SERVICE AREA	
SEWER SERVICE FLOW	



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BOLTON & MENK, INC.
 Consulting Engineers & Surveyors
 MANKATO, MN FAIRMONT, MN SLEEPY EYE, MN BURNSVILLE, MN
 WILLMAR, MN CHASKA, MN RAMSEY, MN MAPLEWOOD, MN
 BAXTER, MN ROCHESTER, MN AMES, IA SPENCER, IA

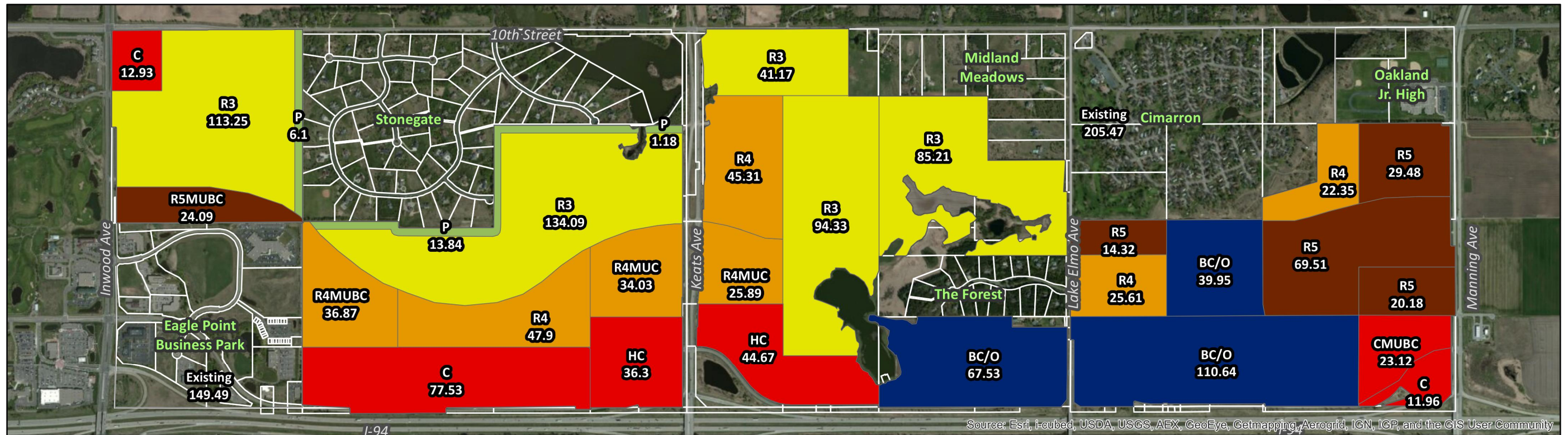
LAKE ELMO, MINNESOTA
 SECTION 34 WATER AND SEWER UTILITY EXTENSION IMPROVEMENTS

SITE PLAN

FIGURE 2

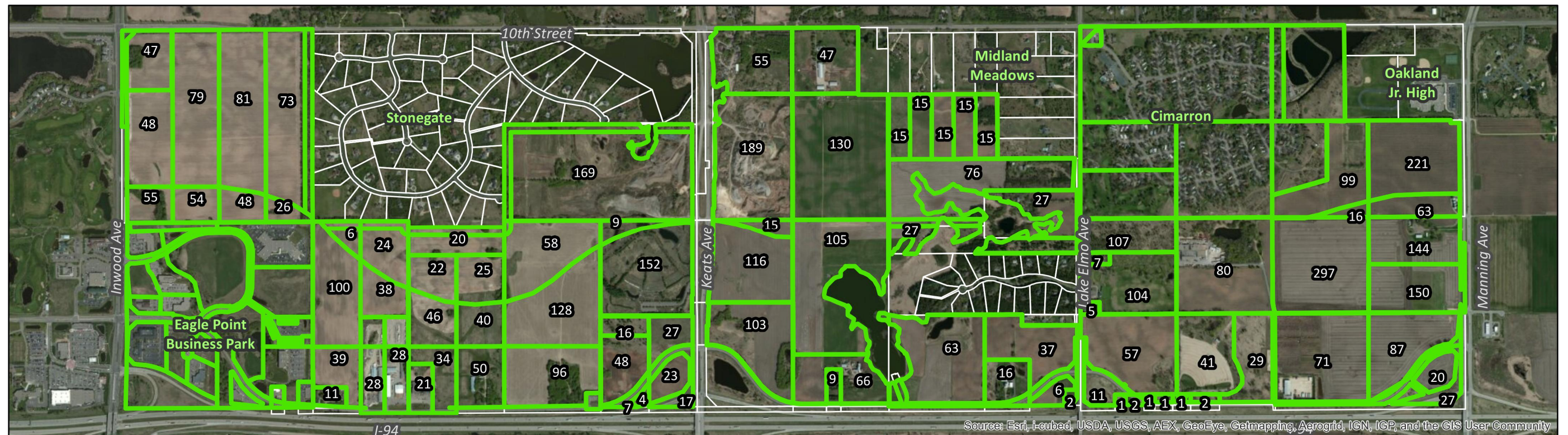
Land Use Plan for South of 10th Street

Boundaries, densities and text subject only to changes which result in the final minimum number of REC units being equal to or in excess of 4500.



Approximate Corresponding REC Units

Lowest Permitted Density Assumptions: (R-3 = 2.5 upa) (R-4 = 4.5 upa) (R-5 = 7.5 upa) (C & HC = 4 rec/acre) (BC/O = 2 rec/acre)



Approximate NEW rec units (EXCLUDES anticipated Eagle Point & Cimarron hook-ups): 4685 (HIGH) / 4384 (LOW)

"High" number assumes all ALTERNATIVE use areas develop at the highest allowable floor for that acreage; "Low" number assumes all mixed use areas develop at the lowest allowable floor for that acreage.



Appendix B

Cost Estimate



Cost Estimate
City of Lake Elmo
Section 34 Water and Sewer Utility Extension Improvements
N15.106424
7/12/2013

SANITARY SEWER (GRAVITY SEWER-HUDSON BOULEVARD)

Item	Unit	Unit Price	Quantity	Cost
MOBILIZATION	LS	\$ 12,000.00	1	\$ 12,000
TRAFFIC CONTROL	LS	\$ 5,000.00	1	\$ 5,000
CONCRETE JERSEY BARRIERS	LF	\$ 20.00	900	\$ 18,000
CLEAR AND GRUB TREES	LS	\$ 3,500.00	1	\$ 3,500
REMOVE BITUMINOUS SHOULDER	SY	\$ 6.00	650	\$ 3,900
REMOVE BITUMINOUS DRIVEWAY	SY	\$ 5.00	800	\$ 4,000
REMOVE CULVERT	LF	\$ 15.00	300	\$ 4,500
REMOVE SANITARY SEWER PIPE	LF	\$ 10.00	13	\$ 130
SALVAGE AND REINSTALL FENCE	LF	\$ 20.00	370	\$ 7,400
PATCH BITUMINOUS SHOULDER	SY	\$ 30.00	650	\$ 19,500
PATCH BITUMINOUS DRIVEWAY	SY	\$ 25.00	800	\$ 20,000
PATCH GRAVEL DRIVEWAY	TN	\$ 15.00	60	\$ 900
CULVERT	LF	\$ 40.00	300	\$ 12,000
CONNECT TO EXISTING SANITARY SEWER MH	EA	\$ 1,000.00	1	\$ 1,000
12" PVC SANITARY SEWER, 0' - 10' DEEP	LF	\$ 30.00	458	\$ 13,740
12" PVC SANITARY SEWER, 10' - 15' DEEP	LF	\$ 35.00	1,123	\$ 39,305
12" PVC SANITARY SEWER, 15' - 20' DEEP	LF	\$ 40.00	153	\$ 6,120
12" PVC SANITARY SEWER, 20' - 25' DEEP	LF	\$ 55.00	174	\$ 9,570
12" PVC SANITARY SEWER, 25' - 30' DEEP	LF	\$ 75.00	151	\$ 11,325
12" PVC SANITARY SEWER, 30' - 35' DEEP	LF	\$ 100.00	505	\$ 50,500
12" PVC SANITARY SEWER, 35' - 40' DEEP	LF	\$ 120.00	35	\$ 4,200
JACK 12" PVC SANITARY SEWER	LF	\$ 250.00	80	\$ 20,000
RESTRICTED TRENCH	LF	\$ 20.00	900	\$ 18,000
4' DIAMETER SANITARY SEWER MH	EA	\$ 2,000.00	7	\$ 14,000
4' DIAMETER OVERDEPTH	LF	\$ 120.00	125	\$ 15,000
SEED & BLANKET	SY	\$ 2.00	15,000	\$ 30,000
SEED & HYDROMULCH	SY	\$ 1.00	10,300	\$ 10,300
DITCH CHECK	EA	\$ 200.00	15	\$ 3,000
CULVERT INLET PROTECTION	EA	\$ 200.00	8	\$ 1,600
SILT FENCE	LF	\$ 3.00	1,500	\$ 4,500
4" SOLID WHITE STRIPE	LF	\$ 0.50	900	\$ 450
CONSTRUCTION COSTS				\$ 363,440
+10% CONTIGENCY			+	\$ 36,344
+25% INDIRECT COSTS			+	\$ 90,860
TOTAL PROJECT COSTS - SANITARY SEWER (GRAVITY SEWER-HUDSON BOULEVARD)				\$ 490,644

SANITARY SEWER (LIFT STATION/FORCEMAIN SYSTEM)

Item	Unit	Unit Price	Quantity	Cost
MOBILIZATION	LS	\$ 25,000.00	1	\$ 25,000
TRAFFIC CONTROL	LS	\$ 1,500.00	1	\$ 1,500
CLEAR AND GRUB TREES	LS	\$ 6,000.00	1	\$ 6,000
TEMPORARY ROCK CONSTRUCTION ENTRANCE	EA	\$ 2,000.00	2	\$ 4,000
REMOVE BITUMINOUS DRIVEWAY	SY	\$ 5.00	700	\$ 3,500
REMOVE CONCRETE PAVEMENT	SY	\$ 8.00	40	\$ 320
REMOVE CONCRETE CURB AND GUTTER	LF	\$ 5.00	30	\$ 150
REMOVE CULVERT	LF	\$ 15.00	450	\$ 6,750
PATCH BITUMINOUS DRIVEWAY	SY	\$ 25.00	250	\$ 6,250
PATCH CONCRETE DRIVEWAY	SY	\$ 40.00	40	\$ 1,600
PATCH GRAVEL DRIVEWAY	TN	\$ 15.00	550	\$ 8,250
B618 CONCRETE CURB AND GUTTER	LF	\$ 10.00	30	\$ 300
CULVERT	LF	\$ 40.00	450	\$ 18,000
8" PVC SANITARY SEWER, 0' - 10' DEEP	LF	\$ 28.00	788	\$ 22,064

8" PVC SANITARY SEWER, 10' - 15' DEEP	LF	\$	30.00	1,743	\$	52,290
8" PVC SANITARY SEWER, 15' - 20' DEEP	LF	\$	35.00	821	\$	28,735
8" PVC SANITARY SEWER, 20' - 25' DEEP	LF	\$	45.00	639	\$	28,755
10" PVC SANITARY SEWER, 15' - 20' DEEP	LF	\$	40.00	107	\$	4,280
10" PVC SANITARY SEWER, 20' - 25' DEEP	LF	\$	55.00	183	\$	10,065
10" PVC SANITARY SEWER, 25' - 30' DEEP	LF	\$	75.00	148	\$	11,100
10" PVC SANITARY SEWER, 30' - 35' DEEP	LF	\$	90.00	79	\$	7,110
8" DIP SANITARY SEWER, 10' - 15' DEEP	LF	\$	40.00	20	\$	800
8" DIP OUTSIDE DROP	LF	\$	250.00	15	\$	3,750
12" DIP SANITARY SEWER 15'-20' DEEP	LF	\$	40.00	40	\$	1,600
12" DIP OUTSIDE DROP	LF	\$	275.00	12	\$	3,300
4' DIAMETER SANITARY SEWER MH	EA	\$	2,000.00	26	\$	52,000
4' DIAMETER OVERDEPTH	LF	\$	120.00	155	\$	18,600
8" FORCEMAIN	LF	\$	25.00	5,922	\$	148,050
AIR RELEASE MH	EA	\$	4,500.00	2	\$	9,000
DIP FITTINGS	LB	\$	6.00	1,500	\$	9,000
LIFT STATION	LS	\$	280,000.00	1	\$	280,000
LIFT STATION SITE IMPROVEMENTS	LS	\$	5,000.00	1	\$	5,000
SEED & BLANKET	SY	\$	2.00	28,000	\$	56,000
SEED & HYDROMULCH	SY	\$	1.00	25,300	\$	25,300
DITCH CHECK	EA	\$	200.00	30	\$	6,000
CULVERT INLET PROTECTION	EA	\$	200.00	11	\$	2,200
SILT FENCE	LF	\$	3.00	5,000	\$	15,000
CONSTRUCTION COSTS						\$ 881,619
+10% CONTIGENCY						+ \$ 88,162
+25% INDIRECT COSTS						+ \$ 220,405
TOTAL PROJECT COSTS - SANITARY SEWER (LIFT STATION/FORCEMAIN SYSTEM)						\$ 1,190,186

SANITARY SEWER (SERVICE TO CM PROPERTIES: PARCEL 11)

Item	Unit	Unit Price	Quantity	Cost		
8" PVC SANITARY SEWER, 0' - 10' DEEP	LF	\$	28.00	45	\$	1,260
JACK 8" SANITARY SEWER	LF	\$	225.00	60	\$	13,500
SEED & BLANKET	SY	\$	2.00	300	\$	600
SILT FENCE	LF	\$	3.00	50	\$	150
CONSTRUCTION COSTS						\$ 15,510
+10% CONTIGENCY						+ \$ 1,551
+25% INDIRECT COSTS						+ \$ 3,878
TOTAL PROJECT COSTS - SANITARY SEWER (SERVICE TO CM PROPERTIES: PARCEL 11)						\$ 20,939

SANITARY SEWER (LENNAR AREA SERVICES: PARCEL 13)

Item	Unit	Unit Price	Quantity	Cost		
8"x4" PVC WYE	EA	\$	150.00	11	\$	1,650
4" SEWER SERVICE RISER	LF	\$	15.00	110	\$	1,650
CONSTRUCTION COSTS						\$ 3,300
+10% CONTIGENCY						+ \$ 330
+25% INDIRECT COSTS						+ \$ 825
TOTAL PROJECT COSTS - SANITARY SEWER (LENNAR AREA SERVICES: PARCEL 13)						\$ 4,455

WATER MAIN

Item	Unit	Unit Price	Quantity	Cost		
MOBILIZATION	LS	\$	14,000.00	1	\$	14,000
TRAFFIC CONTROL	LS	\$	1,500.00	1	\$	1,500
CONNECT TO EXISTING 12" WATER MAIN	EA	\$	1,200.00	1	\$	1,200
6" DIP WATER MAIN	LF	\$	25.00	215	\$	5,375
12" DIP WATER MAIN	LF	\$	50.00	7,270	\$	363,500
JACK 12" DIP WATER MAIN	LF	\$	250.00	40	\$	10,000
6" GATE VALVE AND BOX	EA	\$	1,300.00	14	\$	18,200
12" BUTTERFLY VALVE AND BOX	EA	\$	2,200.00	7	\$	15,400

HYDRANT	EA	\$	3,600.00	14	\$	50,400
DUCTILE IRON FITTINGS	LB	\$	6.00	3,000	\$	18,000
<hr/>						\$ 497,575
CONSTRUCTION COSTS						
+10% CONTIGENCY				+	\$	49,758
+25% INDIRECT COSTS				+	\$	124,394
<hr/>						\$ 671,726
TOTAL PROJECT COSTS - WATER MAIN					\$	671,726

SUMMARY

TOTAL SANITARY SEWER (GRAVITY SEWER-HUDSON BOULEVARD)	\$	490,644
TOTAL SANITARY SEWER (LIFT STATION/FORCEMAIN SYSTEM)	\$	1,190,186
TOTAL SANITARY SEWER (SERVICE TO CM PROPERTIES: PARCEL 11)	\$	20,939
TOTAL SANITARY SEWER (LENNAR AREA SERVICES: PARCEL 13)	\$	4,455
TOTAL WATER MAIN	\$	671,726
<hr/>		
TOTAL PROJECT COST	\$	2,377,950



