

**LAUDERDALE CITY COUNCIL MEETING AGENDA
TUESDAY, NOVEMBER 26, 2002
CITY HALL, 7:30 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.

1. CALL MEETING TO ORDER AT 7:30 P. M.

2. ROLL:

Councilmembers:

McCloskey _____
Gill-Gerbig _____
Mayor Dains _____
Christensen _____
Giannetti _____

Staff:

Getshow _____

3. APPROVAL OF THE AGENDA

4. APPROVAL

A. Approval of minutes of the regular City Council Meeting of 11/12/02
B. Approval of claims totaling \$74,534.39

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.
10. ACTION
 - A. MNDOT Highway 280 Reconstruction Project
 - A. Resolution 112602A: A Resolution Approving Layout #2 for Trunk Highway 280 from 1,000 Feet North of Larpeigneur Avenue to the South of I-35W.
 - B. 2003 Sanitary Sewer Rates
 - C. 2003 Storm Water Utility Rates
 - D. 2003 Audit and Financial Services Agreement
11. DISCUSSION
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, 2002**

1. Meeting called to order at 7:35 P.M.

2. ROLL

Council present: Giannetti, Gill-Gerbig, McCloskey, Christensen, and Mayor Dains
Staff present: Getschow

3. APPROVAL OF THE AGENDA

A. *Approval of Agenda.* Motion by Christensen, second by McCloskey to approve the agenda. Motion carried unanimously.

4. APPROVAL

A. *Approval of Minutes.* Motion by Giannetti, second by Gill-Gerbig to approve of the minutes of the regular City Council meeting of October 22, 2002. Motion carried unanimously.

B. *Approval of Claims totaling \$46,242.25.* Motion by Christensen, second by McCloskey to approve the claims totaling \$46,242.25. Motion carried unanimously.

C. *Approval of Pay Request # 7 for the 2002 Street and Utility Improvements for \$290,594.70.* Motion by Giannetti, second by Gill-Gerbig to approve Pay Request #7 for the 2002 Street and Utility Improvements for \$290,594.70. Motion carried unanimously.

Council member Gill-Gerbig updated the Council on the \$50,000 that has been approved by the Mississippi Watershed Management Organization (MWMO) for the 2002 Street and Utility Improvements.

The City Administrator updated the Council on the status of the 2002 project. It appears that the only item that will not be completed this construction season is the placement of the sod in the boulevard behind the curb.

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

6. CONSENT

7. SPECIAL ORDER OF BUSINESS/RESOLUTIONS/PROCLAMATIONS

A. *Halloween Party.* The Mayor stated that the Halloween Party was a success. Attendance at the party was once again very high, and all of the candy was given away.

B. *General Election.* The Mayor stated that the election judges and election staff should be complimented for an excellent job with the election. This year was especially difficult with the processing of both a regular ballot and supplemental ballot that also required separate hand counting.

8. INFORMATIONAL PRESENTATIONS

9. PUBLIC HEARINGS

10. ACTION

A. *Consideration Of a Front Yard Fence Request at 1805 Fulham Street.* The City Administrator clarified the fence application that was in the packet by stating that the applicant is requesting to place two separate fences along the two side yards that project into the front yard setback. They will not connect and run across the front of the property.

Motion by McCloskey, second by Gill-Gerbig to approve the front yard fence request at 1805 Fulham Street. Roll: Yes: all. Motion carried.

B. *Resolution 111202A: A Resolution Supporting the Application for Assignment of a Property Identification Number for a Property in the City of Lauderdale.* Administrator Getschow stated that the owner of 1707 Eustis Street is requesting that the two previously consolidated parcels located at his property be divided into two separate parcels in order to create an additional buildable lot to the south of the existing house. The existing parcel of land consists of two forty-foot (40') lots that have been consolidated into one eighty-foot (80') parcel of land. The proposed division would recreate the two originally platted forty-foot (40') lots, with an existing house on the northerly lot.

Motion by Christensen, second by Gill-Gerbig to approve Resolution 111202A: A Resolution allowing for the division of two previously consolidated residential parcels of land located at 1707 Eustis Street. Roll: Yes: all. Motion carried.

C. *Approval of the 2003 Recycling Contract Extension.* Administrator Getschow stated that the current one-year contract with BFI allows two one-year extensions with the approval of the City Council and BFI. The current contract calls for a cost of \$2.05 per resident per month. The proposed increase is would be \$0.05 per resident per month for a total cost of \$2.10 per resident per month. Motion by Gill-Gerbig, second by McCloskey to approve the recycling contract renewal at a rate of \$2.10 per month per resident with BFI Waste Systems for 2003.

