

**LAUDERDALE CITY COUNCIL MEETING AGENDA  
TUESDAY, NOVEMBER 25, 2003  
CITY HALL, 7:00 P.M.**

The City Council is meeting as a legislative body to conduct the business of the City according to ROBERT'S RULES OF ORDER AND THE STANDING RULES OF ORDER AND BUSINESS OF THE CITY COUNCIL. Unless so ordered by the Mayor, citizen participation is limited to the times indicated and always within the prescribed rules of conduct for public input at meetings.

FILE

1. **CALL MEETING TO ORDER AT 7:00 P. M.**

2. **ROLL:**

*Councilmembers:*

McCloskey \_\_\_\_\_ Christensen \_\_\_\_\_  
Gill-Gerbig \_\_\_\_\_ Giannetti \_\_\_\_\_  
Mayor Dains \_\_\_\_\_

*Staff:* Getschow \_\_\_\_\_ Bownik \_\_\_\_\_

3. **APPROVAL OF THE AGENDA**

4. **APPROVAL**

- A. Approval of minutes of the City Council Meeting of 11/12/03
- B. Approval of claims totaling \$50,517.83

5. **OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE COUNCIL ON ITEMS NOT ON THE AGENDA**

Any member of the public may speak at this time on any item NOT on the agenda. In consideration of the public attending the meeting for specific items on the agenda, this portion of the meeting will be limited to fifteen (15) minutes. Individuals are requested to limit their comments to four (4) minutes or less. If the majority of the Council determines that additional time on a specific issue is warranted, then discussion on that issue shall be continued under Additional Items at the end of the agenda. Before addressing the City Council, members of the public are asked to step up to the microphone, give their name, address and state the subject to be discussed. All remarks shall be addressed to the Council as a whole and not to any member thereof. No person other than members of the Council and the person having the floor shall be permitted to enter any discussion without permission of the presiding officer. Your participation, as prescribed by the Council's ROBERT'S RULES OF ORDER AND THE STANDING RULES OF ORDER AND BUSINESS OF THE CITY COUNCIL, is welcomed and your cooperation is greatly appreciated.

6. CONSENT
7. SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS/ CITIZENS ADDRESSING STREET AND UTILITY IMPROVEMENTS
8. INFORMATIONAL PRESENTATIONS
9. PUBLIC HEARINGS

Public hearings are conducted so that the public affected by a proposal may have input into the decision. During hearings, all affected residents will be given an opportunity to speak pursuant to the ROBERT'S RULES OF ORDER AND THE STANDING RULES OF ORDER AND BUSINESS OF THE CITY COUNCIL.

- A. Zoning Ordinance (City Code, Title 10) Amendment- building setback from shorelines

10. ACTION

- A. Zoning Ordinance (City Code, Title 10) Amendment- building setback from shorelines
- B. Approval of the 2004 Recycling Contract Extension
- C. Approval of the 2004 Recycling Rates
- D. 2004 Sanitary Sewer Rates
- E. 2004 Storm Water Utility Rates
- F. 2004 Audit and Financial Services Agreement

11. DISCUSSION

- A. 2004 Budget (Adoption scheduled for December 9, 2003)

12. ITEMS REMOVED FROM THE CONSENT AGENDA

13. ADDITIONAL ITEMS

14. SET AGENDA FOR NEXT MEETING

15. ADJOURNMENT

**Lauderdale City Council  
Meeting Minutes  
November 12, 2003**

1. Meeting called to order at 8:00 P.M.
  
2. ROLL  
  
Council present: Christensen, McCloskey, Gill-Gerbig, Giannetti and Mayor Dains  
  
Staff present: Administrator Getschow, Assistant to the Administrator Bownik
  
3. APPROVAL OF THE AGENDA  
  
*A. Approval of Agenda.* Motion by Christensen, second by Giannetti to approve the agenda. Motion carried unanimously.
  
4. APPROVAL  
  
*A. Approval of Minutes.* Motion by Gill-Gerbig, second by McCloskey to approve the minutes of the October 28, 2003 City Council meeting. Motion carried unanimously.  
  
*B. Approval of Claims totaling \$15,903.65.* Motion by McCloskey, second by Christensen to approve the claims totaling \$15,903.65. Motion carried unanimously.  
  
*C. Approval of Pay Request #7 for the 2003 Street and Utility Improvements for S.M. Hentges and Sons in the amount of \$5,133.99.* Motion by Giannetti, second by McCloskey to approve Pay Request #7 for the 2003 Street and Utility Improvements in the amount of \$5,133.99. Motion carried unanimously.
  
5. OPPORTUNITY FOR THE PUBLIC TO ADDRESS ITEMS NOT ON THE AGENDA

6. CONSENT
7. SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS/  
CITIZENS ADDRESSING STREET AND UTILITY IMPROVEMENTS
8. INFORMATIONAL PRESENTATIONS

*A. City Prosecution Presentation- Martin Costello.* Martin Costello, the Lauderdale City Prosecutor with Hughes and Costello, gave a presentation to the City Council on prosecution services. The presentation included: an explanation of municipal prosecution, the duties of a municipal prosecutor, and the work of the municipal prosecutor in the City of Lauderdale.

Council member McCloskey asked for Mr. Costello's thoughts on the recent news regarding the potential closure of the suburban court in Maplewood. Costello stated that he, as most municipal prosecutors; strongly favors the need for a suburban court presence. In fact, Costello hopes that the suburban court facility is not only retained, but also improved.

9. REPORTS
10. PUBLIC HEARINGS
11. ACTION

*A. Resolution 111203A: Resolution Certifying the Election Returns of the November 4, 2003 General Election and the November 12, 2003 Recount Results for the Office of City Council.* Bownik presented the resolution canvassing the municipal election of November 4, 2003 and the requested recount of November 12, 2003 that occurred at 5:00 p.m. that day.

Bownik stated that during the recount, the ballots were hand-counted by two election judges. The recount results are the same results as the machine-counted ballots from regular November 4 election- 194 votes for Karen Gill-Gerbig and 193 votes for Leanne Lemire for the second City Council position.