Appendix C

Assessment Calculations



PRELIMINARY ASSESSMENT WORKSHEET - WATER MAIN

SECTION 34 WATER AND SEWER
 UTILITY EXTENSION IMPROV.
 LAKE ELMO, MN
 BMI PROJECT NO. N15.106424
 July 12, 2013

	PROJECT COST	REC UNITS	COST/REC UNIT
WATER MAIN	\$ 671,726	1092	\$ 615.13
TOTAL	\$ 671,726		

PROPERTY NO.	PIN	OWNER	LAND USE	REC UNITS	WATER MAIN		ADJUSTMENT FOR CAPPING PROPERTIES 1 AND 1a		TOTALS
					RATE	COST	RATE	COST	
1	34-029-21-33-0002	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY**	C	11	\$ 419.28	\$ 4,600	\$ -	\$ -	\$ 4,600
		<i>SUBTOTAL</i>				\$ 4,600	\$ -	\$ -	\$ 4,600
1a	34-029-21-33-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY**	C	39	\$ 419.28	\$ 16,400	\$ -	\$ -	\$ 16,400
			R4MUBC	100	\$ 419.28	\$ 41,900	\$ -	\$ -	\$ 41,900
			R3	6	\$ 419.28	\$ 2,500	\$ -	\$ -	\$ 2,500
		<i>SUBTOTAL</i>				\$ 60,800	\$ -	\$ -	\$ 60,800
1b	34-029-21-32-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY	R4MUBC	0	\$ -	\$ -	\$ -	\$ -	\$ -
			R3	0	\$ -	\$ -	\$ -	\$ -	\$ -
		<i>SUBTOTAL</i>				\$ -	\$ -	\$ -	\$ -
2	34-029-21-33-0005	STAR RIVER HOLDINGS LLC	C	28	\$ 615.13	\$ 17,200	\$ -	\$ -	\$ 17,200
		<i>SUBTOTAL</i>				\$ 17,200	\$ -	\$ -	\$ 17,200
3	34-029-21-33-0004	LAMPERT YARDS INC	C	28	\$ 615.13	\$ 17,200	\$ -	\$ -	\$ 17,200
		<i>SUBTOTAL</i>				\$ 17,200	\$ -	\$ -	\$ 17,200
4	34-029-21-34-0004	GATSBY INV I LLC	C	21	\$ 615.13	\$ 12,900	\$ -	\$ -	\$ 12,900
		<i>SUBTOTAL</i>				\$ 12,900	\$ -	\$ -	\$ 12,900
5	34-029-21-34-0003	DALE PROPERTIES LLC	C	34	\$ 615.13	\$ 20,900	\$ 35.57	\$ 1,200	\$ 22,100
			R4	30	\$ 615.13	\$ 18,500	\$ 35.57	\$ 1,100	\$ 19,600
			R3	25	\$ 615.13	\$ 15,400	\$ 35.57	\$ 900	\$ 16,300
		<i>SUBTOTAL</i>				\$ 54,800	\$ 3,200	\$ 3,200	\$ 58,000
6	34-029-21-34-0001	DALE PROPERTIES LLC	C	50	\$ 615.13	\$ 30,800	\$ 35.57	\$ 1,800	\$ 32,600
			R4	9	\$ 615.13	\$ 5,500	\$ 35.57	\$ 300	\$ 5,800
			R3	22	\$ 615.13	\$ 13,500	\$ 35.57	\$ 800	\$ 14,300
		<i>SUBTOTAL</i>				\$ 49,800	\$ 2,900	\$ 2,900	\$ 52,700
7	34-029-21-31-0001	DALE PROPERTIES LLC	R3	24	\$ 615.13	\$ 14,800	\$ 35.57	\$ 900	\$ 15,700
		<i>SUBTOTAL</i>				\$ 14,800	\$ 900	\$ 900	\$ 15,700
8	34-029-21-42-0001	DALE PROPERTIES LLC	C	96	\$ 615.13	\$ 59,100	\$ 35.57	\$ 3,400	\$ 62,500
			R4	47	\$ 615.13	\$ 28,900	\$ 35.57	\$ 1,700	\$ 30,600
			R3	32	\$ 615.13	\$ 19,700	\$ 35.57	\$ 1,100	\$ 20,800
			R3	57	\$ 615.13	\$ 35,100	\$ 35.57	\$ 2,000	\$ 37,100
		<i>SUBTOTAL</i>				\$ 142,800	\$ 8,200	\$ 8,200	\$ 151,000
9	34-029-21-44-0004	EBERTZ WALTER J	HC	52	\$ 615.13	\$ 32,000	\$ 35.57	\$ 1,800	\$ 33,800
		<i>SUBTOTAL</i>				\$ 32,000	\$ 1,800	\$ 1,800	\$ 33,800
10	34-029-21-44-0006	EBERTZ WALTER J	HC	16	\$ 615.13	\$ 9,800	\$ 35.57	\$ 600	\$ 10,400
		<i>SUBTOTAL</i>				\$ 9,800	\$ 600	\$ 600	\$ 10,400
11	34-029-21-44-0007	CM PROPERTIES 94 LMTD PARTNERSHIP	HC	23	\$ 615.13	\$ 14,100	\$ 35.57	\$ 800	\$ 14,900
		<i>SUBTOTAL</i>				\$ 14,100	\$ 800	\$ 800	\$ 14,900
12	34-029-21-44-0009	MFC PROPERTIES 94 LMTD PARTNERSHIP	HC	27	\$ 615.13	\$ 16,600	\$ 35.57	\$ 1,000	\$ 17,600
		<i>SUBTOTAL</i>				\$ 16,600	\$ 1,000	\$ 1,000	\$ 17,600
13	34-029-21-41-0004	FRANDSEN BANK & TRUST	R4MUC	146	\$ 615.13	\$ 89,800	\$ 35.57	\$ 5,200	\$ 95,000
		<i>SUBTOTAL</i>				\$ 89,800	\$ 5,200	\$ 5,200	\$ 95,000
14	34-029-21-13-0001	HAMMES WILLIAM E ETAL	R3	169	\$ 615.13	\$ 104,000	\$ 35.57	\$ 6,000	\$ 110,000
		<i>SUBTOTAL</i>				\$ 104,000	\$ 6,000	\$ 6,000	\$ 110,000
		TOTALS		1092		\$ 641,200	\$ 30,600	\$ 30,600	\$ 671,800

NOTES:

** CAPPED ASSESSMENT AT RATE FOR A STAND-ALONE 'THEORETICAL' PROJECT TO SERVE PROPERTIES #1 AND #1a
 NO COSTS HAVE BEEN INCLUDED FOR TEMPORARY OR PERMANENT EASEMENTS
 NO COSTS HAVE BEEN INCLUDED FOR PRIVATE UTILITY RELOCATIONS

PRELIMINARY ASSESSMENT WORKSHEET - SANITARY SEWER
SECTION 34 WATER AND SEWER
UTILITY EXTENSION IMPROV.
LAKE ELMO, MN
BMI PROJECT NO. N15.106424
July 12, 2013

	PROJECT COST	REC UNITS	COST/REC UNIT
SANITARY SEWER (GRAVITY SEWER-HUDSON BLVD)	\$ 490,644	1092	\$ 449.31
SANITARY SEWER (LIFT STATION / FORCEMAIN SYSTEM)	\$ 1,190,186	490	\$ 2,428.95
SANITARY SEWER (SERVICE TO CM PROPERTIES: PARCEL 11)	\$ 20,939	23	\$ 910.37
SANITARY SEWER (LENNAR AREA SERVICES: PARCEL 13)	\$ 4,455	146	\$ 30.51
TOTAL	\$ 1,706,224		

PROPERTY NO.	PIN	OWNER	LAND USE	REC UNITS	SANITARY SEWER (GRAVITY SEWER - HUDSON BLVD)		SANITARY SEWER (LIFT STATION/FORCEMAIN SYSTEM)		ADJUSTMENT FOR CAPPING PROPERTIES 1 AND 1a		SANITARY SEWER (SERVICE TO CM PROPERTIES: PARCEL 11)		SANITARY SEWER (LENNAR AREA SERVICES: PARCEL 13)		TOTALS
					RATE	COST	RATE	COST	RATE	COST	RATE	COST	RATE	COST	
1	34-029-21-33-0002	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY**	C	11	\$ 411.84	\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500
		<i>SUBTOTAL</i>				\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500
1a	34-029-21-33-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY**	C	39	\$ 411.84	\$ 16,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,100
			R4MUBC	100	\$ 411.84	\$ 41,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,200
			R3	6	\$ 411.84	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
		<i>SUBTOTAL</i>				\$ 59,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,800
1b	34-029-21-32-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY	R4MUBC	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			R3	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<i>SUBTOTAL</i>				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	34-029-21-33-0005	STAR RIVER HOLDINGS LLC	C	28	\$ 449.31	\$ 12,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,600
		<i>SUBTOTAL</i>				\$ 12,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,600
3	34-029-21-33-0004	LAMPERT YARDS INC	C	28	\$ 449.31	\$ 12,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,600
		<i>SUBTOTAL</i>				\$ 12,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,600
4	34-029-21-34-0004	GATSBY INV I LLC	C	21	\$ 449.31	\$ 9,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,400
		<i>SUBTOTAL</i>				\$ 9,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,400
5	34-029-21-34-0003	DALE PROPERTIES LLC	C	34	\$ 449.31	\$ 15,300	\$ -	\$ 6.80	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,500
			R4	30	\$ 449.31	\$ 13,500	\$ -	\$ 6.80	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,700
			R3	25	\$ 449.31	\$ 11,200	\$ -	\$ 6.80	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,400
		<i>SUBTOTAL</i>				\$ 40,000	\$ -	\$ 600	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,600
6	34-029-21-34-0001	DALE PROPERTIES LLC	C	50	\$ 449.31	\$ 22,500	\$ -	\$ 6.80	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,800
			R4	9	\$ 449.31	\$ 4,000	\$ -	\$ 6.80	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,100
			R3	22	\$ 449.31	\$ 9,900	\$ -	\$ 6.80	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
		<i>SUBTOTAL</i>				\$ 36,400	\$ -	\$ 500	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,900
7	34-029-21-31-0001	DALE PROPERTIES LLC	R3	24	\$ 449.31	\$ 10,800	\$ -	\$ 6.80	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000
		<i>SUBTOTAL</i>				\$ 10,800	\$ -	\$ 200	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000
8	34-029-21-42-0001	DALE PROPERTIES LLC	C	96	\$ 449.31	\$ 43,100	\$ -	\$ 6.80	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,800
			R4	47	\$ 449.31	\$ 21,100	\$ -	\$ 6.80	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,400
			R3	32	\$ 449.31	\$ 14,400	\$ -	\$ 6.80	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,600
			R3	57	\$ 449.31	\$ 25,600	\$ 2,428.95	\$ 138,500	\$ 6.80	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ 164,500
		<i>SUBTOTAL</i>				\$ 104,200	\$ 138,500	\$ 1,600	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,300
9	34-029-21-44-0004	EBERTZ WALTER J	HC	52	\$ 449.31	\$ 23,400	\$ 2,428.95	\$ 126,300	\$ 6.80	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ 150,100
		<i>SUBTOTAL</i>				\$ 23,400	\$ 126,300	\$ 400	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,100
10	34-029-21-44-0006	EBERTZ WALTER J	HC	16	\$ 449.31	\$ 7,200	\$ 2,428.95	\$ 38,900	\$ 6.80	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 46,200
		<i>SUBTOTAL</i>				\$ 7,200	\$ 38,900	\$ 100	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,200
11	34-029-21-44-0007	CM PROPERTIES 94 LMTD PARTNERSHIP	HC	23	\$ 449.31	\$ 10,300	\$ 2,428.95	\$ 55,900	\$ 6.80	\$ 200	\$ 910.37	\$ 20,900	\$ -	\$ -	\$ 87,300
		<i>SUBTOTAL</i>				\$ 10,300	\$ 55,900	\$ 200	\$ 200	\$ 20,900	\$ 20,900	\$ -	\$ -	\$ -	\$ 87,300
12	34-029-21-44-0009	MFC PROPERTIES 94 LMTD PARTNERSHIP	HC	27	\$ 449.31	\$ 12,100	\$ 2,428.95	\$ 65,600	\$ 6.80	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 77,900
		<i>SUBTOTAL</i>				\$ 12,100	\$ 65,600	\$ 200	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,900
13	34-029-21-41-0004	FRANDSEN BANK & TRUST	R4MUC	146	\$ 449.31	\$ 65,600	\$ 2,428.95	\$ 354,600	\$ 6.80	\$ 1,000	\$ -	\$ 30.51	\$ 4,500	\$ 425,700	
		<i>SUBTOTAL</i>				\$ 65,600	\$ 354,600	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ 4,500	\$ 425,700		
14	34-029-21-13-0001	HAMMES WILLIAM E ETAL	R3	169	\$ 449.31	\$ 75,900	\$ 2,428.95	\$ 410,500	\$ 6.80	\$ 1,100	\$ -	\$ -	\$ -	\$ -	\$ 487,500
		<i>SUBTOTAL</i>				\$ 75,900	\$ 410,500	\$ 1,100	\$ 1,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,500
		TOTALS		1092		\$ 484,800	\$ 1,190,300	\$ 5,900	\$ 5,900	\$ 20,900	\$ 20,900	\$ 4,500	\$ 4,500	\$ 1,706,400	

NOTES:
** CAPPED ASSESSMENT AT RATE FOR A STAND-ALONE 'THEORETICAL' PROJECT TO SERVE PROPERTIES #1 AND #1a
NO COSTS HAVE BEEN INCLUDED FOR TEMPORARY OR PERMANENT EASEMENTS
NO COSTS HAVE BEEN INCLUDED FOR PRIVATE UTILITY RELOCATIONS

PRELIMINARY ASSESSMENT ROLL
SECTION 34 WATER AND SEWER UTILITY EXTENSION IMPROVEMENTS
LAKE ELMO, MN
BMI PROJECT NO. N15.106424
July 12, 2013

PROPERTY NO.	PIN	OWNER	SANITARY ASSESSMENT	WATER ASSESSMENT	TOTAL ASSESSMENT
1	34-029-21-33-0002	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY	\$ 4,500	\$ 4,600	\$ 9,100
1a	34-029-21-33-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY	\$ 59,800	\$ 60,800	\$ 120,600
1b	34-029-21-32-0001	DAMIANI LOUIS J & TIMOTHY C MONTGOMERY	\$ -	\$ -	\$ -
2	34-029-21-33-0005	STAR RIVER HOLDINGS LLC	\$ 12,600	\$ 17,200	\$ 29,800
3	34-029-21-33-0004	LAMPERT YARDS INC	\$ 12,600	\$ 17,200	\$ 29,800
4	34-029-21-34-0004	GATSBY INV I LLC	\$ 9,400	\$ 12,900	\$ 22,300
5	34-029-21-34-0003	DALE PROPERTIES LLC	\$ 40,600	\$ 58,000	\$ 98,600
6	34-029-21-34-0001	DALE PROPERTIES LLC	\$ 36,900	\$ 52,700	\$ 89,600
7	34-029-21-31-0001	DALE PROPERTIES LLC	\$ 11,000	\$ 15,700	\$ 26,700
8	34-029-21-42-0001	DALE PROPERTIES LLC	\$ 244,300	\$ 151,000	\$ 395,300
9	34-029-21-44-0004	EBERTZ WALTER J	\$ 150,100	\$ 33,800	\$ 183,900
10	34-029-21-44-0006	EBERTZ WALTER J	\$ 46,200	\$ 10,400	\$ 56,600
11	34-029-21-44-0007	CM PROPERTIES 94 LMTD PARTNERSHIP	\$ 87,300	\$ 14,900	\$ 102,200
12	34-029-21-44-0009	MFC PROPERTIES 94 LMTD PARTNERSHIP	\$ 77,900	\$ 17,600	\$ 95,500
13	34-029-21-41-0004	FRANDSEN BANK & TRUST	\$ 425,700	\$ 95,000	\$ 520,700
14	34-029-21-13-0001	HAMMES WILLIAM E ETAL	\$ 487,500	\$ 110,000	\$ 597,500
		TOTALS	\$ 1,706,400	\$ 671,800	\$ 2,378,200



MAYOR & COUNCIL COMMUNICATION

DATE: 7/16/2013
REGULAR
ITEM #: 14

AGENDA ITEM: 2012 Annual Financial Report & Management Letters Presentation
SUBMITTED BY: Cathy Bendel, Finance Director
THROUGH: Cathy Bendel, Finance Director
REVIEWED BY: Dean Zuleger, City Administrator
Jason Miller, Smith Schafer & Associates

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Staff
- Report/Presentation.....City Staff, Smith Schafer & Assoc.
- 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

SUMMARY AND ACTION REQUESTED: The City has retained the services of Smith, Schafer & Associates to audit the financial statements for 2012. Enclosed are the 2012 Annual Financial Audit Report and Management Letters. The City Council is asked to review and accept the 2012 reports. The recommended motion for this action is as follows:

“Move to Accept the 2012 Year End Annual Financial Report and Management Letters”

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 financial statements are free of material misstatement to the extent possible. They also review to ensure that the proper internal controls are in place.

STAFF REPORT: Jason Miller from Smith, Schafer & Associates will present the report and respond to inquiries.

RECOMMENDATION: It is recommended that the City Council accept the 2012 Year End Annual Financial Report and Management Letters.