D. *Approval of the 2003 Recycling Rates.* The City Administrator stated that pursuant to past practice and our approved contract with BFI for 2003, the recycling fee that the City is charged for collecting recyclables for each household is recommended to be \$2.10 per month or \$25.20 per year. If approved by the Council, this fee will increase from \$24.60 per year from the previous contract. The budgeting philosophy regarding the recycling fund 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). SCORE grant funds and interest income cover all other costs, such as staff salary and the purchasing of recycling bins.

Motion by Giannetti, second by McCloskey to approve the 2003 residential recycling rate at \$2.10 per household per month or \$25.20 per year. Roll: Yes: all. Motion carried.

F. Reconsideration of the City-Wide Tree Trimming Quotations. The City Administrator that at the September 24, 2002 meeting, the Council approved a quotation from Precision Tree Company to conduct city-wide tree-trimming. At the time, city staff was under the impression that the tree-trimming would begin within a month from the time that the quote was approved. Precision informed us that they would not begin the trimming until December or January of 2003, which is not what the city had expected. Blue Chip, a tree company who had received the request for proposal, but had not submitted a proposal, stated that had they known a December start time was acceptable, they would have submitted a competitive proposal. Therefore, revisiting the following quotations is being recommended at this time.

- Blue Chip
Hourly Rate: \$160/hr.
Number of Crew Members: 3
Type of Equipment Used: Aerial Bucket Truck, Chip Truck

- Northeast Tree and Timber
Hourly Rate: \$165/hr.
Number of Crew Members: 3
Type of Equipment Used: Brustl Chipper, Ford Forestry Dump, No bucket

- Precision Landscape and Tree
Hourly Rate: \$180/hr.
Number of Crew Members: 2 – 3
Type of Equipment Used: HIRanger Bucket Truck, Brush Bandit Chipper

Motion by Christensen, second by Giammetti to approve Blue Chip at a cost of \$160.00 per hour for a 3-person crew to conduct tree-trimming in the City of Lauderdale. Roll: Yes: all. Motion carried.

- 11. REPORTS
- 12. ITEMS REMOVED FROM THE CONSENT AGENDA
- 13. ADDITIONAL ITEMS

A break was taken at 8:30 p.m. to transition into a work session discussion.

14. WORK SESSION DISCUSSION

The meeting resumed at 8:35 p.m.

A. *MNDOT Highway 280 Reconstruction.* The City Council discussed the Highway 280 construction project with MNDOT officials in anticipation of the November 26, 2002 public hearing.

B. *2003 Street and Utility Improvements Schedule and Timeline.* The City Council briefly discussed the timeline and the schedule for the upcoming improvement project.

C. *Truth-In-Housing Inspections and Reports.* The City Council discussed the Truth-in-Housing program that is operated by the City of Saint Paul.

15. SET AGENDA FOR NEXT MEETING

1. MNDOT Highway 280 Reconstruction Public Hearing and Municipal Consent Resolution consideration
2. 2003 Storm Water Utility Rates
3. 2003 Sanitary Sewer Rates
4. 2003 Audit and Financial Services Agreement

16. ADJOURNMENT

Motion by Gill-Gerbig, second by Christensen to adjourn the meeting at 10:20 P.M.
Ayes: All.

**CITY OF LAUDERDALE
Claims for Approval**

November 26, 2002 City Council Meeting

| <u>Payroll</u> | |
|---|-------------|
| 11/22/02 Payroll: Check # 7271-7275 | \$5,936.21 |
| 11/22/02 Payroll: EFT: Federal Withholding Taxes/FICA | \$2,427.10 |
| 11/22/02 Payroll: EFT: PERA | \$991.43 |
| 11/22/02 Payroll: EFT: ICMA Retirement Fund | \$999.12 |
| Nov '02 Payroll: EFT: State Withholding Taxes | \$829.73 |
| | |
| <u>Vendor Claims</u> | |
| 11/26/02 Claims: Check # 16069-16085 | \$63,350.80 |

Subtotal of Claims From Above

\$74,534.39

| | |
|----------------------------------|--------------------|
| Total Claims for Approval | \$74,534.39 |
|----------------------------------|--------------------|