Motion by McCloskey, second by Gill-Gerbig to approve Resolution 111203A: Resolution Certifying the Election Returns of the November 4, 2003 General Election and the November 12, 2003 Recount Results for the Office of City Council. Roll: Yes: all. Motion carried

*B. Consideration of a revision to the Lauderdale City Code Title 6 (Motor Vehicles), Chapter 1 (Parking Restrictions).* The City Administrator stated that there was a discussion at the October 14<sup>th</sup> City Council meeting regarding the parking of recreation vehicles, boats, etc. on the street that are over 20 feet in length. There was a discussion on whether the parking ordinance should apply to the parking of recreation vehicles, boats, etc. of all lengths on the street. The Council could not reconcile the rationale for why 20 feet is the barometer for why a recreation vehicle can or cannot be parked on the street indefinitely.

Consensus at the October Council meeting was to draft an ordinance revision that includes parking regulations for all recreation vehicles and boats, not just those 20 feet and over. The Administrator stated that the draft ordinance was placed on the website for the past 2-3 weeks for informal notice and comment purposes.

Motion by Gill-Gerbig, second by Giannetti to approve the included revision to the Lauderdale City Code Title 6 (Motor Vehicles), Chapter 1 (Parking Restrictions). Roll: Yes: all. Motion carried.

## 12. DISCUSSION

*A. Consideration of a revision to the Lauderdale City Code Title 3 (Business Regulations), Chapter 2 (Liquor Control)- civil penalty schedule for liquor licensees.* The City Administrator stated that the Council has discussed revising the liquor control ordinance as it relates to civil penalties for licensee violations at both of the October City Council meetings. At the last meeting, the Council discussed adopting penalties that are more stringent than the Saint Anthony and Falcon Heights ordinance and requested further clarification on a few components of the penalties. The Council then discussed whether the penalties should sunset after ownership changes or after a certain number of consecutive years of being without any violations.

The City Attorney is still reviewing the draft and should provide final comment within the next few weeks. The Administrator requested that the Council can still provide feedback on the components of the penalty schedule. Staff can then draft a final proposed ordinance revision based on that feedback and Attorney review for approval at a future meeting.

13. ITEMS REMOVED FROM THE CONSENT AGENDA

13. ADDITIONAL ITEMS

14. SET AGENDA FOR NEXT MEETING

1. 2004 Recycling Contract Extension
2. 2004 Recycling Rates
3. 2004 Sanitary Sewer Rates
4. 2004 Storm Sewer Rates
5. 2004 Budget Discussion in preparation for December meeting approval
6. 2004 Audit and Financial Services Agreement
7. Zoning Ordinance Revision-shoreline setback regulations

15. ADJOURNMENT

Motion by McCloskey, second by Gill-Gerbig to adjourn at 9:03 P.M. Ayes: All.

**CITY OF LAUDERDALE**

**Claims for Approval**

**November 25, 2003 City Council Meeting**

<u>Payroll</u>		
11/21/03 Payroll:	Check # 7463-7469	\$6,207.18
11/21/03 Payroll:	EFT: Federal Withholding Taxes/FICA	\$2,499.47
11/21/03 Payroll:	EFT: PERA	\$1,042.10
11/21/03 Payroll:	EFT: ICMA Retirement Fund	\$1,280.43
11/2003 Payroll:	EFT: State Withholding Taxes	\$882.16
<u>Vendor Claims</u>		
11/25/03 Claims:	Check # 16625-16648	\$38,606.49

**Subtotal of Claims From Above**

**\$50,517.83**

Total Claims for Approval	\$50,517.83
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CITY OF LAUDERDALE

Paid Register

Check Number	Employee Number	Employee Name	Pay Period	Pay Group Description	Check Amount	Check Date	Status
007464	000000003	GETSCHOW, RICK	24	BI-WEEKLY	\$1,874.79	11/21/03	Outstanding
007465	000000002	HINRICHS, DAVID C	24	BI-WEEKLY	\$992.65	11/21/03	Outstanding
007466	000000005	HUGHES, JOSEPH A	24	BI-WEEKLY	\$1,428.21	11/21/03	Outstanding
007467	000000052	JAMES, VIRGINIA	24	BI-WEEKLY	\$14.00	11/21/03	Outstanding
007468	000000048	LAWRENCE, DONNA	24	BI-WEEKLY	\$16.00	11/21/03	Outstanding
007469	000000037	WALSH, KEVIN	24	BI-WEEKLY	\$881.10	11/21/03	Outstanding
007462		VOID	24		\$0.00	11/21/03	Void
007463	000000011	BOWNIK, JAMES	24	BI-WEEKLY	\$1,000.43	11/21/03	Outstanding
					<u>\$6,207.18</u>		