“Move to Accept the 2012 Year End Annual Financial Report and Management Letters”

ATTACHMENTS:

- 1) 2012 Annual Financial Report
- 2) 2012 Management Letters
 - Governance Letter
 - Internal Control Matters Letter

June 28, 2013

Honorable Mayor and Members of the City Council
City of Lake Elmo, Minnesota

We have audited the financial statements of the governmental activities and each major fund of the City of Lake Elmo, Minnesota for the year ended December 31, 2012. 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 of our audit. We have communicated such information in our letter to you dated April 15, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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 of Lake Elmo, Minnesota are described in Note 1 to the financial statements. As described in Note 5 to the financial statements, the City changed accounting policies related to financial reporting of deferred outflows of resources, deferred inflows of resources and net position by adopting Statement of Governmental Accounting (GASB Statement) No. 63 for the year ended December 31, 2012. The application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit 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 estimate affecting the City of Lake Elmo, Minnesota's financial statements was:

Management's estimate of the useful life of purchased or contributed property and equipment is based on the estimate productive life of these assets. We evaluated the estimated useful lives assigned to property and equipment and determined that these lives were reasonable in relation to the financial statements taken as a whole.

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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and 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 28, 2013.

Management Consultation 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 governmental unit'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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the City Council and management of the City of Lake Elmo, Minnesota and is not intended to be used by anyone other than these specified parties.

Very truly yours,

Smith, Schaff and Associates, Ltd.

June 28, 2013

Honorable Mayor and Members of the City Council
City of Lake Elmo, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the City of Lake Elmo, Minnesota as and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Lake Elmo, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City of Lake Elmo, Minnesota's internal control to be significant deficiencies:

Accounting and Financial Reporting

A City of this size has an inherent limitation in its ability to effectively segregate its accounting duties and to prepare annual full disclosure financial statements in accordance with generally accepted accounting principles. It would not be practical for the City to devote the resources required to overcome this limitation. Management should attempt to segregate duties, however, that are incompatible from an internal control standpoint (e.g. cash receipts, posting to receivables, preparation of deposits, depositing cash to bank, receiving bank statements, reconciling bank accounts, reviewing reconciliations, disbursing cash, etc.) whenever possible. This will prevent any single individual access to control the entire cash process and help reduce the risk of fraud or embezzlement.

Reconciliations

During our audit, it was noted that the City's investment accounts are not reconciled to the general ledger trial balances. The City pools its cash and investments for all funds and personnel reconcile cash balances in the City's checking account on a monthly basis. The investments held with various financial institutions are not included in this reconciliation, however, which led to differences between the amounts reported by those financial institutions and the amount recorded on the City's trial balances. This condition, if not corrected, could also cause other errors or fraud to go undetected for extended periods of time. We understand management has subsequently implemented a monthly reconciliation procedure to ensure investment accounts are included in the reconciliation of cash and investments reported by the City's custodial financial institutions to the City's trial balances.

In addition to the matters described above and on the previous page, we identified certain opportunities for the City to strengthen internal controls and operating efficiency:

Utility Billing Software

During the performance of our audit procedures, it was noted that the City's utility billing software currently is not integrated with the City's overall general ledger accounting software. This creates additional work for City staff in that information is required to be manually entered in the general ledger accounting software, requires reconciliation between the two systems and creates duplicate information. Additionally, it increases the possibility that errors will occur and be more difficult to prevent and detect. Management should consider purchasing a utility billing software package that integrates with the City's current accounting software or purchase an accounting software package that incorporates utility billing.

This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

If we can assist you in addressing these matters please contact us. We acknowledge and appreciate all of the assistance extended to us during our audit.

Smith, Schafn and Associates, Ltd.

Maplewood, Minnesota
June 28, 2013

CITY OF LAKE ELMO, MINNESOTA

FINANCIAL STATEMENTS

DECEMBER 31, 2012

**CITY OF LAKE ELMO, MINNESOTA
FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012**

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CITY OF LAKE ELMO, MINNESOTA

INTRODUCTORY SECTION

DECEMBER 31, 2012

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**CITY OF LAKE ELMO, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
December 31, 2012**

POSITION	NAME	TERM EXPIRES
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ELECTED OFFICIALS

City Council:

Mayor	Dean Johnston	December 31, 2012
Council Member	Brett Emmons	December 31, 2012
Council Member	Nicole Park	December 31, 2014
Council Member	Mike Pearson	December 31, 2014
Council Member	Anne Smith	December 31, 2012

APPOINTED OFFICIALS

City Administrator	Dean Zuleger	Continuous
Finance Director	Cathy Bendel	Continuous

1. The first part of the document is a list of the names of the members of the committee who were appointed to study the problem of the shortage of housing in the city of New York.

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2. The second part of the document is a list of the names of the members of the committee who were appointed to study the problem of the shortage of housing in the city of New York.

3. The third part of the document is a list of the names of the members of the committee who were appointed to study the problem of the shortage of housing in the city of New York.

4. The fourth part of the document is a list of the names of the members of the committee who were appointed to study the problem of the shortage of housing in the city of New York.

5. The fifth part of the document is a list of the names of the members of the committee who were appointed to study the problem of the shortage of housing in the city of New York.

CITY OF LAKE ELMO, MINNESOTA

FINANCIAL SECTION

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the City Council
City of Lake Elmo, Minnesota

Report on the Financial Statements

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, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of Lake Elmo, Minnesota, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13 and the Schedule of Funding Progress - Other Post-Employment Benefits on page 73 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Elmo, Minnesota financial statements. The introductory section and combining and individual nonmajor fund financial statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has 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 it.



Maplewood, Minnesota
June 28, 2013

CITY OF LAKE ELMO, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lake Elmo, Minnesota, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lake Elmo, Minnesota for the fiscal year ended December 31, 2012.

New Accounting Pronouncement. The City implemented GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* in fiscal year 2012. This standard provides guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. The reader will notice a change in terminology from "net assets" to "net position".

FINANCIAL HIGHLIGHTS

- The assets of the City of Lake Elmo, Minnesota exceeded its liabilities at the close of the most recent fiscal year by \$21,840,460 (*net position*). Of this amount, \$2,310,132 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$194,070. The increase is attributed to both business-type and governmental activities.
- As of the close of the current fiscal year, the City of Lake Elmo, Minnesota's governmental funds reported combined ending fund balances of \$6,972,221, an increase of \$58,835 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,414,692, or 88.1% of total general fund expenditures. The nonspendable portion of the general fund balance as of December 31, 2012 (\$1,024,433) related to the interfund loan to the Village Project fund and prepaid expenses.
- The City's total noncurrent liabilities increased by \$4,550,014 or 36% during the current fiscal year. The increase was primarily related to this issuance of the 2012A G.O. water revenue crossover refunding bonds and the 2012B G.O. improvement bonds. The City continues to carry the 2005A water revenue bonds until the point they are refunded with the proceeds of the issuance of the 2012A G.O. water revenue crossover refunding bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Lake Elmo, Minnesota's basic financial statements. The City's basic financial statements are comprised of the following three components: 1) government-wide financial statements, providing information for the City as a whole, 2) fund financial statements, providing detailed information for the City's significant funds, and 3) notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

CITY OF LAKE ELMO, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the 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 of Lake Elmo, Minnesota that are principally supported by taxes and intergovernmental revenues (*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 of Lake Elmo, Minnesota include general government, public safety, public works, and culture and recreation. The business-type activities of the City of Lake Elmo, Minnesota include the water, sewer and storm sewer funds.

The government-wide financial statements can be found on pages 15-17 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 of Lake Elmo, Minnesota, 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 of Lake Elmo, Minnesota can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental 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 government's near-term financial 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 of the government'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 of Lake Elmo, Minnesota maintains twenty-one individual governmental funds, eight 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 2012 street improvements fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for

CITY OF LAKE ELMO, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City of Lake Elmo, Minnesota adopts an annual budget for its general fund. Budgetary comparison statements have been provided for this fund (pages 28 and 94 to 97) to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 20-27 of this report.

Proprietary funds. The City of Lake Elmo, Minnesota 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 of Lake Elmo, Minnesota uses enterprise funds to account for its water, sewer and storm sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Lake Elmo, Minnesota's various functions. The City of Lake Elmo, Minnesota uses internal service funds to account for certain capital acquisition activities. Because all of 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 funds, all of which are considered to be major funds of the City of Lake Elmo, Minnesota.

The proprietary fund financial statements can be found on pages 30-36 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 use for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 37 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 can be found on pages 41-75 of this report.

Other Information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds can be found on pages 82-102 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lake Elmo, Minnesota, assets exceeded liabilities by \$21,840,460 at the close of the most recent fiscal year.

**CITY OF LAKE ELMO, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The largest portion of the City of Lake Elmo, Minnesota's net position, \$15,571,217 (71%) reflects its investment in capital assets (e.g. land, buildings and improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Lake Elmo, Minnesota uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Lake Elmo, Minnesota's investment in 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.

City of Lake Elmo Minnesota's Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 8,276,848	\$ 5,861,208	\$ 14,138,056
Capital assets	<u>14,656,197</u>	<u>10,870,749</u>	<u>25,526,946</u>
Total assets	<u>22,933,045</u>	<u>16,731,957</u>	<u>39,665,002</u>
Long-term liabilities outstanding	8,411,173	8,714,727	17,125,900
Other liabilities	<u>614,789</u>	<u>83,853</u>	<u>698,642</u>
Total liabilities	<u>9,025,962</u>	<u>8,798,580</u>	<u>17,824,542</u>
Net position:			
Net investment in capital assets	8,782,840	6,788,377	15,571,217
Restricted	3,959,111		3,959,111
Unrestricted	<u>1,165,132</u>	<u>1,145,000</u>	<u>2,310,132</u>
Total net position	<u>\$ 13,907,083</u>	<u>\$ 7,933,377</u>	<u>\$ 21,840,460</u>

An additional portion of the City of Lake Elmo, Minnesota's net position (18 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,310,132) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Lake Elmo, Minnesota is able to report positive balances in all categories of net position for the City as a whole.

**CITY OF LAKE ELMO, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental activities. Governmental activities account for 64% of the City of Lake Elmo, Minnesota's net position. The total increase in net position for governmental activities was \$132,815, accounting for 68% of the total increase in the net position of the City of Lake Elmo, Minnesota. Key elements of this increase include:

- Charges for services increased by \$131,701 from the prior year.
- Property tax revenue increased by \$389,302 from the prior year.

Business-type activities. Business-type activities increased the City of Lake Elmo, Minnesota's net position by \$61,255 accounting for 32% of the total increase in the net position of the City of Lake Elmo, Minnesota. This increase is due primarily to an increase in charges for services and capital grants received in the enterprise funds.

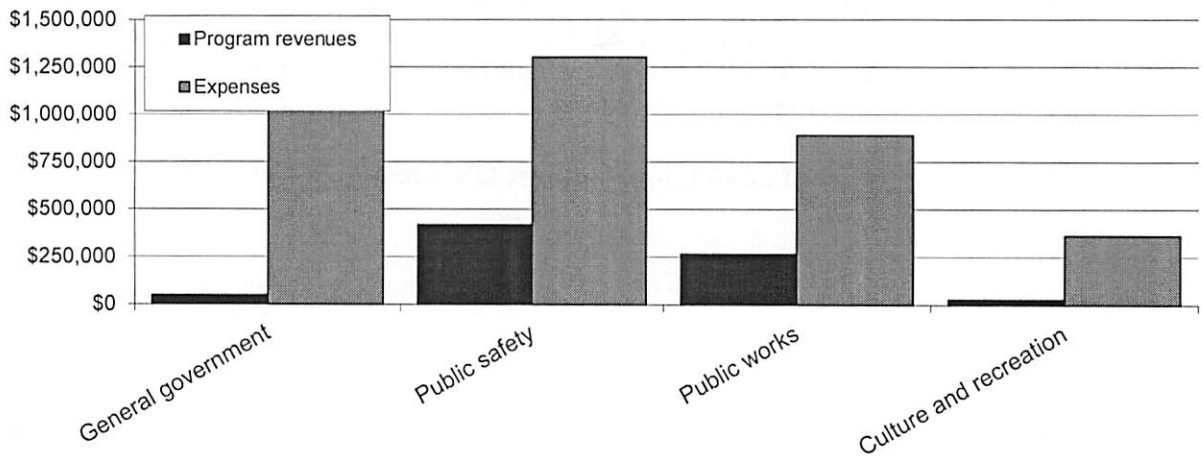
City of Lake Elmo, Minnesota's Change in Net Position

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 440,630	\$ 936,125	\$ 1,376,755
Operating grants and contributions	160,060		160,060
Capital grants and contributions	160,444	115,127	275,571
General revenues:			
Property taxes	3,183,078		3,183,078
Other	154,304	10,282	164,586
Total revenues	<u>4,098,516</u>	<u>1,061,534</u>	<u>5,160,050</u>
Expenses:			
General government	1,093,204		1,093,204
Public safety	1,302,857		1,302,857
Public works	891,169		891,169
Culture and recreation	362,432		362,432
Interest on long-term debt	316,039		316,039
Water		872,786	872,786
Sewer		53,903	53,903
Storm sewer		73,590	73,590
Total expenses	<u>3,965,701</u>	<u>1,000,279</u>	<u>4,965,980</u>
Change in net position	132,815	61,255	194,070
Net position - beginning of year	<u>13,774,268</u>	<u>7,872,122</u>	<u>21,646,390</u>
Net position - end of year	<u>\$ 13,907,083</u>	<u>\$ 7,933,377</u>	<u>\$ 21,840,460</u>

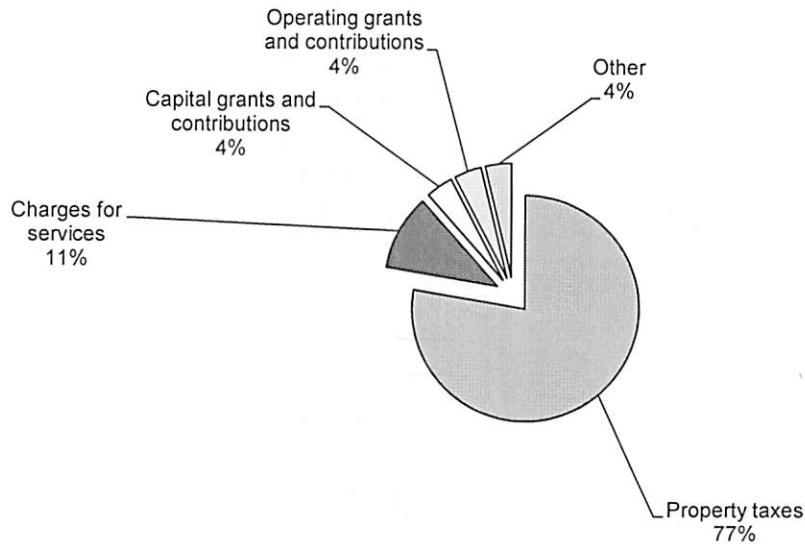
CITY OF LAKE ELMO, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

Below are specific graphs that provide comparisons of the governmental activities direct program revenues with their expenditures. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

Expenses and Program Revenues - Governmental Activities



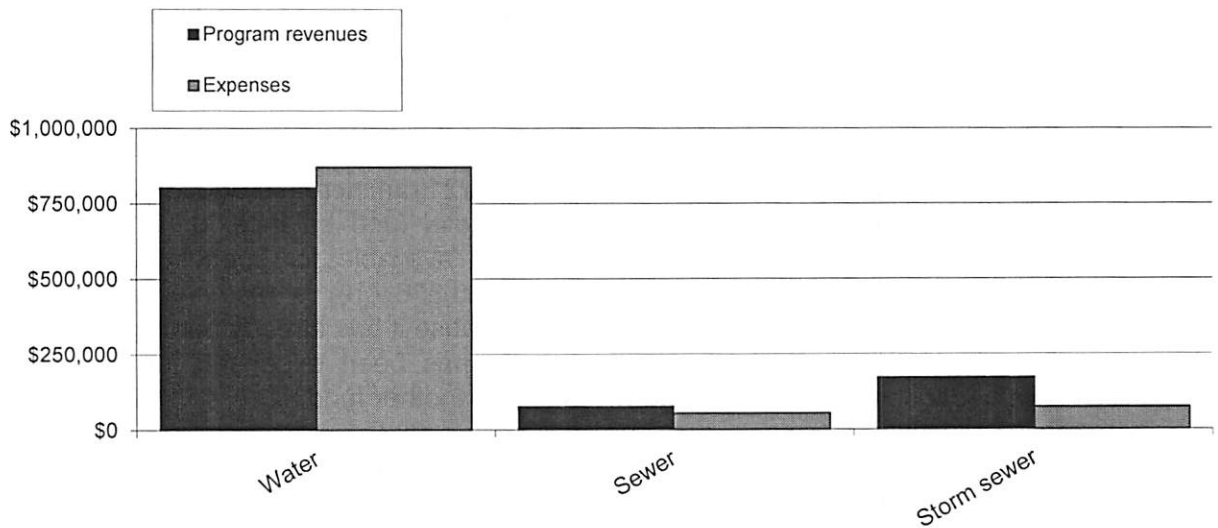
Revenues by Source - Governmental Activities



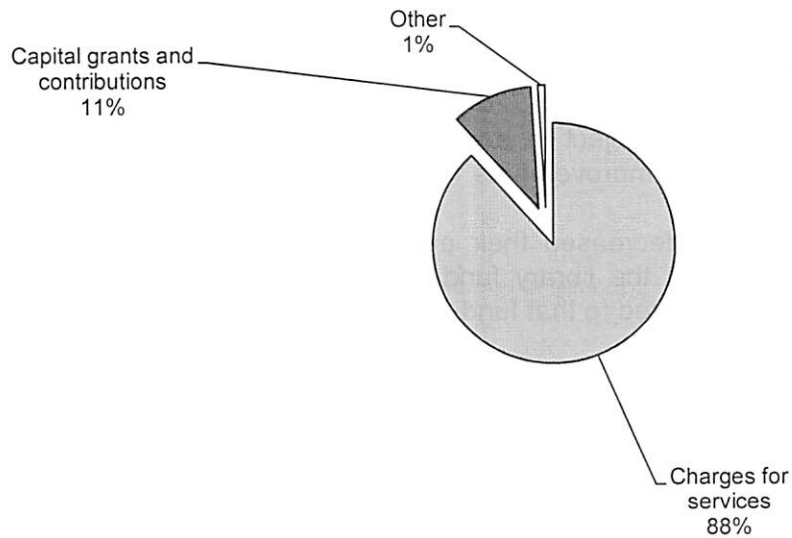
**CITY OF LAKE ELMO, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following graphs related the business-type activity's program revenues with its expenditures. Since this activity requires significant physical assets to operate, any excess revenues are held for planned capital expenditures to keep pace with growing demand for services.

Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Governmental Activities



CITY OF LAKE ELMO, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Lake Elmo, Minnesota'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 of Lake Elmo, Minnesota's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Lake Elmo, Minnesota's governmental funds reported combined ending fund balances of \$6,972,221, an increase of \$58,835 in comparison with the prior year. Approximately 17 percent of this total fund balance, or \$1,165,505, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance (\$5,806,716) is *restricted and nonspendable* to indicate that it is not available for new spending because it has already been restricted by creditors, grantors or regulations of other governments or has been expensed for prepaid items, or is unavailable because the funds have been loaned to another fund.

The general fund is the chief operating fund of City of Lake Elmo, Minnesota. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,414,692. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 88% of total general fund expenditures. The general fund's total fund balance increased by \$525,205 during the current fiscal year due primarily to increases in property taxes and building permits and improved collections of delinquent property taxes.

The debt service fund decreased its fund balance by \$33,943 due primarily to debt service expenditures in excess of property taxes, special assessments and intergovernmental revenues allocated to this fund.

The Village Project fund decreased its fund balance by \$52,710 as a result of investment interest owed to other funds related to the fund balance deficit in this fund. The 2012 street improvements fund decreased its fund balance by \$95,726 due primarily to capital outlay expenditures related to the 2012 street improvement project in excess of debt proceeds and prior to the collection of special assessments for these improvements.

The special revenue funds decreased their overall fund balances by \$72,568 due primarily to capital outlay expenditures in the library fund related to the purchase of the library building in excess of property taxes allocated to that fund.

The capital projects funds, other than the village project and 2012 street improvements funds described previously, decreased their collective fund balance by \$211,423 due primarily to capital outlay expenditures in excess of special assessments and investment earnings allocated to the funds.

Proprietary funds. The City of Lake Elmo, Minnesota's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**CITY OF LAKE ELMO, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Unrestricted net position for water operations, sewer operations and storm sewer operations at the end of the year amounted to \$667,175, \$81,867 and \$395,958, respectively. The water fund decreased its net position by \$59,670 for the year ended December 31, 2012 while the sewer and storm sewer increased their net position by \$22,648 and \$98,277, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Lake Elmo, Minnesota'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. The actual net change to the General Fund balance was an increase of \$525,205. Revenues exceeded budget by \$366,392 for the year ended December 31, 2012 due primarily to better than anticipated collection of property taxes and an increase in licenses and permits revenue over expectations. Total expenditures exceeded budget by \$16,187 for the year. Two departments had expenditures in excess of budget: general government expenditures exceeded budget by \$56,119 and public safety expenditures exceeded budget by \$28,396. These over expenditures were primarily related to increased personnel and professional services expenses. Additionally, the City had budgeted for \$175,000 of transfers out that were not required to be made.

Capital Asset and Debt Administration

Capital assets. The City of Lake Elmo, Minnesota's investment in capital assets for its governmental and business-type activities as of December 31, 2012, amounted to \$25,526,946 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. Total capital assets increased by \$547,456, or 22%, for the year ended December 31, 2012, due primarily to construction in progress on various capital projects within the City.

**City of Lake Elmo, Minnesota's Capital Assets
(net of depreciation)**

	Governmental Activities	Business-Type Activities	Total
Land	\$ 3,453,979	\$ 54,675	\$ 3,508,654
Construction in progress	2,290,314	569,738	2,860,052
Buildings	2,925,354		2,925,354
Improvements other than buildings	493,529		493,529
Machinery and equipment	785,684	127,433	913,117
Infrastructure	4,707,337	10,118,903	14,826,240
Total	<u>\$ 14,656,197</u>	<u>\$ 10,870,749</u>	<u>\$ 25,526,946</u>

Additional information on the City of Lake Elmo, Minnesota's capital assets can be found in Note 3D beginning on page 56 of this report.

Long-term debt. At the end of the current fiscal year, the City of Lake Elmo, Minnesota had \$16,905,000 in bonds and certificates outstanding. The entire \$16,905,000 outstanding comprises debt backed by the full faith and credit of the government.

**CITY OF LAKE ELMO, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of Lake Elmo, Minnesota's Outstanding Debt
General Obligation Bonds and Certificates**

	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 8,120,000	\$ 8,635,000	\$ 16,755,000
General obligation certificates	150,000		150,000
Total	<u>\$ 8,270,000</u>	<u>\$ 8,635,000</u>	<u>\$ 16,905,000</u>

The City of Lake Elmo, Minnesota's total bonds and certificates payable increased by \$4,454,000 during the current fiscal year. The increase was due primarily to the issuance of the City's 2012A general obligation water revenue crossover refunding bonds and 2012B general obligation improvement bonds.

The City of Lake Elmo, Minnesota maintains an Aa2 bond rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota City may issue to 3% of its market value of taxable property. Net debt is payable solely from ad valorem taxes. The City is currently well within this limit.

Economic Factors and Next Year's Budgets and Rates

- The City's taxable market value decreased 8.5 percent from 2011 to 2012, and increased 1.2 percent from 2012 to 2013.
- Total property taxes levied for 2013 increased 1.6% percent over property taxes levied for 2012. This is primarily due to an increase in the debt service component of the levy.
- Plans are underway for extensive development in the following three areas:
 - The I-94 Corridor where a mixed use development featuring commercial/retail business as well as residential (2012-2017).
 - The Old Village re-development project of commercial and residential expansion (2013-2018).
 - The Highway 36 Corridor residential expansion due to the completion of the new federally funded bridge linking Minnesota and Wisconsin (targeted completion in 2017).
 - Provision of sanitary sewer service to the Old Village/Downtown area
 - Improvements to the City's water distribution system including the Keats trunk water main and development of Well No. 4.

Requests for Information

This financial report is designed to provide a general overview of the City of Lake Elmo, Minnesota'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 information should be addressed to City of Lake Elmo, Minnesota, 3800 Laverne Avenue North, Lake Elmo, Minnesota, 55042.

CITY OF LAKE ELMO, MINNESOTA

FINANCIAL STATEMENTS

DECEMBER 31, 2012

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CITY OF LAKE ELMO, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 4,532,496	\$ 1,097,692	\$ 5,630,188
Cash with fiscal agent	2,855,141	4,017,679	6,872,820
Receivables	392,281	560,932	953,213
Due from other governmental units	275,000		275,000
Prepaid expenses	19,035		19,035
Unamortized deferred charges	202,895	184,905	387,800
Capital assets:			
Nondepreciable	5,744,293	624,413	6,368,706
Depreciable, net	8,911,904	10,246,336	19,158,240
Total Assets	<u>22,933,045</u>	<u>16,731,957</u>	<u>39,665,002</u>
LIABILITIES			
Accounts payable	388,539	29,610	418,149
Accrued expenses	40,766	2,816	43,582
Accrued interest	93,620	48,576	142,196
Escrow deposits	75,000		75,000
Due to other governmental units	164	2,851	3,015
Unearned revenue	16,700		16,700
Noncurrent liabilities:			
Due within one year	3,374,241	168,381	3,542,622
Due in more than one year	5,036,932	8,546,346	13,583,278
Total Liabilities	<u>9,025,962</u>	<u>8,798,580</u>	<u>17,824,542</u>
NET POSITION			
Net investment in capital assets	8,782,840	6,788,377	15,571,217
Restricted			
Debt service	3,500,799		3,500,799
Street improvement	183,229		183,229
City facilities	275,083		275,083
Unrestricted	1,165,132	1,145,000	2,310,132
Total Net Position	<u>\$ 13,907,083</u>	<u>\$ 7,933,377</u>	<u>\$ 21,840,460</u>

CITY OF LAKE ELMO, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,093,204	\$ 48,476	\$	\$
Public safety	1,302,857	379,557	38,823	
Public works	891,169	3,256	103,166	160,444
Culture and recreation	362,432	9,341	18,071	
Interest on long-term debt	316,039			
Total governmental activities	3,965,701	440,630	160,060	160,444
Business-Type activities:				
Water	872,786	699,159		104,652
Sewer	53,903	65,737		10,475
Storm sewer	73,590	171,229		
Total business-type activities	1,000,279	936,125		115,127
Total	\$ 4,965,980	\$ 1,376,755	\$ 160,060	\$ 275,571

General revenues:
 General property taxes
 Interest earnings
 Miscellaneous
 Total general revenues
Change in net position
Net position - beginning
Net position - ending

FORM A-2

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,044,728)		\$ (1,044,728)
(884,477)		(884,477)
(624,303)		(624,303)
(335,020)		(335,020)
(316,039)		(316,039)
<u>(3,204,567)</u>		<u>(3,204,567)</u>
	\$ (68,975)	(68,975)
	22,309	22,309
	97,639	97,639
	<u>50,973</u>	<u>50,973</u>
<u>(3,204,567)</u>	<u>50,973</u>	<u>(3,153,594)</u>
3,183,078		3,183,078
111,705	10,282	121,987
42,599		42,599
<u>3,337,382</u>	<u>10,282</u>	<u>3,347,664</u>
132,815	61,255	194,070
13,774,268	7,872,122	21,646,390
<u>\$ 13,907,083</u>	<u>\$ 7,933,377</u>	<u>\$ 21,840,460</u>

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CITY OF LAKE ELMO, MINNESOTA

FUND FINANCIAL STATEMENTS

DECEMBER 31, 2012

CITY OF LAKE ELMO, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	<u>General Fund</u>	<u>Debt Service</u>	<u>Village Project</u>	<u>2012 Street Improvements</u>
ASSETS				
Cash and investments	\$ 2,126,829	\$ 659,158	\$	\$
Cash with fiscal agent		2,855,141		
Receivables (Net of allowance for uncollectibles)				
Accounts	16,500			
Delinquent taxes	64,105			
Special assessments		186,992		
Accrued interest	24,338			
Due from other funds	604,124			
Advances to other funds	1,005,398			
Due from other governmental units	41,202	275,000		
Prepaid expenses	19,035			
TOTAL ASSETS	<u><u>\$ 3,901,531</u></u>	<u><u>\$ 3,976,291</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 340,671	\$ 13,500	\$	\$ 5,632
Escrow deposits payable				
Accrued liabilities	40,766			
Due to other governments	164			
Due to other funds			252,710	100,744
Advances from other funds			1,005,398	
Deferred revenue	80,805	461,992		
Total liabilities	<u>462,406</u>	<u>475,492</u>	<u>1,258,108</u>	<u>106,376</u>
FUND BALANCE				
Nonspendable	1,024,433			
Restricted		3,500,799		
Assigned				
Unassigned	2,414,692		(1,258,108)	(106,376)
Total Fund Balance	<u>3,439,125</u>	<u>3,500,799</u>	<u>(1,258,108)</u>	<u>(106,376)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 3,901,531</u></u>	<u><u>\$ 3,976,291</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

See Notes to Financial Statements

FORM B-1

Other Governmental Funds	Total
\$ 1,703,439	\$ 4,489,426
	2,855,141
	16,500
	64,105
59,144	246,136
	24,338
112,576	716,700
	1,005,398
	316,202
	19,035
<u>\$ 1,875,159</u>	<u>\$ 9,752,981</u>
\$ 28,736	\$ 388,539
75,000	75,000
	40,766
	164
315,498	668,952
	1,005,398
59,144	601,941
<u>478,378</u>	<u>2,780,760</u>
	1,024,433
458,312	3,959,111
1,244,900	1,244,900
(306,431)	743,777
<u>1,396,781</u>	<u>6,972,221</u>
<u>\$ 1,875,159</u>	<u>\$ 9,752,981</u>

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CITY OF LAKE ELMO, MINNESOTA
RECONCILIATION OF NET POSITION IN THE
GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND BALANCES
IN THE FUND BASIS FINANCIAL STATEMENTS
December 31, 2012

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

Total governmental fund balances (pages 20-21)	\$ 6,972,221
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental funds - capital assets	\$ 18,754,088
Accumulated depreciation	<u>(4,297,875)</u>
	14,456,213
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Delinquent property taxes	\$ 64,105
Deferred special assessments	246,136
Due from other governmental units	<u>275,000</u>
	585,241
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	\$ (8,270,000)
Compensated absences	(60,675)
Post employment benefit obligation	(66,505)
Accrued interest	(93,620)
Unamortized premium	(13,993)
Unamortized discount and bond issuance costs	<u>202,895</u>
	(8,301,898)
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 position.	<u>195,306</u>
Net position of governmental activities (page 15)	<u><u>\$ 13,907,083</u></u>

CITY OF LAKE ELMO, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	<u>General Fund</u>	<u>Debt Service</u>	<u>Village Project</u>	<u>2012 Street Improvements</u>
REVENUES				
Taxes	\$ 2,549,986	\$ 411,669	\$	\$
Licenses and permits	330,819			
Intergovernmental	162,029	75,225		
Charges for services	5,726			
Fines and forfeitures	58,385			
Special assessments		97,552		
Investment earnings	90,983	14,864	(6,999)	
Miscellaneous revenue	69,450			
TOTAL REVENUES	<u>3,267,378</u>	<u>599,310</u>	<u>(6,999)</u>	
EXPENDITURES				
Current				
General government	1,034,712			
Public safety	1,109,937			
Public works	446,541			
Culture and recreation	150,983			
Capital Outlay				
Public safety				
Public works			5,711	918,898
Culture and recreation				
Debt Service				
Principal		406,000		
Interest and other charges		227,253	40,000	
Bond issuance costs				41,828
TOTAL EXPENDITURES	<u>2,742,173</u>	<u>633,253</u>	<u>45,711</u>	<u>960,726</u>
Excess (deficiency) of revenues over (under) expenditures	525,205	(33,943)	(52,710)	(960,726)
OTHER FINANCING SOURCES				
Issuance of debt				865,000
Net change in fund balances	525,205	(33,943)	(52,710)	(95,726)
FUND BALANCES (DEFICIT), Beginning	<u>2,913,920</u>	<u>3,534,742</u>	<u>(1,205,398)</u>	<u>(10,650)</u>
FUND BALANCES (DEFICIT), Ending	<u>\$ 3,439,125</u>	<u>\$ 3,500,799</u>	<u>\$ (1,258,108)</u>	<u>\$ (106,376)</u>

See Notes to Financial Statements

FORM B-3

Other Governmental Funds	Total
\$ 260,078	\$ 3,221,733
	330,819
	237,254
	5,726
	58,385
38,598	136,150
12,889	111,737
18,112	87,562
<u>329,677</u>	<u>4,189,366</u>
	1,034,712
	1,109,937
	446,541
109,421	260,404
35,661	35,661
193,329	1,117,938
275,257	275,257
	406,000
	267,253
	41,828
<u>613,668</u>	<u>4,995,531</u>
(283,991)	(806,165)
	865,000
(283,991)	58,835
<u>1,680,772</u>	<u>6,913,386</u>
<u>\$ 1,396,781</u>	<u>\$ 6,972,221</u>

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CITY OF LAKE ELMO, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

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

Net change in fund balances - total governmental funds (pages 24-25)	\$	58,835	
Governmental funds report capital outlay as expenditures.			
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:			
Capital outlay	\$	1,387,725	
Depreciation expense		<u>(611,245)</u>	776,480
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:			
Deferred revenue, end of year	\$	585,241	
Deferred revenue, beginning of year		<u>(674,827)</u>	(89,586)
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:			
Compensated absences, end of year	\$	(60,675)	
Compensated absences, beginning of year		41,731	
Post employment benefit obligation, end of year		(66,505)	
Post employment benefit obligation, beginning of year		<u>43,561</u>	(41,888)
Bond, contract and loan proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:			
Principal retirement on long-term debt	\$	406,000	
Issuance of long-term debt		(865,000)	
Change in accrued interest, bond premium, bond discount and bond issuance costs		<u>8,003</u>	(450,997)
Internal service funds are used by management to charge the costs of capital equipment replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities in the government-wide financial statements			
			<u>(120,029)</u>
Change in net position of governmental activities (page 17)	\$		<u><u>132,815</u></u>