**CITY OF LAUDERDALE
Paid Register**

| Check Number | Employee Number | Employee Name | Pay Period | Pay Group | Check Amount | Check Date | Status |
|--------------|-----------------|-------------------|------------|-----------|-------------------|------------|-------------|
| 007271 | 000000011 | BOWNIK, JAMES | 24 | BI-WEEKLY | \$1,001.68 | 11/22/02 | Outstanding |
| 007272 | 000000003 | GETSCHOW, RICK | 24 | BI-WEEKLY | \$1,730.03 | 11/22/02 | Outstanding |
| 007273 | 000000030 | GOYETTE, SHANNON | 24 | BI-WEEKLY | \$934.57 | 11/22/02 | Outstanding |
| 007274 | 000000002 | HINRICHS, DAVID C | 24 | BI-WEEKLY | \$984.47 | 11/22/02 | Outstanding |
| 007275 | 000000005 | HUGHES, JOSEPH A | 24 | BI-WEEKLY | \$1,285.46 | 11/22/02 | Outstanding |
| 007270 | | VOID | 24 | | \$0.00 | 11/22/02 | Void |
| | | | | | <u>\$5,936.21</u> | | |

CITY OF LAUDERDALE
Vendor Transactions

| CHECK Nbr | Check Date | Batch Name Invoice | Amount | Comments |
|-----------|------------|--------------------|--------|----------|
|-----------|------------|--------------------|--------|----------|

Search Name AT & T
 016069 11/26/02 112602claims 1222734908
 Search Name AT & T \$11.10 11/02 long distance

Search Name BONESTROO, ROSENE, ANDERLIK
 016070 11/26/02 112602claims 92012
 016070 11/26/02 112602claims 92013
 016070 11/26/02 112602claims 92014
 Search Name BONESTROO, ROSENE, ANDERLIK \$27,536.83
 \$1,028.00 09/02 general engineering
 \$1,256.34 09/02 '01 stull imp
 \$25,252.49 09/02 '02 stull imp

Search Name BROWNING-FERRIS IND OF MN
 016071 11/26/02 112602claims 11/26/02
 Search Name BROWNING-FERRIS IND OF MN \$2,357.50
 \$2,357.50 10/02 recycling

Search Name CINTAS
 016072 11/26/02 112602claims 11/26/02
 Search Name CINTAS \$74.46
 \$74.46 11/11, 11/18 pw uniforms

Search Name CITY OF FALCON HEIGHTS
 016073 11/26/02 112602claims 11/26/02
 016073 11/26/02 112602claims 11/26/02
 016073 11/26/02 112602claims 11/26/02
 016073 11/26/02 112602claims 11/26/02
 Search Name CITY OF FALCON HEIGHTS \$3,051.50
 \$179.50 09/02 false fire calls
 \$1,077.00 10/02 fire calls
 \$359.00 10/02 false fire calls
 \$1,436.00 09/02 fire calls

Search Name CITY OF ST ANTHONY
 016074 11/26/02 112602claims 509
 Search Name CITY OF ST ANTHONY \$18,421.09
 \$18,421.09 12/02 police services

Search Name KENNEDY & GRAVEN
 016075 11/26/02 112602claims 54121
 016075 11/26/02 112602claims 54121
 Search Name KENNEDY & GRAVEN \$492.00
 \$3.00 10/02 print/process
 \$495.00

Search Name LILLIE SUBURBAN NEWS
 016076 11/26/02 112602claims 11/26/02
 Search Name LILLIE SUBURBAN NEWS \$550.52
 \$550.52 10/02 roseville review delivery

Search Name MET-COUNCIL ENVIRONMENTAL SER.
 016077 11/26/02 112602claims 746917
 Search Name MET-COUNCIL ENVIRONMENTAL SER. \$10,155.70
 \$10,155.70 12/02 wastewater services

Search Name MINNESOTA AFSCME
 016078 11/26/02 112602claims 11/26/02
 Search Name MINNESOTA AFSCME \$78.96
 \$78.96 11/02 union dues