# CITY OF LAUDERDALE

11/20/03 3:19 PM

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## Vendor Transactions

CHECK Nbr	Check Date	Batch Name Invoice	Amount	Comments
<b>Search Name AFSCME</b>				
016625	11/25/03	112503claims 11/25/03	\$76.24	11/03 union dues
<i>Search Name AFSCME</i>			<u>\$76.24</u>	
<b>Search Name AMERICAN ENGINEERING TESTING</b>				
016626	11/25/03	112503claims 24496	\$180.00	bituminous testing '03 street project
<i>Search Name AMERICAN ENGINEERING TESTING</i>			<u>\$180.00</u>	
<b>Search Name AMERIPRIDE</b>				
016627	11/25/03	112503claims 11/25/03	\$84.10	kitchen, bathroom supplies
<i>Search Name AMERIPRIDE</i>			<u>\$84.10</u>	
<b>Search Name BFI</b>				
016628	11/25/03	112503claims 11/25/03	\$2,415.00	10/03 recycling services
<i>Search Name BFI</i>			<u>\$2,415.00</u>	
<b>Search Name BLUE CHIP TREE CO., INC.</b>				
016629	11/25/03	112503claims 11/25/03	\$79.88	chip brush for city
<i>Search Name BLUE CHIP TREE CO., INC.</i>			<u>\$79.88</u>	
<b>Search Name BONESTROO, ROSENE, ANDERLIK</b>				
016630	11/25/03	112503claims 103418	\$48.00	10/03 general engineering
016630	11/25/03	112503claims 103419	\$384.00	10/03 '02 st/util improvements
016630	11/25/03	112503claims 103420	\$5,062.94	10/03 '03 st/util improvements
<i>Search Name BONESTROO, ROSENE, ANDERLIK</i>			<u>\$5,494.94</u>	
<b>Search Name CARE AIR CONDITIONING/HEATING</b>				
016631	11/25/03	112503claims 1488	\$177.00	complete the repair of social rm furnace
<i>Search Name CARE AIR CONDITIONING/HEATING</i>			<u>\$177.00</u>	
<b>Search Name CARTRIDGECARE INC.</b>				
016632	11/25/03	112503claims m4619	\$146.97	toner for printer
<i>Search Name CARTRIDGECARE INC.</i>			<u>\$146.97</u>	
<b>Search Name CINTAS</b>				
016633	11/25/03	112503claims 11/25/03	\$74.46	11/13, 11/20 pw uniforms
<i>Search Name CINTAS</i>			<u>\$74.46</u>	
<b>Search Name CITY OF ROSEVILLE</b>				
016634	11/25/03	112503claims 4249	\$164.08	11/03 technical services
<i>Search Name CITY OF ROSEVILLE</i>			<u>\$164.08</u>	
<b>Search Name CITY OF ST ANTHONY</b>				
016635	11/25/03	112503claims 773	\$19,266.66	12/03 police services
<i>Search Name CITY OF ST ANTHONY</i>			<u>\$19,266.66</u>	
<b>Search Name ESCHELON TELECOM, INC</b>				
016636	11/25/03	112503claims 552375	\$233.49	11/03 city hall phone
<i>Search Name ESCHELON TELECOM, INC</i>			<u>\$233.49</u>	
<b>Search Name LILLIE SUBURBAN NEWS</b>				
016637	11/25/03	112503claims 11/25/03	\$578.00	10/03 roseville review delivery
<i>Search Name LILLIE SUBURBAN NEWS</i>			<u>\$578.00</u>	
<b>Search Name MERCURY WASTE SOLUTIONS</b>				

CITY OF LAUDERDALE

Vendor Transactions

CHECK Nbr	Check Date	Batch Name Invoice	Amount	Comments
016638	11/25/03	112503claims 206491	\$13.82	florescent light disposal
<i>Search Name MERCURY WASTE SOLUTIONS</i>			\$13.82	
<b>Search Name MET-COUNCIL ENVIRONMENTAL SER.</b>				
016639	11/25/03	112503claims 764818	\$6,638.67	12/03 wastewater services
<i>Search Name MET-COUNCIL ENVIRONMENTAL SER.</i>			\$6,638.67	
<b>Search Name NORTH SUBURBAN ACCESS CORP</b>				
016640	11/25/03	112503claims 03-068	\$491.07	3q03 programming/webstreaming
<i>Search Name NORTH SUBURBAN ACCESS CORP</i>			\$491.07	
<b>Search Name NORTH SUBURBAN COMMUNICATIONS</b>				
016641	11/25/03	112503claims cc03-42	\$140.30	3q03 internet services
<i>Search Name NORTH SUBURBAN COMMUNICATIONS</i>			\$140.30	
<b>Search Name RAMSEY COUNTY, PROP REC &amp; REV</b>				
016642	11/25/03	112503claims risk636	\$936.97	11/03 employee benefits
<i>Search Name RAMSEY COUNTY, PROP REC &amp; REV</i>			\$936.97	
<b>Search Name SAM'S CLUB</b>				
016643	11/25/03	112503claims 1391	\$260.50	day in the park supplies
<i>Search Name SAM'S CLUB</i>			\$260.50	
<b>Search Name SPRINT PCS</b>				
016644	11/25/03	112503claims 11/25/03	\$10.51	10/03 pw cell phone
016644	11/25/03	112503claims 11/25/03	\$10.52	10/03 pw cell phone
<i>Search Name SPRINT PCS</i>			\$21.03	
<b>Search Name ST PAUL POSTMASTER</b>				
016645	11/25/03	112503claims 11/25/03	\$300.00	1q04 newsletter postage
<i>Search Name ST PAUL POSTMASTER</i>			\$300.00	
<b>Search Name UNIVERSITY OF MINNESOTA</b>				
016646	11/25/03	112503claims 11/25/03	\$325.00	building officials institute
<i>Search Name UNIVERSITY OF MINNESOTA</i>			\$325.00	
<b>Search Name WALTER'S RUBBISH</b>				
016647	11/25/03	112503claims 250857	\$38.92	11/03 garbage service
016647	11/25/03	112503claims 250857	\$38.93	11/03 garbage service
<i>Search Name WALTER'S RUBBISH</i>			\$77.85	
<b>Search Name XCEL ENERGY</b>				
016648	11/25/03	112503claims 11/25/03	\$430.46	10/03 street lighting
<i>Search Name XCEL ENERGY</i>			\$430.46	
<b>Grand Total</b>			\$38,606.49	

MemosbyJames

Date: November 25, 2003  
To: Honorable Mayor and Council  
From: James Bownik, A2CA  
Re: Zoning Ordinance Amendment

## **BACKGROUND**

PROPOSAL: The City of Lauderdale is proposing an Amendment to the Zoning Ordinance establishing an ordinary high water level setback of 50 feet for general development near DNR protected waterbodies.

At the October 14 meeting, the City Council discussed the need to amend the zoning ordinance to reflect a 50-foot setback from the ordinary high water level for general development near DNR protected waterbodies. As you are aware, the storm water management ordinance makes reference to a 50-foot building setback from the ordinary high water level of Walsh Lake, which is DNR protected waterbody #214W.

While the 50-foot setback distance is consistent with statewide standards for the management of shorelands, the location of the regulation in our storm water management ordinance and the way it is stated is not the optimal way to regulate shorelands. Instead, the 50-foot setback regulation should be explicitly stated in the zoning ordinance to clear up any ambiguity and make it easier and less costly to enforce. This zoning amendment would be an ordinance of general application, and would apply to any property in Lauderdale along Walsh Lake.