See Notes to Financial Statements

CITY OF LAKE ELMO, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	Budgeted Amounts		2012 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,490,403	\$ 2,490,403	\$ 2,549,986	\$ 59,583
Licenses and permits	181,100	181,100	330,819	149,719
Intergovernmental	133,249	133,249	162,029	28,780
Charges for services	8,850	8,850	5,726	(3,124)
Fines and forfeits	53,000	53,000	58,385	5,385
Investment earnings	20,000	20,000	90,983	70,983
Miscellaneous Revenue	14,384	14,384	69,450	55,066
TOTAL REVENUES	2,900,986	2,900,986	3,267,378	366,392
EXPENDITURES				
Current				
General government	978,593	978,593	1,034,712	(56,119)
Public safety	1,081,541	1,081,541	1,109,937	(28,396)
Public works	482,749	482,749	446,541	36,208
Culture and recreation	183,103	183,103	150,983	32,120
TOTAL EXPENDITURES	2,725,986	2,725,986	2,742,173	(16,187)
Excess (deficiency) of revenues over (under) expenditures	175,000	175,000	525,205	350,205
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(175,000)	(175,000)		175,000
Net change in fund balance			525,205	525,205
FUND BALANCE, beginning	2,913,920	2,913,920	2,913,920	
FUND BALANCE, ending	\$ 2,913,920	\$ 2,913,920	\$ 3,439,125	\$ 525,205

See Notes to Financial Statements

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**CITY OF LAKE ELMO, MINNESOTA
 PROPRIETARY FUNDS
 Combining Statement of Net Position
 December 31, 2012**

	Water	Sewer	Storm Sewer
ASSETS			
Current Assets			
Cash and investments	\$ 925,250	\$ 52,989	\$ 119,453
Cash with fiscal agent	4,017,679		
Receivables			
Accounts	219,560	26,324	225,222
Special assessments	44,335	11,543	33,948
Due from other funds	668		23,915
 Total Current Assets	 5,207,492	 90,856	 402,538
Noncurrent Assets			
Property and Equipment			
Land	54,675		
Machinery and equipment	282,860		
Infrastructure	11,745,589	346,607	595,833
Construction in progress	486,843	12,514	70,381
Total Property and Equipment	12,569,967	359,121	666,214
 Less: Accumulated depreciation	 2,482,547	 186,669	 55,337
 Net Property and Equipment	 10,087,420	 172,452	 610,877
 Unamortized deferred charges	 184,905		
 Total Noncurrent Assets	 10,272,325	 172,452	 610,877
 TOTAL ASSETS	 \$ 15,479,817	 \$ 263,308	 \$ 1,013,415

See Notes to Financial Statements

FORM C-1

<u>Total</u>	<u>Internal Service Funds</u>
\$ 1,097,692	\$ 43,070
4,017,679	
471,106	
89,826	
24,583	
5,700,886	43,070
54,675	
282,860	598,435
12,688,029	
569,738	
13,595,302	598,435
2,724,553	398,451
10,870,749	199,984
184,905	
11,055,654	199,984
\$ 16,756,540	\$ 243,054

CITY OF LAKE ELMO, MINNESOTA
PROPRIETARY FUNDS
Combining Statement of Net Position (Continued)
December 31, 2012

	Water	Sewer	Storm Sewer
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable	\$ 23,821	\$ 3,916	\$ 1,873
Accrued salaries payable	1,407	611	798
Accrued interest payable	48,576		
Due to other funds	24,583		
Due to other governments	2,851		
Current portion of compensated absences	1,907	1,026	448
Current portion of bonds payable	165,000		
	<u>268,145</u>	<u>5,553</u>	<u>3,119</u>
Total Current Liabilities			
Long-term Liabilities			
Other postemployment benefits payable	7,377	1,852	2,769
Compensated absences payable	2,946	1,584	692
Unamortized premium on bonds	59,126		
Bonds payable	8,470,000		
	<u>8,539,449</u>	<u>3,436</u>	<u>3,461</u>
Total Long-term Liabilities			
Total Liabilities	<u>8,807,594</u>	<u>8,989</u>	<u>6,580</u>
Net Position			
Net investment in capital assets	6,005,048	172,452	610,877
Unrestricted	667,175	81,867	395,958
	<u>6,672,223</u>	<u>254,319</u>	<u>1,006,835</u>
Total Net Position			
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,479,817</u>	<u>\$ 263,308</u>	<u>\$ 1,013,415</u>

See Notes to Financial Statements

<u>Total</u>	<u>Internal Service Funds</u>
\$ 29,610	\$
2,816	
48,576	
24,583	47,748
2,851	
3,381	
<u>165,000</u>	
<u>276,817</u>	<u>47,748</u>
11,998	
5,222	
59,126	
<u>8,470,000</u>	
<u>8,546,346</u>	
<u>8,823,163</u>	<u>47,748</u>
6,788,377	199,984
<u>1,145,000</u>	<u>(4,678)</u>
<u>7,933,377</u>	<u>195,306</u>
<u>\$ 16,756,540</u>	<u>\$ 243,054</u>

CITY OF LAKE ELMO, MINNESOTA
PROPRIETARY FUNDS
Combining Statement of Revenues, Expenses
and Changes in Net Position
For the Year Ended December 31, 2012

	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>
Operating Revenues	<u>\$ 634,607</u>	<u>\$ 54,710</u>	<u>\$ 147,162</u>
Operating Expenses			
Personnel services	84,755	25,316	34,862
Supplies	37,903	21	3,236
Professional services	70,164	2,052	18,839
Repairs and maintenance	11,768	194	1,465
Insurance	6,162		
Utilities	111,800	17,581	
Depreciation	323,055	8,739	15,188
Total Operating Expenses	<u>645,607</u>	<u>53,903</u>	<u>73,590</u>
Operating Income (Loss)	<u>(11,000)</u>	<u>807</u>	<u>73,572</u>
Other Revenue (Expense)			
Investment earnings	9,305	339	638
Rents	46,001		
Special assessments	18,551	11,027	24,067
Amortization of deferred charges	(6,050)		
Interest expense	(221,129)		
Total Other Revenue (Expense)	<u>(153,322)</u>	<u>11,366</u>	<u>24,705</u>
Income (Loss) Before Contributions	<u>(164,322)</u>	<u>12,173</u>	<u>98,277</u>
Capital contributions	<u>104,652</u>	<u>10,475</u>	
Net Income (Loss)	<u>(59,670)</u>	<u>22,648</u>	<u>98,277</u>
Net Position, Beginning of Year	<u>6,731,893</u>	<u>231,671</u>	<u>908,558</u>
Net Position, End of Year	<u>\$ 6,672,223</u>	<u>\$ 254,319</u>	<u>\$ 1,006,835</u>

See Notes to Financial Statements

FORM C-2

<u>Total</u>	<u>Internal Service Funds</u>
<u>\$ 836,479</u>	<u>\$</u>
144,933	
41,160	
91,055	
13,427	69,663
6,162	
129,381	
<u>346,982</u>	<u>50,334</u>
<u>773,100</u>	<u>119,997</u>
<u>63,379</u>	<u>(119,997)</u>
10,282	(32)
46,001	
53,645	
(6,050)	
<u>(221,129)</u>	
<u>(117,251)</u>	<u>(32)</u>
(53,872)	(120,029)
<u>115,127</u>	
61,255	(120,029)
<u>7,872,122</u>	<u>315,335</u>
<u><u>\$ 7,933,377</u></u>	<u><u>\$ 195,306</u></u>

CITY OF LAKE ELMO, MINNESOTA
PROPRIETARY FUNDS
Combining Statement of Cash Flows
For the Year Ended December 31, 2012

	Water	Sewer	Storm Sewer	Total	Internal Service Funds
Cash Flows from Operating Activities					
Cash received from customers	\$ 645,578	\$ 57,782	\$ 207,711	\$ 911,071	\$
Cash payments to suppliers	(241,762)	(17,934)	(26,314)	(286,010)	(77,444)
Cash payments to employees	(83,980)	(23,248)	(34,220)	(141,448)	
Net Cash Provided By (Used In) Operating Activities	<u>319,836</u>	<u>16,600</u>	<u>147,177</u>	<u>483,613</u>	<u>(77,444)</u>
Cash Flows From Investing Activities					
Interest earnings received	<u>9,305</u>	<u>339</u>	<u>638</u>	<u>10,282</u>	<u>(32)</u>
Cash Flows from Noncapital Financing Activities					
Rents received	46,001			46,001	
(Increase) decrease in due from other funds	(668)		(23,915)	(24,583)	13,676
Increase (decrease) in due to other funds	<u>24,583</u>			<u>24,583</u>	<u>34,072</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>69,916</u>		<u>(23,915)</u>	<u>46,001</u>	<u>47,748</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(117,712)	(12,514)	(31,831)	(162,057)	(6,236)
Connection fees received	104,652	10,475		115,127	
Special assessments	18,551	11,027	24,067	53,645	
Proceeds from issuance of long-term debt	4,035,000			4,035,000	
(Increase) in unamortized bond charges	(72,934)			(72,934)	
Increase in unamortized bond premiums	53,363			53,363	
Principal paid on long-term debt	(40,000)			(40,000)	
Interest paid on long-term debt	(189,706)			(189,706)	
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>3,791,214</u>	<u>8,988</u>	<u>(7,764)</u>	<u>3,792,438</u>	<u>(6,236)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,190,271	25,927	116,136	4,332,334	(35,964)
Cash and Cash Equivalents, January 1	752,658	27,062	3,317	783,037	79,034
Cash and Cash Equivalents, December 31	\$ 4,942,929	\$ 52,989	\$ 119,453	\$ 5,115,371	\$ 43,070

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$ (11,000)	\$ 807	\$ 73,572	\$ 63,379	\$ (119,997)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	323,055	8,739	15,188	346,982	50,334
(Increase) decrease in:					
Accounts receivable	(4,908)	14,099	59,351	68,542	
Special assessments	15,879	(11,027)	1,198	6,050	
Increase (decrease) in:					
Accounts payable	(1,843)	1,914	(2,238)	(2,167)	(7,781)
Accrued salaries payable	133	323	445	901	
Due to other governments	(2,122)		(536)	(2,658)	
Other postemployment benefits payable	2,563	639	961	4,163	
Compensated absences payable	(1,921)	1,106	(764)	(1,579)	
Net Cash Provided By Operating Activities	<u>\$ 319,836</u>	<u>\$ 16,600</u>	<u>\$ 147,177</u>	<u>\$ 483,613</u>	<u>\$ (77,444)</u>

Noncash Capital and Related Financing Activities

Amortization of deferred charges	\$ 6,050	\$	\$	\$ 6,050	\$
Amortization of bond premiums	1,345			1,345	

See Notes to Financial Statements

CITY OF LAKE ELMO, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 427,455
Accounts receivable	<u>128</u>
TOTAL ASSETS	<u>\$ 427,583</u>
LIABILITIES	
Accounts payable	\$ 8,000
Deposits payable	<u>419,583</u>
TOTAL LIABILITIES	<u>\$ 427,583</u>

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CITY OF LAKE ELMO, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The financial statements of the City of Lake Elmo, Minnesota (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting principles are described below.

A. Reporting Entity

The City 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 component 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. GASB has set forth criteria to be considered in determining financial accountability for a component unit. These criteria include appointing a voting majority of the component unit's governing body, and 1) the ability of the primary government to impose its will on that component unit, or 2) the potential for the component unit to provide specific benefits to, or impose specific financial burdens on the primary government. The City has no component units.

Related Organizations

The Lake Elmo Firemen's Relief Association (Association) is organized as a legally separate entity from the City by its members to provide pension and other benefits to its members in accordance with Minnesota statutes. The membership appoints the board of the Association and separate financial statements are issued by the Association. All funding is conducted in accordance with Minnesota statutes. Although the City levies property taxes for the Association, the Association is fiscally independent to determine and levy taxes. The City's portion of the pension benefit costs related to the Association is included in the general fund. The Association does not have any significant operational or financial relationship with the City.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. **Summary of Significant Accounting Policies (Continued)**

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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 is 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 funds, 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 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.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 when payment is due.

Property taxes, licenses and permits, 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.

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 is an accumulation of resources (special assessments and property tax revenues) for the payments of 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 *2012 street improvements fund* is an accumulation of resources and costs associated with the 2012 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 for costs associated with the City's sewer system.

The *storm sewer fund* accounts for costs associated with the City's storm sewer system. These costs are financed by the storm sewer surcharge.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Internal service funds are used to account for the replacement of radios, information technology and furniture, fixtures and equipment 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.

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. **Summary of Significant Accounting Policies (Continued)**

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 of capital assets. All other revenues and expenses 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.

D. Assets, Liabilities and Net Position or Equity

1. Cash and investments (including cash equivalents)

Cash balances from all funds (including cash equivalents) are pooled and invested to the extent available in various securities as authorized by Minnesota statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance (or due from other funds balance) participation by each fund.

Investments are stated at fair value, based upon quoted market prices at the reporting date. Cash and cash equivalents for purposes of the basic financial statements includes amounts in demand deposits as well as all investments held by the City.

2. 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 "interfund balances."

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. **Summary of Significant Accounting Policies (Continued)**

D. Assets, Liabilities and Net Position or Equity (Continued)

2. Receivables and payables (continued)

Advances between funds, if any, 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.

Property tax levies are set by the City Council in December of each year and are certified to Washington County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1, of the following year, and are recorded as receivables by the City at that date. Revenues from property taxes are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts normally during the months of January, July and December.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. The net amount of delinquent taxes receivable are fully offset by deferred revenue in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Generally, assessment collections are deferred over periods ranging from ten to twenty years with interest charges ranging from 4.5% to 7.0%. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become collectible in the governmental funds of the fund financial statements. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. The net amount of delinquent assessments receivable are fully offset by deferred revenue in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

3. 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 \$25,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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, net of interest earned on the invested debt proceeds over the same period.

Property, plant and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life <u>in Years</u>
Buildings and Improvements	10 - 50
Infrastructure	20 - 40
Other Improvements	10 - 25
Machinery and Equipment	5 - 20

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

5. 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 No. 45.

6. 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 statements of net position.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. 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.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. **Summary of Significant Accounting Policies (Continued)**

D. Assets, Liabilities and Net Position or Equity (Continued)

7. Fund equity

In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

Restricted – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City Council through formal action (resolution), which is the City's highest level of decision-making authority. Committed amounts remain binding unless removed by the City Council by subsequent formal action.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City Council, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator or his or her designee.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. **Summary of Significant Accounting Policies (Continued)**

D. Assets, Liabilities and Net Position or Equity (Continued)

7. Fund equity (continued)

Unassigned – includes positive fund balances within the General Fund which have not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City considers restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts when expenditures are made. The City Council has formally adopted a fund balance policy for the General Fund. The City's policy is to maintain a minimum unassigned fund balance in the General Fund equal to 50 percent of budgeted expenditures to ensure funds are available at all times to meet cash flow needs and accommodate emergency contingency concerns.

8. Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses or revenues/income initially made from it that are properly applicable to another fund are recorded as expenditures/expenses or revenues/income in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

E. Concentration of Credit Risk

Financial instruments which expose the City to a concentration of credit risk consist primarily of cash investments and accounts and loans receivable. Credit risk related to cash and investments is discussed in Note 3A. The City's accounts and loans receivable are concentrated geographically, and for the most part, amounts are due from individuals residing in and businesses located in the City of Lake Elmo, Minnesota.

F. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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. Annual appropriated budgets are legally adopted by Council resolution for the General Fund. Formal budgetary integration is employed as a management control device during the year for the General Fund.

The City follows these legal compliance procedures in establishing the budgetary data reflected in the financial statements.

1. Budget requests are submitted by all department heads to the City Administrator and Finance Officer in August of each year. The Administrator's office compiles the budget requests into an overall preliminary City budget, balancing budget requests with available revenue.
2. The preliminary budget is submitted to the City Council in September for its review and/or modification.
3. City administration presents the proposed budget to the City Council which in turn, when required, holds a truth-in-taxation public hearing on the proposed budget. The budget resolution adopted by the City Council sets forth the budget at the department level for the General Fund.
4. All budgeted appropriations lapse at the end of the fiscal year. The legal level of control (the level on which expenditures may not legally exceed appropriations) for each budget is at the department level. Administration cannot legally amend or transfer appropriations between departments without the approval of the City Council once the budget has been approved. Any over expenditures of appropriations or transfers of appropriated amounts must be approved by the City Council.
5. Budgeted amounts are as originally adopted, or as amended by the City Council. The budget cannot be amended without approval by the City Council.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budget (which were the same for the year ended December 31, 2012).

The City does not use encumbrance accounting.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Stewardship, Compliance, and Accountability

B. Expenditures Exceeding Appropriations

For the year ended December 31, 2012, the General Fund total expenditures were \$16,187 more than budget. The following General Fund departments had expenditures exceeding the latest amended budget:

	<u>2012 Budgeted Expenditures</u>	<u>2012 Actual Expenditures</u>	<u>Amount Exceeding Budgeted Amount</u>
General government	\$ 978,593	\$ 1,034,712	\$ 56,119
Public safety	1,081,541	1,109,937	28,396

The above listed overexpenditures were approved by the City Council.