Search Name NORTH STAR BANK, PETTY
 Search Name NORTH STAR BANK, PETTY

CITY OF LAUDERDALE
Vendor Transactions

| CHECK Nbr | Check Date | Batch Name Invoice | Amount | Comments |
|-----------|------------|-----------------------|-----------------|--------------------------------------|
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$1.00 | pizza: pcic |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$45.63 | mileage: james |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$10.07 | donuts: election judges |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$27.23 | halloween supplies |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$8.48 | halloween supplies |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$7.70 | get well, retirement cards |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$9.98 | coffee |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$37.04 | mileage: shannon |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$4.42 | certified mail |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$18.00 | pizza: election judges |
| 016079 | 11/26/02 | 112602claims 11/26/02 | \$6.07 | halloween supplies |
| | | | \$185.62 | |
| | | | <hr/> | |
| | | | \$111.00 | stamps for city hall |
| | | | <hr/> | |
| | | | \$111.00 | |
| | | | <hr/> | |
| | | | \$55.30 | 11/02 autodial: malvern lift station |
| | | | <hr/> | |
| | | | \$55.30 | |
| | | | <hr/> | |
| | | | \$183.99 | halloween supplies |
| | | | <hr/> | |
| | | | \$183.99 | |
| | | | <hr/> | |
| | | | \$9.09 | 10/02 pw cell phone |
| | | | <hr/> | |
| | | | \$9.09 | 10/02 pw cell phone |
| | | | <hr/> | |
| | | | \$18.18 | |
| | | | <hr/> | |
| | | | \$5.70 | 3q02 water bill |
| | | | <hr/> | |
| | | | \$5.70 | 3q02 water bill |
| | | | <hr/> | |
| | | | \$11.40 | |
| | | | <hr/> | |
| | | | \$26.32 | 10/02 rubbish removal |
| | | | <hr/> | |
| | | | \$26.33 | 10/02 rubbish removal |
| | | | <hr/> | |
| | | | \$52.65 | |
| | | | <hr/> | |
| | | | \$63,350.80 | |

FILTER: (((Period) in(1) and [Act Year] = '2002') and [Tran Nbr] in(20,21,22,23,25) and ([Vendor Nbr]>0)) and (((Batch Name)="112602claims"))

Lauderdale City Council Memorandum

Council Meeting Date: November 26, 2002

To: Mayor and City Council

From: Rick Getschow, City Administrator

Agenda Item: MNDOT Highway 280 Reconstruction Project Public Hearing
and Municipal Consent Resolution

BACKGROUND:

MNDOT will present a final staff approved layout of the project for review by the City Council and the residents at the meeting on Tuesday. Pursuant to State Statutes, the city has scheduled a public hearing on this issue. You may recall that a previous public hearing was held on this project in October, so this is the second public hearing on the project. The notice of the hearing is included in the packet and states that the public hearing and potential action on this issue is scheduled for Tuesday, November 26, 2002.

As the Council is approaching the decision stage on this project, there is one condition of municipal consent that has been raised and discussed. That condition involves keeping Roselawn Avenue open to traffic to exit off of Highway 280 only. All entrances and other exits off of Highway 280 will be closed in Lauderdale with the exception of the Larpenteur interchange. Also, this Roselawn option would remain open until the Larpenteur interchange is reconstructed.

MNDOT stated at the November 12th meeting that this potential option may require a need to return to the appropriate Met Council ISTEA funding committee for review. It is assumed that this committee would lower the score of the funding application due to this condition, and in effect, the project would be eliminated. My subsequent conversations with an ISTEA committee representative and MNDOT staff this week have elicited a different response. Since all traffic is still being kept from entering Highway 280, the Met Council Committee Chair felt that this option may not need to be brought back to the Met Council committee for reconsideration at all. Also, he stated that if MNDOT brought the issue to his committee he would not have necessarily have a problem with the partial open Roselawn option. MNDOT has stated that they are reviewing the issue since our meeting and may even incorporate the Roselawn option into their layout. There will still be the option to vote on closing all accesses, but the Roselawn option may now appear viable to MNDOT.

There may need to be discussion on the implications to the proposed sound wall construction north of Roselawn if the Roselawn partial open condition is pursued. This is something that MNDOT is also looking into at this time.

I am still working with MNDOT on the municipal consent resolutions that are to be considered by the City Council following the public hearing next Tuesday. Since MNDOT is still researching the Roselawn partial open option that could be a part of an approved layout, the resolution for municipal consent consideration will not be available until early next week. I will provide the resolutions for consideration as soon as I hear from MNDOT. Either way, it appears that the City Council may have two viable options to consider on Tuesday.

Please feel free to contact me early next week with any thoughts or concerns regarding this agenda item.

ENCLOSURES:

1. Public Notice for the November 26, 2002 Public Hearing

COUNCIL ACTION REQUESTED:

Conduct the Public Hearing.

Consider adoption of a Resolution 112602A: A Resolution Approving Layout #2 for Trunk Highway 280 from 1,000 Feet North of Larpenieur Avenue to the South of I-35W. *(Draft resolutions to be provided by the time of the meeting).*

HIGHWAY 280 PRESENTATION

Notice is hereby given that a public hearing will be held by the Lauderdale City Council
On Tuesday November 26, 2002 at 7:30 p.m. or soon thereafter
In the City of Lauderdale Council Chambers

Lauderdale City Hall
1891 Walnut Street
Lauderdale, MN 55113

Mn/DOT proposes to reconstruct Highway 280 between Ione Street and Interstate 35W, including pavement reconstruction, access closures and noise abatement.