I have updated the Land and Yard Requirements Table to reflect this addition. This essentially adds the shoreland regulation that is currently in the storm water management ordinance to the zoning ordinance.

I have also included the memo and information provided at the October 14, 2003 meeting by City Administrator Rick Getschow.

## **REQUIREMENTS FOR APPROVAL OF A ZONING AMENDMENT REQUEST**

Title 10-3-5 Amendments:

- “The City Council may by two-thirds (2/3) vote of all its members amend this Title as proposed by the City Council, by the Planning Commission or by a petition of a person owning property within Lauderdale...”

### **PLANNING COMMISSION ACTION**

The Planning Commission did not meet to discuss the variance request due to the lack of a quorum. Instead, this action item was placed directly on the council agenda per Title 2-1-10-4:K of the current Zoning Ordinance. The Planning Commission received the information packet and have been invited and encouraged to attend the council meeting in order to provide input to the Council.

### **PUBLIC HEARING FOR THE ZONING AMENDMENT REQUEST**

On November 14, 2003, property owners within 350 feet from the perimeter of the subject property were sent notice of tonight's public hearing. A Public Notice was also published in the November 11, 2003 edition of the *Roseville Review*.

### **CITY COUNCIL ACTION REQUESTED**

Approve or deny the zoning amendment request. If approved, the amendment to the zoning ordinance will be published in the *Roseville Review*.

10-8-8: TABLE:

LAND AND YARD REQUIREMENTS TABLE								
District	Lot Size		Yard Setback (feet)			Site Area Per Dwelling (sq. ft.)	Maximum Coverage* (%)	Usable Open Space (%)
	Area (sq. ft.)	Width (ft.)	Front	Rear	Side			
<b>R-1 Suburban Residential</b>	See complete R-1 Setback Requirements Table adopted 3/10/98.							
Single Family Dwellings	7,500	60	30	20	5	7,500	**30	-
Two Family Dwellings	10,000	80	30	20	5	5,000	***30	-
Other Uses	10,000	80	30	20	5	-	-	-
<b>R-2 Urban Residential</b>								
Single Family Dwellings	5,000	40	25	20	5	5,000	**30	-
Two Family Dwellings	7,500	60	25	20	5	3,750	***30	-
Townhouses	2,500	20	25	20	-	5,000	20	52
Multi Family Dwellings	7,500	60	25	20	10	1,875	28	44
Other Uses	10,000	75	25	20	10	-	-	-
<b>R-3 Multiple Residential</b>								
Single Family Dwellings	5,000	40	20	20	10	5,000	**30	-
Two Family Dwellings	7,500	60	20	20	-	3,750	***30	-
Townhouses	2,500	20	20	20	-	5,000	20	52
Multi Family Dwellings	25,000	100	20	20	15	870	30	40
Other Uses	5,000	50	20	20	10	-	-	-
<b>B-1 Community Business</b>								
Multi Family Dwellings	5,000	50	-	15	-	1,675	28	44
Other Uses	5,000	50	-	15	-	-	-	-
<b>I-1 Light Industrial</b>								
All Uses	1 acre	150	30	30	20	-	-	-
<b>C-1 Conservation</b>								
All Uses	2 acres	300	50	30	30	-	-	-
<b>All Districts All Uses</b>	A 50-foot setback is required from the ordinary high water level of DNR protected waterbodies (Walsh Lake, #214W).							
<p>* Maximum coverage shall be the percentage of lot area enclosed by the exterior faces of the exterior walls.</p> <p>** Figure includes assumed garage coverage of 576 sq. ft.</p> <p>*** Figure includes assumed garage coverage of 1,252 sq. ft.</p>								

(Zoning Ordinance as amended)

# Lauderdale City Council Memorandum

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Council Meeting Date: October 14, 2003  
To: Mayor and City Council  
From: Rick Getschow, City Administrator  
Agenda Item: Work Session Discussion Items:  
A. DNR "Management of Shorelines" setback regulations  
B. *Parking Ordinance*  
C. *Social Room/Kitchen Window Replacement*

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## BACKGROUND:

The following are the items for discussion at the work session that follows the regular meeting:

**A. DNR "Management of Shorelines" setback regulations.** Another issue that has arisen with this Karkoc property is a shoreline setback that exists through the city's adoption of the DNR standards for shoreline management. The City adopted a Storm water Management Ordinance in 1997. In the wetland section, of that ordinance, the following language exists:

*Redevelopment along the south end of Walsh Lake (DNR waterbody 214W) shall be done following MN DNR standards for "Management of Shorelines".*

In the DNR shoreline document, the setback for residential development from a DNR water body is 50 feet from the ordinary high water level (OHWL). Representatives of the Karkoc property have stated that since the City does not possess its own shoreline setback in its zoning ordinance, simply adopting the DNR standard may not be sufficient. They felt that the watershed district, not the City, should enforce this DNR setback.

At the meeting, we will need discuss the following questions related to this issue:

1. Is it the Council's intent to regulate the DNR shoreline setback of 50 feet?
2. Is the enforcement of the DNR setback legally defensible through the storm water management ordinance? or
3. Should this setback be a city-adopted setback that is placed in the zoning ordinance?

The City Attorney will either be present at the meeting or will provide further input that can be presented to the Council on this issue.

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M E M O S   B Y   J A M E S

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**DATE:** November 25, 2003  
**TO:** Honorable Mayor and Council  
**FROM:** James Bownik, A2CA  
**RE:** 2004 Recycling Contract

*JB*

**BACKGROUND**

City staff has negotiated a contract extension with BFI Waste Systems for 2004 recycling services. It incorporates a very small rate increase with the same bi-weekly service:

1. The rate would be set at \$2.15 per resident per month. This is an increase of .05 over the contract from last year.
2. Recycling pickup would continue to take place on every other Monday.
3. Recycling will also continue to be done in the two-sort method (paper and all other types).
4. The contract expires at the end of 2004, so another round of proposals would be required in the fall of 2004 from companies that would be interested in Lauderdale's recycling services.