C. Fund Balance Deficits

As of December 31, 2012, the following funds had deficit fund balances:

<u>Fund</u>	<u>Amount</u>
Major:	
Village Project	\$ 1,258,108
2012 Street Improvements	106,376
Nonmajor:	
Development	200
Fall Festival	59
Library	72,678
Infrastructure Reserve	90,144
Manning Avenue/Highway 36	6,319
South of 10th Street	137,031

The fund balance deficits will be eliminated by future revenue and financing sources.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds

A. Deposits and Investments

In accordance with applicable Minnesota statutes, the City maintains deposits at depository banks authorized by the City Council. All such depositories are members of the Federal Reserve System.

Minnesota statutes require that all deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or surety bonds. Authorized collateral includes certain state or local government obligations and legal investments described in the investment policy section. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than the institution furnishing the collateral.

The City's deposits were entirely covered by federal depository insurance or collateral at December 31, 2012.

Investment Policy

The City does not maintain a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates or that would limit its investment choices as a means of managing its exposure to credit risk.

The City is authorized by Minnesota Statutes to invest idle funds as follows:

- (a) Direct obligations or obligations guaranteed by the United States or its agencies.
 - (b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
 - (c) General obligations of the State of Minnesota or its municipalities.
 - (d) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
 - (e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
 - (f) Repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a reporting dealer to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
 - (g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.
 - (h) Guaranteed investment contracts (gic's) issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies and with a credit quality in one of the top two highest categories.
-

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needs for operation.

The following is a summary of the City of Lake Elmo, Minnesota's cash and investment portfolio including the range of maturities and investment ratings by type of investment:

<u>Investment</u>	<u>Range of Maturities</u>	<u>Rating</u>	<u>Value</u>
Cash	N/A	N/A	\$ 2,585,134
Certificates of Deposit	6/14	N/A	800,642
Municipal Bonds	12/22	AAA	2,442,489
U.S. Government Agencies	3/22	AAA	7,102,198
Total cash and investments			<u><u>\$ 12,930,463</u></u>

N/A Not applicable or not available

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

Carrying amount of deposits	\$ 2,585,134
Investments	<u>10,345,329</u>
Total	<u><u>\$ 12,930,463</u></u>
Government-wide	
Cash and investments	\$ 5,630,188
Cash with fiscal agent	6,872,820
Fiduciary	
Cash and investments	<u>427,455</u>
Total	<u><u>\$ 12,930,463</u></u>

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's investments are rated by various credit rating agencies, where applicable, to indicate the associated credit risk. Investment ratings by investment type (as applicable) are included in the preceding summary of investments.

Concentration of Credit Risk

Investments in any one issuer that represented 5% or more of total investments as of December 31, 2012 were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Value</u>
Lake Elmo Bank	Money Market Savings	\$ 1,717,817
Morgan Stanley	Money Market Account	701,960
U.S. Treasury	U.S. Government Agencies	6,873,448

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. At December 31, 2012, all investments were insured or registered or the securities were held by the City or its agent in the City's name.

B. Accounts Receivable

Accounts receivable as of December 31, 2012 (\$487,606) are expected to be collected in full. Based upon management's assessment of the creditworthiness of the customers comprising the receivable balance, no allowance for uncollectible accounts is necessary.

C. Due from Other Governmental Units

Amounts due from other governmental units as of December 31, 2012 were as follows:

<u>Fund Type</u>	<u>Washington County</u>	<u>Minnesota Department of Transportation</u>
General Fund	\$ 41,202	\$
Debt Service		275,000

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity for the City for the year ended December 31, 2012 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,453,979	\$	\$	\$ 3,453,979
Construction in progress	1,397,963	1,118,268	225,917	2,290,314
Total capital assets, not being depreciated	4,851,942	1,118,268	225,917	5,744,293
Capital assets, being depreciated:				
Buildings	3,393,346	241,137		3,634,483
Improvements other than buildings	1,199,541			1,199,541
Machinery and equipment	2,664,939	34,555	25,607	2,673,887
Infrastructure	5,874,402	225,917		6,100,319
Total capital assets, being depreciated	13,132,228	501,609	25,607	13,608,230
Less accumulated depreciation for:				
Building	628,637	80,492		709,129
Improvements other than buildings	641,209	64,803		706,012
Machinery and equipment	1,726,011	187,799	25,607	1,888,203
Infrastructure	1,064,497	328,485		1,392,982
Total accumulated depreciation	4,060,354	661,579	25,607	4,696,326
Total capital assets, being depreciated, net	9,071,874	(159,970)		8,911,904
Governmental activities capital assets, net	\$ 13,923,816	\$ 958,298	\$ 225,917	\$ 14,656,197

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 36,573	\$ 18,102	\$	\$ 54,675
Construction in progress	425,783	143,955		569,738
Total capital assets, not being depreciated	<u>462,356</u>	<u>162,057</u>		<u>624,413</u>
Capital assets, being depreciated:				
Machinery and equipment	282,860			282,860
Infrastructure	12,688,029			12,688,029
Total capital assets, being depreciated	<u>12,970,889</u>			<u>12,970,889</u>
Less accumulated depreciation for:				
Machinery and equipment	136,294	19,133		155,427
Infrastructure	2,241,277	327,849		2,569,126
Total accumulated depreciation	<u>2,377,571</u>	<u>346,982</u>		<u>2,724,553</u>
Total capital assets, being depreciated, net	<u>10,593,318</u>	<u>(346,982)</u>		<u>10,246,336</u>
Business-type activities capital assets, net	<u>\$ 11,055,674</u>	<u>\$ (203,027)</u>	<u>\$</u>	<u>\$ 10,870,749</u>

Depreciation expense for the year ended December 31, 2012 was charged to functions/programs as follows:

Governmental Activities	
General government	\$ 28,449
Public safety	106,398
Public works	457,486
Culture and recreation	69,246
Total	<u>\$ 661,579</u>
 Business-Type Activities	
Water	\$ 323,055
Sewer	8,739
Storm sewer	15,188
Total	<u>\$ 346,982</u>

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

E. Long-Term Debt

The City issues general obligation bonds to provide funds for economic development and for the acquisition and construction of major capital assets including infrastructure. General obligation bonds have been issued for both governmental and business-type activities. Bonds issued to provide funds for business-type activities are reported in proprietary funds if they are expected to be repaid from proprietary revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation improvement bonds are expected to be repaid, in part, from assessments to the benefited properties.

A summary of long-term debt outstanding at December 31, 2012 is as follows:

	<u>Issue Date</u>	<u>Range of Interest Rates</u>	<u>Final Maturity</u>	<u>Balance 12/31/12</u>
General obligation bonds:				
2004A CIP Bonds	11/1/2004	3.45%	2013	\$ 3,030,000
2009A Refunding Bonds	5/1/2009	3.00% - 3.85%	2017	275,000
2009B Improvement Bonds	10/1/2009	2.00% - 3.05%	2020	490,000
2010A Improvement Bonds	11/15/2010	0.75% - 2.80%	2021	645,000
2010B CIP Crossover Refunding Bonds	11/15/2010	1.00% - 3.20%	2025	1,970,000
2011A Improvement Bonds	10/1/2011	0.50% - 2.30%	2022	845,000
2012B Improvement Bonds	8/16/2012	0.50% - 1.90%	2023	865,000
General obligation certificates:				
2006A Equipment Certificates	3/8/2006	4.00%	2015	150,000
General obligation revenue bonds:				
2005A Water Revenue Bonds	8/10/2005	3.50% - 4.375%	2030	4,200,000
2009A Refunding Bonds	5/1/2009	3.00% - 3.85%	2021	400,000
2012A Refunding Bonds	8/13/2012	2.00 - 2.50%	2030	4,035,000
Other Liabilities:				
Compensated Absences				69,278
Post Employment Benefit Obligation				78,503
Unamortized premium				73,119
				<u>73,119</u>
Total Long-Term Debt				<u>\$ 17,125,900</u>

Liquidation of the compensated absences liability occurs within the department and fund for which the corresponding employees are assigned.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

E. Long-Term Debt (Continued)

The following is a summary of the changes in long-term debt obligations for the year ended December 31, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Accrued Interest
GOVERNMENTAL ACTIVITIES						
Bonds and Notes Payable:						
General obligation bonds:						
2004 CIP Bonds	\$ 3,205,000	\$	\$ 175,000	\$ 3,030,000	\$ 3,030,000	\$ 51,455
2009A Refunding Bonds	340,000		65,000	275,000	65,000	1,857
2009B Improvement Bonds	545,000		55,000	490,000	60,000	5,666
2010A Improvement Bonds	710,000		65,000	645,000	70,000	5,226
2010B CIP Crossover Refunding Bonds	1,970,000			1,970,000		19,420
2011A Improvement Bonds	845,000			845,000	75,000	5,251
2012B Improvement Bonds		865,000		865,000		4,245
General obligation certificates:						
2006A Equipment Certificates	196,000		46,000	150,000	48,000	500
Other Liabilities:						
Compensated Absences	41,731	65,182	46,238	60,675	26,241	
Post Employment Benefit Obligation	43,561	22,944		66,505		
Unamortized premium	15,137		1,144	13,993		
Governmental Activities						
Long-Term Liabilities	7,911,429	953,126	453,382	8,411,173	3,374,241	93,620
BUSINESS-TYPE ACTIVITIES						
Bonds and Notes Payable:						
General obligation revenue bonds:						
2005A Water Revenue Bonds	4,200,000			4,200,000	125,000	14,585
2009A Refunding Bonds	440,000		40,000	400,000	40,000	
2012A Refunding Bonds		4,035,000		4,035,000		33,991
Other Liabilities:						
Compensated Absences	10,182	3,991	5,570	8,603	3,381	
Post Employment Benefit Obligation	7,835	4,163		11,998		
Unamortized premium	7,108	53,363	1,345	59,126		
Business-Type Activities						
Long-Term Liabilities	4,665,125	4,096,517	46,915	8,714,727	168,381	48,576
Total	\$ 12,576,554	\$ 5,049,643	\$ 500,297	\$ 17,125,900	\$ 3,542,622	\$ 142,196

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

E. Long-Term Debt (Continued)

In August 2012, the City issued \$4,035,000 in general obligation water revenue crossover refunding bonds with interest rates ranging from 2.00% to 2.50%. Proceeds from this bond issuance will be used to refund the remaining principal of the 2005A water revenue bonds in 2015. This refunding will result in a \$455,000 reduction to total debt service payments over the next eighteen years. This will result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$366,000.

Debt service requirements to maturity for long-term debt, excluding compensated absences and post employment benefit obligation, as of December 31, 2012 were as follows:

Year	General Obligation Improvement Bonds		Equipment Certificates		General Obligation Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 3,300,000	\$ 164,256	\$ 48,000	\$ 6,000	\$ 165,000	\$ 303,431
2014	490,000	97,394	50,000	4,080	190,000	269,174
2015	510,000	90,371	52,000	2,080	3,965,000	262,574
2016	520,000	81,968			235,000	95,924
2017	455,000	72,772			235,000	90,824
2018-2022	2,195,000	220,251			1,315,000	367,896
2023-2027	650,000	27,406			1,530,000	219,438
2028-2030					1,000,000	48,776
Totals	\$ 8,120,000	\$ 754,418	\$ 150,000	\$ 12,160	\$ 8,635,000	\$ 1,658,037

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

F. Interfund Receivables and Payables

The following schedule reports the interfund receivables and payables within the City's funds as of December 31, 2012:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 604,124	\$
Village Project		252,710
2012 Street Improvements		100,744
Subtotal	<u>604,124</u>	<u>353,454</u>
Non-Major Governmental Funds:		
Special Revenue		
Development		200
Fall Festival		59
Library		112,576
Capital Projects		
Infrastructure Reserve		65,691
City Facilities	112,576	
South of 10th Street		136,972
Subtotal	<u>112,576</u>	<u>315,498</u>
Total Governmental Funds	<u>716,700</u>	<u>668,952</u>
Proprietary Funds:		
Water	668	24,583
Storm Sewer	23,915	
Subtotal	<u>24,583</u>	<u>24,583</u>
Internal Service Funds:		
FFE Replacement		<u>47,748</u>
Total All Funds	<u>\$ 741,283</u>	<u>\$ 741,283</u>

Interfund receivables and payables are the result of expenditures of funds prior to the collection of special assessments, property taxes and other revenues. All interfund balances will be repaid as the revenues are collected by the individual funds.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

F. Interfund Receivables and Payables (Continued)

The City established an interfund loan from the General Fund to the Village Project fund. At December 31, 2012, the outstanding balance was \$1,005,398. The loan carries an interest rate of 4 percent.

G. Fund Equity

In accordance with the requirements of GASB Statement No. 54, below is a schedule of ending fund balances as of December 31, 2012:

	<u>General</u>	<u>Debt Service</u>	<u>Village Project</u>	<u>2012 Street Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable						
Prepaid items	\$ 19,035	\$	\$	\$	\$	\$ 19,035
Advance to other funds	1,005,398					1,005,398
Total Nonspendable	<u>1,024,433</u>					<u>1,024,433</u>
Restricted						
Debt service		3,500,799				3,500,799
Street improvement					183,229	183,229
City facilities					275,083	275,083
Total Restricted		<u>3,500,799</u>			<u>458,312</u>	<u>3,959,111</u>
Assigned						
Park improvements					924,916	924,916
Vehicle acquisition					319,984	319,984
Total Assigned					<u>1,244,900</u>	<u>1,244,900</u>
Unassigned	<u>2,414,692</u>		<u>(1,258,108)</u>	<u>(106,376)</u>	<u>(306,431)</u>	<u>743,777</u>
Total Fund Balance	<u>\$ 3,439,125</u>	<u>\$ 3,500,799</u>	<u>\$ (1,258,108)</u>	<u>\$ (106,376)</u>	<u>\$ 1,396,781</u>	<u>\$ 6,972,221</u>

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT) to provide its general liability and property coverage. The LMCIT is a public entity risk pool currently operating as a common risk management and insurance program for participating Minnesota Cities. All Cities in the LMCIT are jointly and severally liable for all claims and expenses of the pool. The amount of any liability in excess of assets of the pool may be assessed to the participating cities if a deficiency occurs. The City purchases commercial insurance for property values in excess of the LMCIT policy limits and all other risks of loss. Settled claims have not exceeded the LMCIT or commercial coverage in any of the past three fiscal year.

Worker's compensation insurance is also purchased through the LMCIT. The worker compensation program is a retrospectively rated contract with premiums or required contributions based primarily on the experience rates of the participating cities. There were no significant reductions in insurance coverage from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

B. Commitments and Contingencies

Insurance:

The City has outstanding claims subject to its insurance deductible. Although the outcome of these actions are not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

General Litigation:

There were several pending lawsuits in which the City was involved as of December 31, 2012. It is the opinion of management that any potential claim regarding any lawsuits against the City would be covered by the liability insurance of the City and that any potential claim against the City would not affect the financial statements.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

C. Other Post Employment Benefits

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 12 active participants. Benefit provisions are established by the Council. The Retiree Health Plan does not issue a publicly available financial report.

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 2012, the City did not contribute anything to the plan. Plan members receiving benefits contribute 100 percent of their premium costs.

Annual Other Postemployment Benefit Cost and Net Other Postemployment Benefit Obligations

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.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

C. Other Post Employment Benefits (Continued)

Annual Other Postemployment Benefit Cost and Net Other Postemployment Benefit Obligations (Continued)

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	\$ 20,397
Interest on net OPEB obligations	1,041
Adjustment to ARC	<u>5,669</u>
Annual OPEB cost	27,107
Contributions during the year	<u> </u>
Increase in net OPEB obligation	27,107
Net OPEB, beginning of year	<u>51,396</u>
Net OPEB, ending of year	<u><u>\$ 78,503</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 December 31, 2012, 2011 and 2010 are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/2010	\$ 17,131	0%	\$ 34,060
12/31/2011	17,336	0%	51,396
12/31/2012	27,107	0%	78,503

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

C. Other Post Employment Benefits (Continued)

Funded Status and Funding Progress

As of January 1, 2012, the actuarial accrued liability for benefits was \$101,981, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$932,540, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 10.9 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 revisions 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 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.

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.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

C. Other Post Employment Benefits (Continued)

Methods and Assumptions (Continued)

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2004 United States Life Tables for Males and Females was used.

Turnover - Non-group-specific age-based turnover data from GASB Statement No. 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 assumptions for purposes of allocation 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, rising to an ultimate rate of 6.0 percent after six years, was used.