All persons with reference to this matter will be heard during this City Council meeting
on November 26, 2002 at 7:30 p.m. Representatives from the Minnesota Department
of Transportation will present a proposed layout for the project and will discuss project
details at this meeting.

You may request ADA accommodations, such as an ASL interpreter. Call 651-282-6981
Voice or 651-296-3460 TDD. Adequate notice is required.

*Please contact Nancy Daubenberger - Mn/DOT Metro Design, at 651-582-1379 if you have any
questions.*



*Moving
Minnesota*



Lauderdale City Council Memorandum

Council Meeting Date: November 26, 2002

To: Mayor and City Council

From: Rick Getschow, City Administrator

Agenda Item: 2003 Sanitary Sewer Rates

BACKGROUND:

As part of the 2002 budget process, the Council increased sanitary sewer rates 2.56% from \$40.00 to \$41.00 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.

The 2003 Budget continues to represent a stable scenario of sewer fees from the MCES. With our current rate scenario, the fund is projecting a slight surplus for 2002. The 2002 Budget was set up to produce a \$3,897 operational deficit, but reduced spending will most likely produce this small surplus. While we increased the rates 2.56% in 2002 to partly address previous shortfalls, further increases may be warranted for the purpose of keeping pace with increased costs.

Attached is a spreadsheet outlining total expenditures and options for rate increases to generate revenue to cover the costs of the sanitary sewer enterprise fund.

The three options that I have presented are summarized as follows:

| Rate Increase | Residential Cost per Quarter | Budget Surplus/(Deficit) |
|---------------|------------------------------|--------------------------|
| 0.0 % | \$ 41.00 | (\$5,086) |
| 2.4% | \$ 42.00 | \$ 378 |
| 4.9% | \$ 43.00 | \$5,842 |

ENCLOSURES:

1. Sewer Utility Fund (601) Proposed 2003 Budget
2. Sewer Rate Analysis Spreadsheet

COUNCIL ACTION REQUESTED:

Approve the 2003 sanitary sewer rates.

Sewer Utility Fund 601

| DEPT. 49000 | 1998 | 1999 | 2000 | 2001 | 2002 | 2002 | 2003 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Actual | Actual | Actual | Adopted | Projected | Proposed |
| REVENUES: | | | | | | | |
| 37210 Sewer Charges | 200,242 | 211,830 | 212,941 | 228,495 | 220,000 | 223,664 | 223,664 |
| 36211 Investment Interest | 4,711 | 2,403 | 4,110 | 3,207 | 2,700 | 2,700 | 2,700 |
| 36250 Refunds/Reimbursements | - | - | 10 | - | - | - | - |
| 37230 Penalties | 7 | - | - | - | - | - | - |
| 37240 Sewer Assessments-SAC | 4,692 | - | 288 | 3,450 | - | 10,247 | - |
| Total Revenues | 209,652 | 214,233 | 217,349 | 235,152 | 222,700 | 236,611 | 226,364 |
| EXPENDITURES: | | | | | | | |
| 101 Reg. FT Employees | 38,163 | 39,792 | 40,727 | 42,864 | 37,207 | 45,000 | 45,000 |
| 102 On-Call Pay | 3,995 | 3,438 | 4,465 | 9,397 | 8,000 | 9,000 | 9,000 |
| 103 PT Employees | - | - | - | - | - | - | - |
| 104 Temp. Employees | - | - | - | - | - | - | - |
| 121 PERA Contributions | 2,155 | 2,240 | 2,396 | 2,782 | 2,500 | 2,500 | 2,500 |
| 122 FICA Contributions | 3,250 | 3,368 | 3,632 | 4,255 | 3,458 | 3,458 | 3,458 |
| 126 ICMA Retirement | - | - | - | - | - | - | - |
| 131 Group Insurance | 2,494 | 3,144 | 2,531 | 2,994 | 4,335 | 4,335 | 4,595 |
| 133 Life Insurance | - | - | - | - | - | - | - |
| 151 Worker's Comp. | 1,215 | 1,439 | 1,818 | 1,803 | 1,818 | 1,818 | 1,818 |
| 201 General Supplies | 24 | - | - | - | 200 | 200 | 200 |
| 202 Permanent Supplies | 115 | - | - | - | - | - | - |
| 203 Postage | - | - | - | - | - | - | - |
| 212 Motor Fuels | 814 | 784 | 966 | 1,063 | 1,000 | 1,000 | 1,000 |
| 224 Street Maint. Supply | - | - | - | - | - | - | - |
| 225 Landscaping Materials | - | - | - | - | - | - | - |
| 227 Tools & Equipment | 16 | - | - | 314 | 100 | 100 | 100 |
| 228 Misc. Repairs/Maint. Supply | - | - | - | - | 1,000 | 500 | 1,000 |
| 301 Auditing | 875 | 1,225 | 1,566 | 2,298 | 1,700 | 1,665 | 1,700 |
| 304 Engineering | 467 | - | 439 | 3,761 | - | - | - |
| 307 Computer Services | 595 | 603 | - | - | - | - | - |
| 308 Training/Conferences | - | 300 | 248 | - | 300 | 500 | 500 |
| 315 Sewer Jetting | - | - | 470 | 1,875 | 1,000 | 1,000 | 1,000 |
| 316 Sewer Televising | - | - | 835 | - | - | - | - |
| 327 Other Services | 6,621 | 5,213 | 4,829 | 4,833 | 7,888 | 4,900 | 7,888 |
| 352 Public Info. Notices | - | - | - | - | - | - | - |
| 355 Misc. Printing/Processing | - | - | - | - | - | - | - |
| 361 General Liability | 4,291 | 2,071 | 1,994 | 2,226 | 1,900 | 2,200 | 1,900 |
| 362 Property Insurance | - | 518 | 526 | 629 | 526 | 629 | 526 |
| 363 Automotive Insurance | - | 382 | 340 | 359 | 340 | 359 | 340 |
| 381 Electric | 2,363 | 2,796 | 3,359 | 3,361 | 2,800 | 3,500 | 2,500 |
| 382 Water | 19 | 14 | 15 | 15 | 25 | 15 | 25 |
| 383 Gas Utilities | 697 | 727 | 1,118 | 1,469 | 1,200 | 1,300 | 1,000 |