I have included a letter from BFI requesting the contract extension.

**COUNCIL ACTION REQUESTED**

Approve the contract renewal at a rate of \$2.15/month/resident with BFI Waste Systems for 2004.



November 19, 2003

City of Lauderdale  
Attention: Rick Getschow  
1891 Walnut Street  
Lauderdale, MN 55113-5137

Dear Mr. Getschow:

Thank you so much for talking with me to discuss an extension of the current curbside municipal recycling contract. Per your request, the following is a summary of our discussion.

BFI Waste Systems of North America, Inc. (BFI) would like to formally request an extension of our current contract with the City of Lauderdale. The extension will be for one (1) year and initiate on January 1, 2004 through December 31, 2004.

**CURRENT RATE - (As of January 1, 2003)**

Recycling:      \$2.10            Every Other Week Collection

**EXTENSION PROPOSAL - (January 1, 2004)**

Recycling:      \$2.15            Every Other Week Collection

If you have any additional questions or need further clarification, please contact me directly at 651-286-4570. I am looking forward to extending our positive relationship and look forward to a continued partnership.

Sincerely,

A handwritten signature in cursive script that reads "Craig Seim".

Craig Seim  
General Manager  
BFI St. Paul Hauling Division



# Lauderdale City Council Memorandum

Council Meeting Date: November 25, 2003  
 To: Mayor and City Council  
 From: Rick Getschow, City Administrator  
 Agenda Item: 2004 Recycling Rates

## BACKGROUND:

Pursuant to our contract with BFI, the one-year extension that is scheduled to be approved is \$2.15 per month or \$25.80 per year for each household. This is a \$0.05 per month or \$0.60 per year proposed increase from 2003.

Past practice with the City has been to base the recycling fees solely on funding the contract collection costs and not the overall recycling program costs (after accounting for the SCORE grant). Included in the recycling fund budget besides the contract are city personnel costs/benefits and supplies. Ramsey County recommends that the City base its fee on a formula that takes into account all recycling fund costs, and subtracts SCORE revenue to obtain a recycling budget. Unfortunately, this philosophy of basing the recycling fees solely on contract collection costs over the past few years has meant that this fund has been producing a deficit and requiring the use of reserves. This is because SCORE grant funds and interest income have decreased while labor and supply costs have slightly increased..

The following table illustrates the current budgeting philosophy with figures from 1999-2003:

		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenue:	Recycling Fee	\$16,243	\$22,052	\$22,052	\$28,290	\$29,686
Expenditure:	Recycling Contract	\$16,243	\$22,052	\$22,052	\$28,290	\$29,686
Revenue:	SCORE, Interest	\$ 6,262	\$ 6,929	\$ 7,213	\$ 5,182	\$4,912
Expenditure:	Personnel, Supplies	\$ 5,935	\$ 5,443	\$ 6,607	\$ 9,310	\$9,599
	<b>Surplus/Deficit</b>	<b>\$ 327</b>	<b>\$ 1,486</b>	<b>\$ 606</b>	<b>(\$4,128)</b>	<b>(\$4,687)</b>

Even though reserves of between \$15,000-\$20,000 exist in this fund, their use on an annual basis is not recommended. Included in the packet is an analysis of the rates that could be charged illustrating their impacts on the fund. It would take a monthly rate of approximately \$2.45 to break even on the fund based on the proposed 2004 Budget. However, based on the fact that actual costs usually come in lower than budgeted, a rate of either \$2.35 or \$2.40 per month per household for 2004 may be more appropriate to balance the projected costs. This would increase the annual household recycling cost between \$2.40-\$3.00 for 2004.

Also included in the packet is a copy of the proposed budget for the Recycling Fund (203).

**ENCLOSURES:**

1. Recycling Fund Proposed 2004 Budget (203)
2. 2004 Recycling Rate Analysis

**COUNCIL ACTION REQUESTED:**

Motion to approve the 2004 residential recycling rates.

## Recycling Fund 203

DEPT. 50000	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Adopted	2003 Projected	2004 Proposed
<b>REVENUES:</b>							
36100 Recycling Fee	16,825	21,982	22,229	29,067	29,686	29,686	30,392
33622 SCORE Grant	5,462	5,478	5,480	4,627	4,612	4,612	4,525
36211 Investment Interest	800	1,451	881	309	750	300	300
36255 Other	-	-	852	246	-	-	-
<b>Total Revenues</b>	<b>23,087</b>	<b>28,911</b>	<b>29,442</b>	<b>34,249</b>	<b>35,048</b>	<b>34,598</b>	<b>35,217</b>
<b>EXPENDITURES:</b>							
101 Reg. FT Employees	3,760	4,193	5,426	6,609	7,000	7,000	7,000
121 PERA Contributions	181	217	168	373	387	387	387
122 FICA Contributions	224	317	321	516	536	536	536
126 ICMA Retirement	-	-	-	-	-	-	-
131 Group Insurance	185	344	342	757	1,080	1,080	1,080
133 Life Insurance	-	-	-	-	-	-	-
201 General Supplies	-	-	-	-	-	-	-
202 Permanent Supplies	-	-	193	-	-	200	-
327 Other Service	1,585	372	1,357	829	200	552	200
389 Recycling Contract	16,243	22,052	20,837	28,290	29,686	29,686	30,392
437 Sales Tax	-	-	-	-	20	-	20
438 Dues & Subscriptions	-	-	-	-	-	-	-
440 Meeting Expenses	-	-	15	-	-	-	-
444 Contingency Funds	-	-	-	-	200	-	-
City-wide Clean-Up	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>22,178</b>	<b>27,495</b>	<b>28,659</b>	<b>37,374</b>	<b>39,109</b>	<b>39,441</b>	<b>39,615</b>
<b>Surplus (Deficit)</b>	<b>909</b>	<b>1,416</b>	<b>783</b>	<b>(3,125)</b>	<b>(4,061)</b>	<b>(4,843)</b>	<b>(4,398)</b>
<b>Beginning Fund Balance</b>	<b>24,393</b>	<b>25,302</b>	<b>26,718</b>	<b>27,501</b>	<b>24,376</b>	<b>24,376</b>	<b>19,533</b>
<b>Surplus (Deficit)</b>	<b>909</b>	<b>1,416</b>	<b>783</b>	<b>(3,125)</b>	<b>(4,061)</b>	<b>(4,843)</b>	<b>(4,398)</b>
39200 Transfers In	-	-	-	-	-	-	-
710 Transfers Out	-	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>25,302</b>	<b>26,718</b>	<b>27,501</b>	<b>24,376</b>	<b>20,315</b>	<b>19,533</b>	<b>15,135</b>