Health insurance premiums - 2012 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 4.00 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected return 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, 2012 was thirty years.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans

The following disclosures are made in accordance with GASB Statement No. 50:

1. Public Employees Retirement Association (PERA) - Defined Benefit

A. Plan Description

All full-time and certain part-time employees of the City of Lake Elmo, Minnesota 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 was established and is 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 state 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 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 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For 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 FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans (Continued)

1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

A. Plan Description (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 reduce the monthly normal annuity amount, because the annuity is 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 GERS. That report may be obtained on the Internet at www.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.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans (Continued)

1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

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 Township makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members are required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2012. The City of Lake Elmo, Minnesota is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members and 7.25% for Coordinated Plan members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2012, 2011 and 2010 were \$64,694, \$56,576 and \$52,277, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

2. Lake Elmo Volunteer Firefighter's Relief Association

A. Plan Description

Volunteer fire fighters of the City of Lake Elmo, Minnesota are members of the Lake Elmo Volunteer Firefighter's Relief Association (the Association). The Association is administrator of a single-employer defined benefit pension plan available to firefighters that operates under the provisions of Minnesota Laws 1951, Chapter 550, as amended and Minnesota State Statutes Section 317, as amended. It is governed by a Board of seven officers and trustees elected by the members of the Association for two-year terms. The Chief of the Lake Elmo Fire Department, the Mayor and Clerk of the City of Lake Elmo, Minnesota are ex officio, non-voting members of the Board of Trustees.

The Lake Elmo Volunteer Firefighter's Relief Association issues a publicly available financial report that includes financial statements for the Organization. That report may be obtained by contacting the Fire Department at the City of Lake Elmo, Minnesota.

For financial reporting purposes, the Association's financial statements are not included in the City of Lake Elmo, Minnesota's financial statements because the Association is not a component unit of the City.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans (Continued)

2. Lake Elmo Volunteer Firefighter's Relief Association (Continued)

A. Plan Description (Continued)

The Association maintains a separate special fund to accumulate assets to fund the retirement benefits earned by the Association's membership. Funds available for retirement benefits are supplemented by investment income.

B. Pension Benefits

Benefits are payable in a lump sum, based upon years of service, to eligible members of the Association. At December 31, 2012, the pension benefit level was at \$3,100 per year of service.

C. Funding Policy

Minnesota Statutes specify minimum contributions that may be required from the City on an annual basis. These statutes are established and amended by the state legislature. The Association is comprised of volunteers; therefore, members have no contribution requirements. No contribution to the plan was required to be made by the City for the year ended December 31, 2012. The Association also receives funding from the State of Minnesota two-percent fire premium tax. The City receives the contributions and is required by state statute to pass this through as payment to the Association. This contribution amounted to \$39,324 (including the 10% supplemental reimbursement) for the year ended December 31, 2012.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans (Continued)

2. Lake Elmo Volunteer Firefighter's Relief Association (Continued)

D. Annual Pension Cost and Net Pension Obligation as of and for the year ended December 31, 2012:

Annual pension cost - total	\$ 39,324
Contributions made:	
City	
State Aid - pass-through	39,324
Actuarial valuation date	12/31/12
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 FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans (Continued)

2. Lake Elmo Volunteer Firefighter's Relief Association (Continued)

D. Annual Pension Cost and Net Pension Obligation (Continued)

The City's net pension obligation for the Association for the years ended December 31, 2011, 2010 and 2009 (most current information available) are as follows:

Disclosure	2012	2011	2010
Annual Pension Cost (APC)	\$ 39,324	\$ 47,867	\$ 55,081
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	N/A	N/A	N/A

Membership of the Association at December 31, 2011 (most current information available) was comprised of the following:

Terminated members entitled to benefits but have not received them	6
Current Members:	
Vested (Fully or Partially)	8
Non-Vested	15
Total Plan Members	29

E. Schedule of Funding Progress (most current information available shown)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Assets in Excess of (Unfunded) Accrued Liability	Funded Ratio	Pension Benefit Per Year of Service
12/31/2012	\$ 919,992	\$ 717,847	\$ 202,145	128.2%	\$ 3,100
12/31/2011	887,064	752,729	134,335	117.8%	3,100
12/31/2010	863,494	715,984	147,510	120.6%	3,100

F. Related Party Investments

As of December 31, 2012, and for the year then ended, the Association held no securities issued by the City or other related parties.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

E. Deferred Compensation Plans - Statewide

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.

Prior to 2012, the City Administrator was covered by deferred compensation plan 457(b) administered by ICMA-RC. The City contributed \$6,230 and \$6,759 for the years ended December 31, 2011 and 2010, respectively.

In general, any amount of compensated 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 (1) the calendar year in which the participant attains age 70 1/2, (2) when the participant has a severance from employment with the employer, or (3) 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 FINANCIAL STATEMENTS (CONTINUED)

5. New Accounting Pronouncements

GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, implemented this year, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Statement of Net Assets is renamed the Statement of Net Position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. The City has determined they have no deferred outflows or inflows as defined by this standard.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City.

GASB 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the City beginning with its year ending December 31, 2013. This statement requires certain items that are currently reported as assets and liabilities to be reclassified as deferred outflows of resources, deferred inflows of resources, or current-period outflows and inflows.

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CITY OF LAKE ELMO, MINNESOTA
REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2012

2025 RELEASE UNDER E.O. 14176

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2025 RELEASE UNDER E.O. 14176

CITY OF LAKE ELMO, MINNESOTA
SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
For the Year Ended December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2012	\$	\$ 101,981	\$ 101,981	0%	\$ 932,540	10.94%

Actuarial valuations are provided every two or three years unless events occur (e.g. plan changes, layoffs, etc.) that would materially impact results. See Note 4C in the Notes to Financial Statements for more details on this schedule.

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CITY OF LAKE ELMO, MINNESOTA
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
December 31, 2012

**CITY OF LAKE ELMO, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2012**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 43,143	\$ 1,660,296	\$ 1,703,439
Receivables (Net of allowance for uncollectibles)			
Special assessments		59,144	59,144
Due from other funds		112,576	112,576
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 43,143</u>	<u>\$ 1,832,016</u>	<u>\$ 1,875,159</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 3,245	\$ 25,491	\$ 28,736
Escrow deposits payable		75,000	75,000
Due to other funds	112,835	202,663	315,498
Deferred revenue		59,144	59,144
Total liabilities	<u>116,080</u>	<u>362,298</u>	<u>478,378</u>
FUND BALANCE (DEFICIT)			
Restricted		458,312	458,312
Assigned		1,244,900	1,244,900
Unassigned	(72,937)	(233,494)	(306,431)
Total Fund Balance (Deficit)	<u>(72,937)</u>	<u>1,469,718</u>	<u>1,396,781</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 43,143</u>	<u>\$ 1,832,016</u>	<u>\$ 1,875,159</u>

CITY OF LAKE ELMO, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes	\$ 260,078	\$	\$ 260,078
Special assessments		38,598	38,598
Investment earnings		12,889	12,889
Miscellaneous revenue	18,112		18,112
TOTAL REVENUES	<u>278,190</u>	<u>51,487</u>	<u>329,677</u>
EXPENDITURES			
Current			
Culture and recreation	109,421		109,421
Capital Outlay			
Public safety		35,661	35,661
Public works	200	193,129	193,329
Culture and recreation	241,137	34,120	275,257
TOTAL EXPENDITURES	<u>350,758</u>	<u>262,910</u>	<u>613,668</u>
Net change in fund balances	(72,568)	(211,423)	(283,991)
FUND BALANCES (DEFICIT), Beginning	<u>(369)</u>	<u>1,681,141</u>	<u>1,680,772</u>
FUND BALANCES (DEFICIT), Ending	<u>\$ (72,937)</u>	<u>\$ 1,469,718</u>	<u>\$ 1,396,781</u>

**CITY OF LAKE ELMO, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2012**

	Development	Fall Festival	Library	Total
ASSETS				
Cash and investments	\$	\$	\$ 43,143	\$ 43,143
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$	\$	\$ 3,245	\$ 3,245
Due to other funds	200	59	112,576	112,835
Total liabilities	200	59	115,821	116,080
FUND BALANCE (DEFICIT)				
Unassigned	(200)	(59)	(72,678)	(72,937)
Total Fund Balance (Deficit)	(200)	(59)	(72,678)	(72,937)
TOTAL LIABILITIES AND FUND BALANCE	\$	\$	\$ 43,143	\$ 43,143

CITY OF LAKE ELMO, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2012

	<u>Development</u>	<u>Fall Festival</u>	<u>Library</u>	<u>Total</u>
REVENUES				
Taxes	\$	\$	\$ 260,078	\$ 260,078
Miscellaneous revenue		8,701	9,411	18,112
TOTAL REVENUES		<u>8,701</u>	<u>269,489</u>	<u>278,190</u>
EXPENDITURES				
Current				
Culture and recreation		15,874	93,547	109,421
Capital Outlay				
Public works	200			200
Culture and recreation			241,137	241,137
TOTAL EXPENDITURES	<u>200</u>	<u>15,874</u>	<u>334,684</u>	<u>350,758</u>
Net change in fund balances	(200)	(7,173)	(65,195)	(72,568)
FUND BALANCES (DEFICIT), Beginning		<u>7,114</u>	<u>(7,483)</u>	<u>(369)</u>
FUND BALANCES (DEFICIT), Ending	<u>\$ (200)</u>	<u>\$ (59)</u>	<u>\$ (72,678)</u>	<u>\$ (72,937)</u>

**CITY OF LAKE ELMO, MINNESOTA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2012**

	Park Dedication	Infrastructure Reserve	Vehicle Acquisition
ASSETS			
Cash and investments	\$ 925,895	\$	\$ 319,984
Receivables (Net of allowance for uncollectibles)			
Special assessments		59,144	
Due from other funds			
TOTAL ASSETS	\$ 925,895	\$ 59,144	\$ 319,984
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 979	\$ 24,453	\$
Escrow deposits payable			
Due to other funds		65,691	
Deferred revenue		59,144	
Total liabilities	979	149,288	
FUND BALANCE (DEFICIT)			
Restricted			
Assigned	924,916		319,984
Unassigned		(90,144)	
Total Fund Balance (Deficit)	924,916	(90,144)	319,984
TOTAL LIABILITIES AND FUND BALANCE	\$ 925,895	\$ 59,144	\$ 319,984

<u>City Facilities</u>	<u>Manning Avenue/Hwy 36</u>	<u>2011 Street Improvements</u>	<u>South of 10th Street</u>	<u>Total</u>
\$ 162,507	\$ 68,681	\$ 183,229	\$	\$ 1,660,296
				59,144
<u>112,576</u>				<u>112,576</u>
<u>\$ 275,083</u>	<u>\$ 68,681</u>	<u>\$ 183,229</u>	<u>\$</u>	<u>\$ 1,832,016</u>
\$	\$	\$	\$	\$
	75,000		59	25,491
				75,000
			136,972	202,663
				59,144
	<u>75,000</u>		<u>137,031</u>	<u>362,298</u>
275,083		183,229		458,312
	(6,319)		(137,031)	1,244,900
<u>275,083</u>	<u>(6,319)</u>	<u>183,229</u>	<u>(137,031)</u>	<u>(233,494)</u>
<u>\$ 275,083</u>	<u>\$ 68,681</u>	<u>\$ 183,229</u>	<u>\$</u>	<u>\$ 1,832,016</u>

CITY OF LAKE ELMO, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2012

	<u>Park Dedication</u>	<u>Infrastructure Reserve</u>	<u>Vehicle Acquisition</u>
REVENUES			
Special assessments	\$	\$ 38,598	\$
Investment earnings	6,395	(604)	2,212
TOTAL REVENUES	<u>6,395</u>	<u>37,994</u>	<u>2,212</u>
EXPENDITURES			
Capital Outlay			
Public safety			35,661
Public works		177,397	
Culture and recreation	34,120		
TOTAL EXPENDITURES	<u>34,120</u>	<u>177,397</u>	<u>35,661</u>
Net change in fund balances	(27,725)	(139,403)	(33,449)
FUND BALANCES (DEFICIT), Beginning	<u>952,641</u>	<u>49,259</u>	<u>353,433</u>
FUND BALANCES (DEFICIT), Ending	<u>\$ 924,916</u>	<u>\$ (90,144)</u>	<u>\$ 319,984</u>

<u>City Facilities</u>	<u>Manning Avenue/Hwy 36</u>	<u>2011 Street Improvements</u>	<u>South of 10th Street</u>	<u>Total</u>
\$	\$	\$	\$	\$
3,998	475	1,360	(947)	38,598
<u>3,998</u>	<u>475</u>	<u>1,360</u>	<u>(947)</u>	<u>12,889</u>
				51,487
				35,661
		3,077	12,655	193,129
				<u>34,120</u>
		<u>3,077</u>	<u>12,655</u>	<u>262,910</u>
3,998	475	(1,717)	(13,602)	(211,423)
<u>271,085</u>	<u>(6,794)</u>	<u>184,946</u>	<u>(123,429)</u>	<u>1,681,141</u>
<u>\$ 275,083</u>	<u>\$ (6,319)</u>	<u>\$ 183,229</u>	<u>\$ (137,031)</u>	<u>\$ 1,469,718</u>

CITY OF LAKE ELMO, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012

	<u>Radio Replacement</u>	<u>IT Replacement</u>	<u>FFE Replacement</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and investments	\$ 26,834	\$ 16,236	\$	\$ 43,070
Noncurrent Assets				
Property and Equipment				
Machinery and equipment	99,851	135,431	363,153	598,435
Less: Accumulated depreciation	<u>45,072</u>	<u>97,890</u>	<u>255,489</u>	<u>398,451</u>
Net Property and Equipment	<u>54,779</u>	<u>37,541</u>	<u>107,664</u>	<u>199,984</u>
TOTAL ASSETS	<u>\$ 81,613</u>	<u>\$ 53,777</u>	<u>\$ 107,664</u>	<u>\$ 243,054</u>
LIABILITIES AND NET POSITION				
Current Liabilities				
Due to other funds	\$	\$	\$ 47,748	\$ 47,748
Net Position				
Net investment in capital assets	54,779	37,541	107,664	199,984
Unrestricted	<u>26,834</u>	<u>16,236</u>	<u>(47,748)</u>	<u>(4,678)</u>
Total Net Position	<u>81,613</u>	<u>53,777</u>	<u>59,916</u>	<u>195,306</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 81,613</u>	<u>\$ 53,777</u>	<u>\$ 107,664</u>	<u>\$ 243,054</u>

CITY OF LAKE ELMO, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	<u>Radio Replacement</u>	<u>IT Replacement</u>	<u>FFE Replacement</u>	<u>Total</u>
Operating Expenses				
Repairs and maintenance	\$	\$ 1,314	\$ 68,349	\$ 69,663
Depreciation	8,321	12,435	29,578	50,334
Total Operating Expenses	<u>8,321</u>	<u>13,749</u>	<u>97,927</u>	<u>119,997</u>
Other Revenue (Expense)				
Investment earnings	<u>186</u>	<u>112</u>	<u>(330)</u>	<u>(32)</u>
Net (Loss)	(8,135)	(13,637)	(98,257)	(120,029)
Net Position, Beginning of Year	<u>89,748</u>	<u>67,414</u>	<u>158,173</u>	<u>315,335</u>
Net Position, End of Year	<u>\$ 81,613</u>	<u>\$ 53,777</u>	<u>\$ 59,916</u>	<u>\$ 195,306</u>

CITY OF LAKE ELMO, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Radio Replacement	IT Replacement	FFE Replacement	Total
Cash Flows from Operating Activities				
Cash payments to suppliers	\$	\$ (1,314)	\$ (76,130)	\$ (77,444)
Cash Flows From Investing Activities				
Interest earnings received	186	112	(330)	(32)
Cash Flows from Noncapital Financing Activities				
Decrease in due from other funds	13,676			13,676
Increase in due to other funds			34,072	34,072
Net Cash Provided By Noncapital Financing Activities	13,676		34,072	47,748
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets		(6,236)		(6,236)
Net Increase (Decrease) in Cash and Cash Equivalents	13,862	(7,438)	(42,388)	(35,964)
Cash and Cash Equivalents, Beginning of Year	12,972	23,674	42,388	79,034
Cash and Cash Equivalents, End of Year	\$ 26,834	\$ 16,236	\$	\$ 43,070
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (8,321)	\$ (13,749)	\$ (97,927)	\$ (119,997)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	8,321	12,435	29,578	50,334
Increase (decrease) in:				
Accounts payable			(7,781)	(7,781)
Net Cash Provided By (Used In) Operating Activities	\$	\$ (1,314)	\$ (76,130)	\$ (77,444)

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CITY OF LAKE ELMO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	Budgeted Amounts		2012 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 2,451,903	\$ 2,451,903	\$ 2,507,990	\$ 56,087
Franchise	38,500	38,500	41,996	3,496
Total Taxes	2,490,403	2,490,403	2,549,986	59,583
Licenses and Permits				
Business	10,250	10,250	12,935	2,685
Nonbusiness	170,850	170,850	317,884	147,034
Total Licenses and Permits	181,100	181,100	330,819	149,719
Intergovernmental				
MSA - maintenance	75,000	75,000	87,578	12,578
Fire state aid	40,000	40,000	38,823	(1,177)
Other	2,749	2,749		(2,749)
County and local	15,500	15,500	35,628	20,128
Total Intergovernmental	133,249	133,249	162,029	28,780
Charges for Services	8,850	8,850	5,726	(3,124)
Fines and forfeits	53,000	53,000	58,385	5,385
Investment earnings	20,000	20,000	90,983	70,983
Miscellaneous Revenue	14,384	14,384	69,450	55,066
TOTAL REVENUES	\$ 2,900,986	\$ 2,900,986	\$ 3,267,378	\$ 366,392