| | | DEPT. 49000 | | | | | |
|-------|-------------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|
| | | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| | | Actual | Actual | Actual | Actual | Adopted | Projected |
| 387 | Met Council Sewer Charges | 140,289 | 171,998 | 132,384 | 130,520 | 138,000 | 130,000 |
| 388 | Met Council SAC Charges | - | - | - | 3,450 | - | 10,247 |
| 391 | Telephones/Pagers | 3,444 | 3,751 | 2,732 | 2,737 | 3,000 | 3,000 |
| 402 | City Truck Repair/Maint. | 5 | 644 | 534 | 1,296 | 1,000 | 1,300 |
| 408 | Lift Station Repair/Maint. | 6,108 | 1,251 | 349 | 8,414 | 3,000 | 1,000 |
| 409 | Other Equip. Repair/Maint. | - | - | 15 | - | - | - |
| 424 | Vehicle Rental | - | - | - | - | - | - |
| 425 | Clothing | 1,174 | 1,323 | 1,428 | 1,357 | 1,300 | 1,300 |
| 442 | Misc. | - | 500 | - | - | - | - |
| 444 | Contingency Funds | - | - | - | - | 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 | - | - | - | - | - | - |
| | Total Expenses | 219,189 | 247,521 | 208,881 | 234,907 | 226,597 | 233,326 |
| | Surplus (Deficit) | (9,537) | (33,288) | 8,468 | 245 | (3,897) | 3,285 |
| | Beginning Fund Balance | 153,877 | 134,340 | 101,052 | 109,520 | 109,765 | 109,765 |
| | Surplus (Deficit) | (9,537) | (33,288) | 8,468 | 245 | (3,897) | 3,285 |
| 39200 | Transfers In | - | - | - | - | - | - |
| 710 | Transfers Out | 10,000 | - | - | - | - | - |
| | Ending Fund Balance | 134,340 | 101,052 | 109,520 | 109,765 | 105,868 | 113,050 |
| | | 134,340 | 101,052 | 109,520 | 109,765 | 105,868 | 107,964 |