## 2004 RECYCLING RATE ANALYSIS

Monthly Res. Rate	Annual Cost	Households	Annual Revenue	2004 Contract Costs	Contract Surplus/Deficit	2004 Proj. Fund Budget Deficit	2004 Fund Surplus/Deficit
\$2.15	\$25.80	1178	\$30,392.40	\$30,392.40	\$0.00	\$4,398.00	-\$4,398.00
\$2.20	\$26.40	1178	\$31,099.20	\$30,392.40	\$706.80	\$4,398.00	-\$3,691.20
\$2.25	\$27.00	1178	\$31,806.00	\$30,392.40	\$1,413.60	\$4,398.00	-\$2,984.40
\$2.30	\$27.60	1178	\$32,512.80	\$30,392.40	\$2,120.40	\$4,398.00	-\$2,277.60
\$2.35	\$28.20	1178	\$33,219.60	\$30,392.40	\$2,827.20	\$4,398.00	-\$1,570.80
\$2.40	\$28.80	1178	\$33,926.40	\$30,392.40	\$3,534.00	\$4,398.00	-\$864.00
\$2.45	\$29.40	1178	\$34,633.20	\$30,392.40	\$4,240.80	\$4,398.00	-\$157.20
\$2.50	\$30.00	1178	\$35,340.00	\$30,392.40	\$4,947.60	\$4,398.00	\$549.60

# Lauderdale City Council Memorandum

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Council Meeting Date: November 25, 2003  
To: Mayor and City Council  
From: Rick Getschow, City Administrator  
Agenda Item: 2004 Sanitary Sewer Rates

---

## **BACKGROUND:**

As part of the 2003 budget process, the Council increased sanitary sewer rates 2.4% from \$41.00 to \$42.00 per residential household per quarter. This increase was intended to offset the sewage fees charged by the Metropolitan Council Environmental Services (MCES) and the labor and operational costs by the City to maintain city sanitary sewer facilities such as the lift stations.

Since the 2003 Budget was adopted there have been two positive developments that have occurred related to the Sanitary Sewer Fund:

1. The elimination of the remaining sanitary sewer lift stations in 2003 means that there are no costs associated with these lift stations for the first time in 2004.
2. The 1997 MCES error regarding the double counting of apartment buildings for sewer treatment purposes reduces the treatment costs for the second half of 2003 and beyond.

With our current rate scenario and the developments above, the fund is projecting a surplus for 2003. The 2004 Budget is budgeted to also provide a surplus at the current 2003 sewer rate. Therefore, I am not proposing any options for increasing the sanitary sewer rate and recommend that it be kept the same as the current year for 2004.

## **ENCLOSURES:**

1. Sewer Utility Fund (601) Proposed 2004 Budget

## **COUNCIL ACTION REQUESTED:**

Approve the 2004 sanitary sewer rates as \$42.00 per residential household per quarter for residential accounts and \$2.07 per unit for commercial accounts, which is the same rate as 2003.

## Sewer Utility Fund 601

DEPT. 49000		1999	2000	2001	2002	2003	2003	2004
		Actual	Actual	Actual	Actual	Adopted	Projected	Proposed
<b>REVENUES:</b>								
37210	Sewer Charges	211,830	212,941	228,495	224,745	229,128	225,000	225,000
36211	Investment Interest	2,403	4,110	3,207	873	2,700	1,000	1,000
36250	Refunds/Reimbursements	-	10	-	1,721	-	248,227	-
37230	Penalties	-	-	-	-	-	-	-
37240	Sewer Assessments-SAC	-	288	3,450	3,732	-	-	-
<b>Total Revenues</b>		<b>214,233</b>	<b>217,349</b>	<b>235,152</b>	<b>231,071</b>	<b>231,828</b>	<b>474,227</b>	<b>226,000</b>
<b>EXPENDITURES:</b>								
101	Reg. FT Employees	39,792	40,727	42,864	41,389	44,000	44,000	45,760
102	On-Call Pay	3,438	4,465	9,397	8,198	9,000	9,000	9,000
103	PT Employees	-	-	-	-	-	-	-
104	Temp. Employees	-	-	-	-	-	-	-
121	PERA Contributions	2,240	2,396	2,782	2,726	2,728	2,500	2,837
122	FICA Contributions	3,368	3,632	4,255	3,890	3,774	3,458	3,925
126	ICMA Retirement	-	-	-	-	134	-	-
131	Group Insurance	3,144	2,531	2,994	3,001	4,590	4,335	4,842
133	Life Insurance	-	-	-	-	-	-	-
151	Worker's Comp.	1,439	1,818	1,803	1,572	1,818	1,653	1,818
201	General Supplies	-	-	-	-	200	200	200
202	Permanent Supplies	-	-	-	-	-	-	-
203	Postage	-	-	-	-	-	-	-
212	Motor Fuels	784	966	1,063	797	1,000	1,000	200
224	Street Maint. Supply	-	-	-	-	-	-	-
225	Landscaping Materials	-	-	-	-	-	-	-
227	Tools & Equipment	-	-	314	-	100	-	100
228	Misc. Repairs/Maint. Supply	-	-	-	-	1,000	-	1,000
301	Auditing	1,225	1,566	2,298	1,830	1,700	1,900	1,700
304	Engineering	-	439	3,761	-	-	200	-
307	Computer Services	603	-	-	-	-	-	-
308	Training/Conferences	300	248	-	487	500	100	500
315	Sewer Jetting	-	470	1,875	810	1,000	1,000	1,000
316	Sewer Televising	-	-	835	-	-	-	-
327	Other Services	5,213	4,829	4,833	9,046	7,888	4,200	7,888
352	Public Info. Notices	-	-	-	-	-	-	-
355	Misc. Printing/Processing	-	-	-	-	-	-	-
361	General Liability	2,071	1,994	2,226	2,343	1,900	2,539	1,900
362	Property Insurance	518	526	629	642	526	726	526
363	Automotive Insurance	382	340	359	369	340	387	340
381	Electric	2,796	3,359	3,361	2,422	2,500	1,500	-
382	Water	14	15	15	24	25	15	25
383	Gas Utilities	727	1,118	1,469	1,054	1,000	1,200	-