CITY OF LAKE ELMO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended December 31, 2012

	Budgeted Amounts		2012 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government				
Mayor and Council				
Personnel services	\$ 17,692	\$ 17,692	\$ 17,728	\$ (36)
Other services and charges	17,700	17,700	8,981	8,719
Total Mayor and Council	<u>35,392</u>	<u>35,392</u>	<u>26,709</u>	<u>8,683</u>
Election				
Other services and charges	11,950	11,950	14,124	(2,174)
Administration				
Personnel services	333,327	333,327	352,085	(18,758)
Supplies	8,000	8,000	11,953	(3,953)
Other services and charges	79,411	79,411	87,055	(7,644)
Total Administration	<u>420,738</u>	<u>420,738</u>	<u>451,093</u>	<u>(30,355)</u>
Communications				
Personnel services	13,276	13,276	13,334	(58)
Other services and charges	44,400	44,400	39,676	4,724
Total Communications	<u>57,676</u>	<u>57,676</u>	<u>53,010</u>	<u>4,666</u>
Building				
Supplies	1,400	1,400	570	830
Other services and charges	38,400	38,400	34,537	3,863
Total Building	<u>39,800</u>	<u>39,800</u>	<u>35,107</u>	<u>4,693</u>
Professional Services				
Assessor	46,000	46,000	44,978	1,022
Accounting and auditing	60,000	60,000	91,048	(31,048)
Legal	65,000	65,000	71,250	(6,250)
Engineering	70,000	70,000	69,864	136
Total Professional Services	<u>\$ 241,000</u>	<u>\$ 241,000</u>	<u>\$ 277,140</u>	<u>\$ (36,140)</u>

CITY OF LAKE ELMO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended December 31, 2012

	Budgeted Amounts		2012	Variance with
	Original	Final	Actual Amounts	Final Budget- Positive (Negative)
EXPENDITURES				
General Government				
Planning and Zoning				
Personnel services	\$ 142,937	\$ 142,937	\$ 120,715	\$ 22,222
Supplies	750	750	1,202	(452)
Other services and charges	28,350	28,350	55,612	(27,262)
Total Planning and Zoning	172,037	172,037	177,529	(5,492)
Total General Government	978,593	978,593	1,034,712	(56,119)
Public Safety				
Police				
Contracted services	493,000	493,000	492,995	5
Fire Protection				
Personnel services	226,950	226,950	225,006	1,944
2% fire aid	40,000	40,000	37,324	2,676
Supplies	25,500	25,500	36,890	(11,390)
Other services and charges	135,850	135,850	111,756	24,094
Total Fire Protection	428,300	428,300	410,976	17,324
Building Inspector				
Personnel services	80,651	80,651	91,249	(10,598)
Supplies	500	500	1,738	(1,238)
Other services and charges	14,390	14,390	47,940	(33,550)
Total Building Inspector	95,541	95,541	140,927	(45,386)
Animal Control				
Supplies	100	100		100
Other services and charges	7,600	7,600	2,121	5,479
Total Animal Control	7,700	7,700	2,121	5,579
Criminal Legal	51,000	51,000	51,474	(474)
Emergency Communications	6,000	6,000	11,444	(5,444)
Total Public Safety	\$ 1,081,541	\$ 1,081,541	\$ 1,109,937	\$ (28,396)

CITY OF LAKE ELMO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended December 31, 2012

	Budgeted Amounts		2012 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
Public Works				
General				
Personnel services	\$ 205,924	\$ 205,924	\$ 191,052	\$ 14,872
Supplies	133,100	133,100	91,635	41,465
Other services and charges	114,225	114,225	118,932	(4,707)
Total General	<u>453,249</u>	<u>453,249</u>	401,619	51,630
Trees	5,000	5,000	4,126	874
Street Lighting	<u>24,500</u>	<u>24,500</u>	40,796	(16,296)
Total Public Works	<u>482,749</u>	<u>482,749</u>	446,541	36,208
Culture and Recreation				
Parks				
Personnel services	145,103	145,103	120,905	24,198
Supplies	8,400	8,400	6,218	2,182
Other services and charges	<u>29,600</u>	<u>29,600</u>	23,860	5,740
Total Culture and Recreation	<u>183,103</u>	<u>183,103</u>	150,983	32,120
Total Expenditures	<u>2,725,986</u>	<u>2,725,986</u>	2,742,173	(16,187)
Excess (deficiency) of revenues over (under) expenditures	175,000	175,000	525,205	350,205
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(175,000)</u>	<u>(175,000)</u>		175,000
NET CHANGE IN FUND BALANCE			525,205	525,205
FUND BALANCE, January 1	<u>2,913,920</u>	<u>2,913,920</u>	2,913,920	
FUND BALANCE, December 31	<u>\$ 2,913,920</u>	<u>\$ 2,913,920</u>	\$ 3,439,125	\$ 525,205

**CITY OF LAKE ELMO, MINNESOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
December 31, 2012**

	<u>2002 GO Improvement Bonds</u>	<u>2004 GO CIP Bonds</u>	<u>2006A GO Equipment Certificates</u>	<u>2009A GO Refunding Bonds</u>
ASSETS				
Cash and investments	\$ 161	\$ 169,596	\$ 20,631	\$ 2,367
Cash with fiscal agent		2,855,141		
Receivables (Net of allowance for uncollectibles)				
Special assessments				
Due from other governmental units				275,000
TOTAL ASSETS	<u>\$ 161</u>	<u>\$ 3,024,737</u>	<u>\$ 20,631</u>	<u>\$ 277,367</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$	\$	\$	\$
Deferred revenue				275,000
Total liabilities				<u>275,000</u>
FUND BALANCE				
Restricted	<u>161</u>	<u>3,024,737</u>	<u>20,631</u>	<u>2,367</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 161</u>	<u>\$ 3,024,737</u>	<u>\$ 20,631</u>	<u>\$ 277,367</u>

FORM K-1

2009B GO Improvement Bonds	2010A GO Improvement Bonds	2011A GO Improvement Bonds	2012B GO Improvement Bonds	Total
\$ 164,205	\$ 142,844	\$ 153,623	\$ 5,731	\$ 659,158 2,855,141
50,376	73,516	63,100		186,992 275,000
<u>\$ 214,581</u>	<u>\$ 216,360</u>	<u>\$ 216,723</u>	<u>\$ 5,731</u>	<u>\$ 3,976,291</u>
\$ 50,376	\$ 73,516	\$ 13,500	\$	\$ 13,500
<u>50,376</u>	<u>73,516</u>	<u>63,100</u>		<u>461,992</u>
<u>50,376</u>	<u>73,516</u>	<u>76,600</u>		<u>475,492</u>
<u>164,205</u>	<u>142,844</u>	<u>140,123</u>	<u>5,731</u>	<u>3,500,799</u>
<u>\$ 214,581</u>	<u>\$ 216,360</u>	<u>\$ 216,723</u>	<u>\$ 5,731</u>	<u>\$ 3,976,291</u>

**CITY OF LAKE ELMO, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS**

For the Year Ended December 31, 2012

	2002 GO Improvement Bonds	2004 GO CIP Bonds	2006A GO Equipment Certificates	2009A GO Refunding Bonds
REVENUES				
Taxes	\$	\$ 160,000	\$ 56,532	\$
Intergovernmental				75,225
Special assessments	161			
Investment earnings		3,540	142	2,367
TOTAL REVENUES	<u>161</u>	<u>163,540</u>	<u>56,674</u>	<u>77,592</u>
EXPENDITURES				
Debt Service				
Principal		175,000	46,000	65,000
Interest and other charges		172,987	7,840	10,225
Bond issuance costs				
TOTAL EXPENDITURES		<u>347,987</u>	<u>53,840</u>	<u>75,225</u>
Net change in fund balances	161	(184,447)	2,834	2,367
FUND BALANCES, Beginning		<u>3,209,184</u>	<u>17,797</u>	
FUND BALANCES, Ending	<u>\$ 161</u>	<u>\$ 3,024,737</u>	<u>\$ 20,631</u>	<u>\$ 2,367</u>

FORM K-2

2009B GO Improvement Bonds	2010A GO Improvement Bonds	2011A GO Improvement Bonds	2012B GO Improvement Bonds	Total
\$ 54,639	\$ 64,498	\$ 76,000	\$	\$ 411,669
11,631	12,982	72,778		75,225
1,127	988	969	5,731	97,552
<u>67,397</u>	<u>78,468</u>	<u>149,747</u>	<u>5,731</u>	<u>14,864</u>
55,000	65,000			406,000
12,913	12,786	10,502		227,253
<u>67,913</u>	<u>77,786</u>	<u>10,502</u>		<u>633,253</u>
(516)	682	139,245	5,731	(33,943)
<u>164,721</u>	<u>142,162</u>	<u>878</u>		<u>3,534,742</u>
<u>\$ 164,205</u>	<u>\$ 142,844</u>	<u>\$ 140,123</u>	<u>\$ 5,731</u>	<u>\$ 3,500,799</u>

CITY OF LAKE ELMO, MINNESOTA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2012

	Balance January 1	Additions	Deletions	Balance December 31
ESCROW				
ASSETS				
Cash and investments	\$ 335,383	\$ 299,300	\$ 207,100	\$ 427,583
LIABILITIES				
Accounts payable	\$ 5,000	\$ 180,100	\$ 177,100	\$ 8,000
Deposits payable	330,383	316,300	227,100	419,583
TOTAL LIABILITIES	\$ 335,383	\$ 496,400	\$ 404,200	\$ 427,583
YELLOW RIBBON				
ASSETS				
Cash and investments	\$ (128)	\$	\$	\$ (128)
Accounts receivable	128			128
TOTAL ASSETS	\$	\$	\$	\$
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 335,255	\$ 299,300	\$ 207,100	\$ 427,455
Accounts receivable	128			128
TOTAL ASSETS	\$ 335,383	\$ 299,300	\$ 207,100	\$ 427,583
LIABILITIES				
Accounts payable	\$ 5,000	\$ 180,100	\$ 177,100	\$ 8,000
Deposits payable	330,383	316,300	227,100	419,583
TOTAL LIABILITIES	\$ 335,383	\$ 496,400	\$ 404,200	\$ 427,583

CITY OF LAKE ELMO, MINNESOTA

OTHER REPORT SECTION

December 31, 2012

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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Honorable Mayor and
Members of the City Council
City of Lake Elmo, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2013.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota State Statutes Sec. 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because the City has not established a tax increment financing district.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Lake Elmo, Minnesota failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Lake Elmo, Minnesota's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance and management of the City of Lake Elmo, Minnesota and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Smith, Schafner and Associates, Ltd.

Maplewood, Minnesota
June 28, 2013

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CITY OF LAKE ELMO
COUNTY OF WASHINGTON
STATE OF MINNESOTA

ORDINANCE NO. 08-086B

AN ORDINANCE AMENDING THE LAKE ELMO CITY CODE OF ORDINANCES BY
ADOPTING NEW FENCING REGULATIONS IN THE LAKE ELMO ZONING CODE.

SECTION 1. The City Council of the City of Lake Elmo hereby amends Title XV: Land Usage; Chapter 154: Zoning Code, by repealing City Code Sections 154.120 through 154.128 in their entirety.

SECTION 2. The City Council of the City of Lake Elmo hereby amends Title XV: Land Usage; Chapter 154: Zoning Code, by adding the following language:

Article 5 - General Regulations

§154.205 Fencing Regulations

§154.205 Fencing Regulations

- A. *Purpose.* The purpose of this Ordinance is to provide for the regulation of fences in the city of Lake Elmo and to prevent fences from being erected that would be a hazard to the public, an unreasonable interference with the uses and enjoyment of neighboring property or are incompatible with existing uses and other zoning restrictions.
- B. *Definitions.* The following words, terms and phrases, when used in this Section, shall have the meaning ascribed to them in this subsection, except where the context clearly indicates a different meaning:
 - Permanent Fence.* Fences that are installed in a fixed or enduring manner that are not intended for a seasonal or temporary purpose.
 - Temporary Fence.* Fences that are installed and removed on a seasonal basis, such as snow fences, garden fences and seasonal recreational fences, such as hockey boards.
- C. Permit Required
 - 1. *Permanent Fence.* No permanent fence shall be erected without first obtaining a fence permit. Application shall be made to the Planning Director. The fee shall be established by the City's Fee Schedule. The Planning Director is authorized to issue a fence permit if the application indicates that the fence will be in compliance with this Ordinance. The Board of Adjustment and Appeals shall hear and decide appeals when it is alleged that the Planning Director was in error. The appeals shall follow the procedure outlined in §31.01.

ALTERNATIVE ORDINANCE - SOLID WALL FENCING

2. *Temporary Fence.* Temporary fencing that complies with subsection (F) and all other applicable provisions of this Ordinance shall be exempt from permit requirements.
- D. *General Requirements.* All fences erected in the city of Lake Elmo are subject to the following requirements:
1. *Maintenance.* All fences shall be properly maintained with respect to appearance and safety. Fences that remain in a state of disrepair for an extended period of time shall constitute a nuisance per §96.03.
 2. *Face of Fence.* The finished side of any fence or wall must face abutting property or street rights of way.
 3. *Fence Materials.* Permitted fence materials shall be limited to brick, stone, wood, wrought iron, vinyl, composite material, steel, aluminum, chain-link and, in cases of temporary fencing only, materials that are consistent with temporary fencing as regulated under subsection (F)
 4. *Traffic Obstruction.* No fence or wall shall obstruct a motorist's or a pedestrian's safe view from the driveway or street.
 5. *Location.*
 - a. Fences may be installed on any portion of a lot subject to the height restrictions of §154.205.E and may be installed along property lines provided the adjacent property agrees, in writing, that such fence may be erected on the boundary line of the respective properties. Any portion of the fence and all footing material shall not encroach on the neighboring property.
 - b. All pertinent property pins shall be visible upon inspection for fences installed within one foot of a property boundary.
 - c. In the case of a dispute, the City may require a survey to establish the boundary line of a property.
 6. *Easement Encroachment.* An easement encroachment agreement must be approved by the City Council, along with a fence permit, for any fence that will be installed within a City easement.
 7. *Swimming Pools.* All swimming pools shall be enclosed with required fencing per §151.085.
- E. *Fence Height and Design*
1. *Fences within Front and Side (Corner) Yards.* Any fence within a front or side (corner) yard setback may not exceed forty-two (42) inches in height and must be 50% open to air and light.
 2. *Residential and Mixed-Use Districts.* No fence or wall shall exceed six feet (6') in height, and shall be subject to the design requirements of §154.205.E.3.
 3. *Residential Fence Design Requirements.* Solid wall fences over four (4) feet in height shall be prohibited on any lot under ½ acre (21,780 square feet) in size. Any portion of a fence over four (4) feet on such lots shall be at least 75% open to light and air, except under one of the following circumstances:

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- a. When a residential property abuts a district or use of a higher classification, and specifically, when an A, RR, RS, RE, or LDR district abuts any other district or a single family residential use abuts a multi-family residential use or a non-residential use.
 - b. When a property is a through lot and abuts a street that is a higher functional classification than the street abutting the front yard of the property.
 - c. For screening of outdoor living space subject to the following criteria:
 - i. The area enclosed by outdoor extended living area fencing shall not exceed an enclosed area of 500 square feet.
 - ii. A 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.
 - iii. A 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.
 - d. For screening or privacy purposes when the lineal measurement of the fence does not exceed one-fourth ($\frac{1}{4}$) of the linear distance of the perimeter of a lot. Such fences may only be installed with the written consent of the adjacent property owner.
 - e. Under other circumstances when a solid fence is warranted due to safety, health, animal containment, or similar purposes, subject to review and approval by the City Council and with the written consent of the adjacent property owner.
4. *Commercial and Industrial Districts.* No fence or wall shall exceed eight feet (8') in height. Fences that exceed eight feet (8') in height require a conditional use permit.
- F. Temporary Fences
1. *Height and Performance.* Temporary fences shall comply with the fence height standards of subsection (E). Temporary fences shall be at least 40% open to air and light. If unable to be at least 40% open to air and light, temporary fences shall not exceed forty-two inches (42") in height.
 2. Duration and Limitation
 - a. No snow fence or posts shall be installed prior to October 1, and must be removed prior to April 15.
 - b. Seasonal recreational fencing intended for winter sports, such as hockey or broomball shall not be installed prior to October 1, and must be removed prior to April 15.
 3. *Location.* 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 Public Works Director.

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- G. *Prohibited Fencing.* Barbed wire and electric fencing are prohibited in platted areas.
- H. *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 are specifically exempted from the provisions of this Section. Any such agricultural fencing shall be at least 75% open to air and light.

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 08-086B was adopted on this 16th day of July 2013, by a vote of ___ Ayes and ___ Nays.

LAKE ELMO CITY COUNCIL

Mike Pearson, Mayor

ATTEST:

Adam Bell, City Clerk

This Ordinance 08-086B was published on the ____ day of _____, 2013.