Sewer Rate Analysis

| | 1998 Actual | 1999 Actual | 2000 Actual | 2001 Actual | 2002 Projected | 2003 0% Increase | 2003 2.4% Increase | 2003 4.9% Increase |
|-----------------------------------|----------------|--------------|--------------|--------------|----------------|---------------------|-----------------------|-----------------------|
| RESIDENTIAL RATE/QTR./UNIT | 1,216 \$ 36.50 | \$ 38.00 | \$ 39.00 | \$ 40.00 | \$ 41.00 | \$ 41.00 | \$ 42.00 | \$ 43.00 |
| COMMERCIAL RATE/QTR./UNIT | 3,000 \$ 1.80 | \$ 1.87 | \$ 1.92 | \$ 1.97 | \$ 2.02 | \$ 2.02 | \$ 2.07 | \$ 2.12 |
| RESIDENTIAL REVENUE/QTR. | \$ 44,384.00 | \$ 46,208.00 | \$ 47,424.00 | \$ 48,640.00 | \$ 49,856.00 | \$ 49,856.00 | \$ 51,072.00 | \$ 52,288.00 |
| COMMERCIAL REVENUE/QTR. | \$ 5,400.00 | \$ 5,610.00 | \$ 5,760.00 | \$ 5,910.00 | \$ 6,060.00 | \$ 6,060.00 | \$ 6,210.00 | \$ 6,360.00 |
| Revenue Generated/Qtr. | \$49,784 | \$51,818 | \$53,184 | \$54,550 | \$55,916 | \$55,916 | \$57,282 | \$58,648 |
| Revenue Generated/Yr. | \$199,136 | \$207,272 | \$212,736 | \$228,495 | \$223,664 | \$223,664 | \$229,128 | \$234,592 |
| Plus Investment Income | \$4,711 | \$4,000 | \$4,110 | \$3,207 | \$2,700 | \$2,700 | \$2,700 | \$2,700 |
| Other Income | \$5,805 | \$2,961 | \$503 | \$3,450 | \$10,247 | \$0 | \$0 | \$0 |
| Total Revenue | \$209,652 | \$214,233 | \$217,349 | \$235,152 | \$236,611 | \$226,364 | \$231,828 | \$237,292 |
| Expenditures | \$219,189 | \$247,521 | \$208,881 | \$234,907 | \$233,326 | \$231,450 | \$231,450 | \$231,450 |
| Difference | (\$9,537) | (\$33,288) | \$8,468 | \$245 | \$3,285 | (\$5,086) | \$378 | \$5,842 |
| Beginning Fund Balance | \$153,877 | \$134,340 | \$101,052 | \$109,520 | \$109,765 | \$113,050 | \$113,050 | \$113,050 |
| 55% of Operating Expenses | \$120,554 | \$136,137 | \$114,885 | \$129,199 | \$128,329 | \$127,298 | \$127,298 | \$127,298 |
| Transfer to Sewer Imp. Fund (407) | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ending Fund Balance | \$134,340 | \$101,052 | \$109,520 | \$109,765 | \$113,050 | \$107,964 | \$113,428 | \$118,892 |

Lauderdale City Council Memorandum

Council Meeting Date:

November 26, 2002

To:

Mayor and City Council

From:

Rick Getschow, City Administrator

Agenda Item:

2003 Storm Water Utility Rates

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. At that time, the Council approved a \$2.50 per quarter per residential unit fee rate, which was based on research of fees for other cities that have implemented a storm water utility. 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. From 1998-2002, the fee was \$6.50 per quarter per residential unit and the equivalent REF for other property types. Thus, the storm water utility fee has not changed for 4 years

Included in the packet is the 2003 proposed budget for the Storm Water Improvement Fund that provides a snapshot of current and past finances. As you can see, the fund balance has grown since the introduction of a storm utility fee, but this fund balance, in conjunction with other grants, has funded the storm water system upgrades that are part of the major street and utility improvement projects in the City from 2000-2004. Even though the fund balance has grown to finance these improvements, the Council needs to look at the unfunded mandates and the on-going maintenance and the that are a part of the Lauderdale storm water system. Starting in 2003, the City must comply with new federal and state regulations regarding storm water. This current year the City has already committed \$3,000 toward the creation of a Guide Plan that will assist in 50-60% of the work needed in applying for a municipal storm water system permit from the state. But there will be costs involved in the other 40% of the work involved with the permit application in addition to the on-going annual costs of complying with the permit and reporting on its status. It is for this reason alone that the Council should consider raising the storm water fee for the first time since 1998.

We have done a quick survey of neighboring communities (see below), and have found that almost every city we contacted is proposing to raise its rates in 2003 mainly as a result of the new federal and state regulations.

St. Anthony: 2002: \$13.00/quarter
 2003: Unknown increase planned

Falcon Heights 2002: \$3.25/quarter
 2003: \$6.50/quarter

New Brighton 2002: \$4.75/quarter
 2003: \$7.50/quarter

Lauderdale 2002: \$6.50/quarter
 2003: ??????