DEPT. 49000		1999	2000	2001	2002	2003	2003	2004
		Actual	Actual	Actual	Actual	Adopted	Projected	Proposed
387	Met Council Sewer Charges	171,998	132,384	130,520	122,643	138,000	100,000	100,000
388	Met Council SAC Charges	-	-	3,450	-	-	-	-
391	Telephones/Pagers	3,751	2,732	2,737	1,731	1,000	700	-
402	City Truck Repair/Maint.	644	534	1,296	802	1,000	1,000	1,000
408	Lift Station Repair/Maint.	1,251	349	8,414	390	1,000	-	-
409	Other Equip. Repair/Maint.	-	15	-	-	-	-	-
424	Vehicle Rental	-	-	-	-	-	-	-
425	Clothing	1,323	1,428	1,357	1,807	1,400	2,000	1,800
442	Misc.	500	-	-	-	-	-	-
444	Contingency Funds	-	-	-	-	2,500	2,500	2,500
521	City Garage	-	-	-	-	-	-	-
530	Furniture & Equipment	-	-	-	-	-	-	-
538	Computer Software	-	-	-	-	-	-	-
540	Machinery & Equipment	-	-	-	-	500	-	500
553	Manhole Reconstruction	-	-	-	-	-	-	-
560	Vehicle	-	-	-	-	-	-	-
562	Truck	-	-	-	-	-	-	-
<b>Total Expenses</b>		<b>247,521</b>	<b>208,881</b>	<b>234,907</b>	<b>207,973</b>	<b>231,123</b>	<b>186,113</b>	<b>189,362</b>
<b>Surplus (Deficit)</b>		<b>(33,288)</b>	<b>8,468</b>	<b>245</b>	<b>23,098</b>	<b>705</b>	<b>288,114</b>	<b>36,638</b>
<hr/>								
<b>Beginning Fund Balance</b>		<b>134,340</b>	<b>101,052</b>	<b>109,520</b>	<b>109,765</b>	<b>132,863</b>	<b>132,863</b>	<b>172,750</b>
<b>Surplus (Deficit)</b>		<b>(33,288)</b>	<b>8,468</b>	<b>245</b>	<b>23,098</b>	<b>705</b>	<b>288,114</b>	<b>36,638</b>
39200	<b>Transfers In</b>	-	-	-	-	-	-	-
710	<b>Transfers Out</b>	-	-	-	-	-	<b>248,227</b>	-
<b>Ending Fund Balance</b>		<b>101,052</b>	<b>109,520</b>	<b>109,765</b>	<b>132,863</b>	<b>133,568</b>	<b>172,750</b>	<b>209,388</b>

# Lauderdale City Council Memorandum

---

Council Meeting Date: November 25, 2003  
To: Mayor and City Council  
From: Rick Getschow, City Administrator  
Agenda Item: 2004 Storm Water Utility Rates

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## **BACKGROUND:**

In 1994, the City Council adopted a Storm Water Utility Ordinance that created a funding mechanism to help finance future improvements to the storm water system. Fees for other property types were based on this rate using a residential equivalency factor (REF). Acreage and hard surface area for each property type play a part in determining the REF, which attempts to estimate the storm water contribution to the system.

As part of establishing the Utility, the City Council also approved a rate increase each year for four years of at least \$1.00 to the base residential rate that began at \$2.50 per quarter per residential unit in 1994. For 1998-2002, the fee was stabilized at \$6.50 per quarter per residential unit and the equivalent REF increase for other property types. In 2003, the Council increased the fee to \$7.50 per quarter per residential unit. This was based on the new NPDES permit and annual reporting requirements, which began in 2003.

I have included the 2004 budget for the Storm Water Improvement Fund to provide a snapshot of current and past finances. As you know, this fund has financed the storm water system upgrades as part of the street and utility improvement projects throughout the City.

## **ENCLOSURES:**

1. Storm Water Improvement Fund (403) Proposed 2004 Budget

## **COUNCIL ACTION REQUESTED:**

Motion to approve the 2004 storm water utility fee rate at \$7.50 per quarter for residential units, and the equivalent REF for other property types. This is a 0% increase and the same rate as 2003.