ENCLOSURES:

1. Storm Water Improvement Fund (403) Proposed 2003 Budget

COUNCIL ACTION REQUESTED:

Choose one of the options below:

Motion to approve the 2003 storm water utility fee rate at:

- \$6.50 per quarter for residential units, and the equivalent RBF for other property types.
- \$7.00 per quarter for residential units, and the equivalent RBF for other property types.
- \$7.50 per quarter for residential units, and the equivalent RBF for other property types.

Storm Water Improvement Fund 403

| | 1999 | 2000 | 2001 | 2002 | 2002 | 2003 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Adopted | Projected | Proposed |
| REVENUES: | | | | | | |
| 37300 Storm Sewer Fee | 46,718 | 45,397 | 44,873 | 51,718 | 44,000 | 44,000 |
| 36211 Investment Interest | 13,881 | 33,975 | 22,487 | 7,500 | 7,500 | 7,500 |
| 37230 Penalties | - | - | - | - | - | - |
| 39999 Other | - | - | - | - | - | - |
| Total Revenue | 60,599 | 79,372 | 67,360 | 59,218 | 51,500 | 51,500 |
| EXPENDITURES: | | | | | | |
| 101 Reg. FT Employees | 13,824 | 13,857 | 15,010 | 16,212 | 16,212 | 17,185 |
| 121 PERA Contributions | 711 | 733 | 761 | 897 | 897 | 951 |
| 122 FICA Contributions | 1,056 | 1,112 | 1,182 | 1,240 | 1,240 | 1,314 |
| 131 Group Insurance | 903 | 802 | 793 | 2,040 | 2,040 | 2,162 |
| 133 Life Insurance | - | - | - | - | - | - |
| 201 General Supplies | - | - | - | - | - | - |
| 327 Other Service | - | - | - | 250 | - | - |
| 304 Engineering | 10,679 | 1,528 | 378 | - | - | - |
| 444 Contingency Funds | - | - | - | - | - | - |
| 554 General Storm System Repairs | 62 | - | 350 | 500 | 500 | 500 |
| NPDES Phase II Permit | - | - | - | - | - | 5,000 |
| Total Expenditures | 27,235 | 18,032 | 18,474 | 21,139 | 20,889 | 27,112 |
| Surplus (Deficit) | 33,364 | 61,340 | 48,886 | 38,079 | 30,611 | 24,388 |
| <hr/> | | | | | | |
| Beginning Fund Balance | 384,096 | 462,129 | 549,498 | 357,482 | 357,482 | 388,093 |
| Surplus (Deficit) | 33,364 | 61,340 | 48,886 | 38,079 | 30,611 | 24,388 |
| <hr/> | | | | | | |
| Ending Fund Balance | 462,129 | 549,498 | 357,482 | 395,561 | 388,093 | 412,481 |
| Transfers In | 44,669 | 61,029 | 59,098 | 40,000 | 40,000 | 40,000 |
| Transfers Out | - | 35,000 | 300,000 | 40,000 | 40,000 | 40,000 |

Lauderdale City Council Memorandum

Council Meeting Date: November 26, 2002

To: Mayor and City Council

From: Rick Getschow, City Administrator

Agenda Item: 2003 Audit and Financial Services Agreement

BACKGROUND:

Attached is a copy of the proposed agreement for services from Abdo, Abdo & Eick. This proposed agreement contains the same language as past agreements, except that special attention will be given to the need to begin implementing the GASB 34 regulations. Even though considerable city staff time will be spent on GASB 34, financial assistance from our consultant will be needed.

The proposed agreement's not to exceed amount for services is \$5,500. This is a \$300 (5.8%) increase from last year. The financial services offered will also include the completion of the annual TIF report.

ENCLOSURES:

1. 2003 Proposed Financial and Audit Services Agreement

COUNCIL ACTION REQUESTED:

Authorize the City Administrator to enter into an agreement with Abdo, Abdo, Eick and Myers for 2003 financial and audit services.

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.

Management Responsibilities

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.

Audit Objective

1. Combining and Individual Fund Financial Statements

We are pleased to confirm our understanding of the services we are to provide the City of Lauderdale for the year ended December 31, 2002. We will audit the financial statements of the City as of and for the year ended December 31, 2002. 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:

Dear Mayor and Council:
Mayor and Council
City of Lauderdale
1891 Walnut Street
Lauderdale, Minnesota 55113

7241 Ohms Lane
Suite 200
Edina, MN 55439-2150



October 31, 2002



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 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 entity or to acts by management or employees acting on behalf of the entity.

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 auditors 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 audits, 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 entity'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.) except that we agree that our gross fee, including expenses will not exceed \$5,500. 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: _____

CLIENT COPY