## Storm Water Improvement Fund 403

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DEPT. 48403	2000 Actual	2001 Actual	2002 Actual	2003 Adopted	2003 Projected	2004 Proposed
<b>REVENUES:</b>						
37300 Storm Sewer Fee	45,397	44,873	43,819	47,000	47,000	47,000
36211 Investment Interest	33,975	22,487	5,080	7,500	4,000	4,000
37230 Penalties	-	-	-	-	-	-
39999 Other	-	-	2,000	-	-	-
36100 Special Assessments	-	-	-	-	-	-
<b>Total Revenue</b>	<b>79,372</b>	<b>67,360</b>	<b>50,899</b>	<b>54,500</b>	<b>51,000</b>	<b>51,000</b>
<b>EXPENDITURES:</b>						
101 Reg. FT Employees	13,857	15,010	17,935	17,542	17,542	18,244
121 PERA Contributions	733	761	953	970	970	1,009
122 FICA Contributions	1,112	1,182	1,350	1,342	1,342	1,396
131 Group Insurance	802	793	1,218	2,160	2,160	2,279
133 Life Insurance	-	-	-	-	-	-
201 General Supplies	-	-	-	-	-	-
327 Other Service	-	-	-	-	-	-
304 Engineering	1,528	378	847	-	-	-
444 Contingency Funds	-	-	-	-	-	-
554 Storm System Repairs	-	350	-	500	500	1,000
NPDES Phase II Permit	-	-	5,000	10,000	10,762	1,000
<b>Total Expenditures</b>	<b>18,032</b>	<b>18,474</b>	<b>27,303</b>	<b>32,514</b>	<b>33,276</b>	<b>24,927</b>
<b>Surplus (Deficit)</b>	<b>61,340</b>	<b>48,886</b>	<b>23,596</b>	<b>21,986</b>	<b>17,724</b>	<b>26,073</b>
<hr/>						
<b>Beginning Fund Balance</b>	<b>462,129</b>	<b>549,498</b>	<b>357,482</b>	<b>305,170</b>	<b>305,170</b>	<b>322,894</b>
<b>Surplus (Deficit)</b>	<b>61,340</b>	<b>48,886</b>	<b>23,596</b>	<b>21,986</b>	<b>17,724</b>	<b>26,073</b>
39200 Transfers In	61,029	59,098	64,092	40,000	40,000	-
710 Transfers Out	35,000	300,000	140,000	40,000	40,000	-
<b>Ending Fund Balance</b>	<b>549,498</b>	<b>357,482</b>	<b>305,170</b>	<b>327,156</b>	<b>322,894</b>	<b>348,967</b>

# Lauderdale City Council Memorandum

---

Council Meeting Date: November 25, 2003  
To: Mayor and City Council  
From: Rick Getschow, City Administrator  
Agenda Item: 2004 Audit and Financial Services Agreement

---

## **BACKGROUND:**

Attached is a copy of the proposed agreement for services from Abdo, Eick & Myers. This proposed agreement contains the same language as past agreements, except that special attention will be given to GASB 34 regulations and another new federal rule-SAS 99. Statement of Audit Standards (SAS) has promulgated a new audit rule that will increase the amount of hours spent on the audit for fraud prevention and detection purposes. Most financial consultants and auditors feel that this federal rule came about as a result of the recent corporate frauds such as Enron. Nonetheless, it applies to all entities and will increase the audit cost.

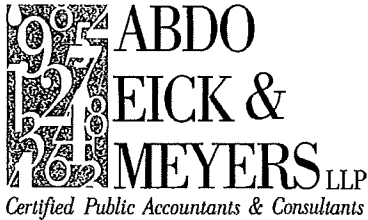
The proposed agreement's not to exceed amount for services in 2004 is \$7,500. This is a \$2,000 increase from last year as a result of the GASB 34 and SAS rules mentioned above. The financial services offered will also include the completion of the annual TIF report.

## **ENCLOSURES:**

1. 2004 Proposed Financial and Audit Services Agreement

## **COUNCIL ACTION REQUESTED:**

Authorize the City Administrator to enter into an agreement with Abdo, Eick & Myers for 2004 financial and audit services.



November 20, 2003

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Grandview Square  
5201 Eden Avenue Suite 370  
Edina, MN 55436

Mr. Rick Getschow  
City of Lauderdale  
1891 Walnut Street  
St. Paul, Minnesota 55113

Dear Rick:

Enclosed is the 2004 engagement letter. As we discussed, it has been prepared with additional costs to implement Statements on Auditing Standards (SAS) No. 99.

We sent a letter outlining what SAS No. 99 was and what it would involve a couple of months ago. SAS No. 99 is an audit standard that relates to fraud. It is required to be in place for this audit and will result in additional time in completing the audit.

If you have any questions, please feel free to call me at your earliest convenience.

Sincerely,

ABDO, EICK & MEYERS, LLP  
Certified Public Accountants

Steven R. McDonald, CPA

Enclosures

November 20, 2003

Grandview Square  
5201 Eden Avenue Suite 370  
Edina, MN 55436

Honorable Mayor and City Council  
City of Lauderdale  
1891 Walnut Street  
St. Paul, Minnesota 55113

Dear Honorable Mayor and City Council:

We are pleased to confirm our understanding of the services we are to provide the City of Lauderdale for the year ended December 31, 2003. We will audit the financial statements of the City as of and for the year ended December 31, 2003. We understand that the financial statements will be presented in accordance with the financial reporting model in effect prior to that described in GASB Statement No. 34. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

1. Combining and Individual Fund Financial Statements

#### **Audit Objective**

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

#### **Management Responsibilities**

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.



### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as an auditor is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Identifying and ensuring that the City complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Audit Procedures - Internal Control**

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the City's financial statements.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.



**Audit Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.). We estimate that our gross fee, including expenses will be approximately \$7,500. This estimate is based on the prior year time and the estimated cost for the implementation of SAS 99. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

ABDO, EICK & MEYERS, LLP  
Certified Public Accountants

Steven R. McDonald, CPA

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Lauderdale.

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

## Lauderdale City Council Memorandum

---

Council Meeting Date: November 25, 2003  
To: Mayor and City Council  
From: Rick Getschow, City Administrator  
Agenda Item: 2004 Budget Discussion

---

### **BACKGROUND:**

At the December 9, 2003 Council meeting the City Council will approve the 2004 property tax levy and the 2004 Budget. I will provide a presentation of the property tax levy and the budget at that meeting.

This item as placed on the agenda in case the Council wishes to provide any further feedback on the budget or wish to have any final discussions before the budget is approved.

One brief topic of discussion that I would like to address is the \$248,000 recently brought into in the sanitary sewer fund (601) as a result of the MCES waste water treatment error. We will be conducting our 2003 Budget transfers at the December meeting and a transfer from this fund is planned. Even though most of these enterprise fund profits should be transferred to our debt funds, there is the ability to transfer some of the funds to other areas of the budget that include:

General Fund- Replacement trees for the Street/Utility Improvements 2000-2003

General Fund- Match for the LCDA Grant

General Fund- Participation in the Housing Resource Center (HRC)

(This may be covered by county levy)

General Capital Improvement Fund- future replacement of the smaller truck and the Social Room/Kitchen furnace

This is only a discussion item. Action on the 2004 Budget and property tax levy will occur at the December 9, 2003 meeting.