

**LAUDERDALE CITY COUNCIL MEETING AGENDA**  
**7:30 P.M. TUESDAY, NOVEMBER 10, 2015**  
**LAUDERDALE CITY HALL, 1891 WALNUT STREET**

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 THE MEETING TO ORDER**
2. **ROLL CALL**
3. **APPROVALS**
  - a. Agenda
  - b. Minutes of the October 27, 2015 City Council Meeting
  - c. Claims Totaling \$101,086.17
4. **CONSENT**
  - a. Deputy Clerk Step Increase
5. **SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS**
6. **INFORMATIONAL PRESENTATIONS / REPORTS**
7. **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. Ordinance No. 15-08 Amending the Animal Control Ordinance
8. **DISCUSSION / ACTION ITEMS**
  - a. Ordinance No. 15-09 Cable Television Franchise Ordinance
9. **ITEMS REMOVED FROM THE CONSENT AGENDA**
10. **ADDITIONAL ITEMS**
11. **SET AGENDA FOR NEXT MEETING**
  - a. 2016 Special Revenue Fund Budgets
  - b. Set 2016 Sanitary Sewer, Storm Water, and Recycling Rates
  - c. Benedictine Health Systems Conduit Financing
12. **WORK SESSION**
  - a. Opportunity for the Public to Address the City Council

Any member of the public may speak at this time on any item not on the agenda. In consideration for the public attending the meeting, 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 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 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.

- b. 2016 Special Revenue Fund Budgets and Utility Rates
- c. Sanitary Sewer Metering Report
- d. Community Development Update

### 13. **ADJOURNMENT**

LAUDERDALE CITY COUNCIL  
MEETING MINUTES  
Lauderdale City Hall  
1891 Walnut Street  
Lauderdale, MN 55113

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October 27, 2015

Mayor Dains called the Regular City Council meeting to order at 7:33 p.m.

Councilors present: Mayor Jeff Dains, Mary Gaasch, Roxanne Grove, Denise Hawkinson, and Lara Mac Lean.

Councilors absent: None.

Staff present: Heather Butkowski, City Administrator; Jim Bownik, Assistant City Administrator; and Terry Berg, Deputy City Clerk.

Others present: Police Chief John Ohl, Bond Counsel Julie Eddington, Cor Wilson and Patrick Haggerty.

**Approvals**

Mayor Dains asked for changes to the meeting agenda. Councilor Mac Lean requested the topic of group homes be added. Motion was made by Councilor Hawkinson to approve the agenda with the group homes topic added under Discussion/Action Items, seconded by Councilor Grove and carried unanimously.

Councilor Grove moved to approve the City Council meeting minutes of October 13, 2015. Councilor Mac Lean seconded the motion and carried unanimously.

Councilor Hawkinson moved and seconded by Councilor Gaasch to approve the claims totaling \$31,991.67. Motion carried unanimously.

**Consent**

Mayor Dains asked if any Councilors wished to remove items from the Consent Agenda. There being none, Councilor Hawkinson moved and seconded by Councilor Mac Lean to approve the Consent Agenda thereby approving the September Financial Report, Quarterly Investment Report, PCIC Minutes and Resolution 102715C the SCORE Grant Request. Motion carried unanimously.

**Informational Presentations / Reports**

A. Halloween Event on October 31

Assistant City Administrator Bownik updated the council on the event progress for Saturday, October 31 from 5:00 p.m. until 7:00 p.m. with free food, activities, and treat bags.

Councilor Grove expressed disappointment with the volunteer turnout on Sunday to decorate and set-up for the event. Mayor Dains suggested a joint meeting with the Park and Community Involvement Committee with City Administrator Butkowski suggesting a note inserted in gift bags on volunteerism.

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**Public Hearings**

A. CenturyLink Cable Franchise Application

Cor Wilson, Executive Director of the North Suburban Cable Commission, addressed the council regarding the CenturyLink Cable Franchise Application with a PowerPoint presentation. The proposed cable franchise is for a term of five years and addresses build-out.

The franchise closely resembles the Comcast franchise with the term shorter and reasonable build-out in each city and prohibiting cherry picking. Franchise terms were explained in detail.

Patrick Haggerty, of the Government Affairs office with CenturyLink, emphasized that build-out will be handled as direct marketing to areas that will be served; not mass marketing due to existing frequency. Mr. Haggerty reviewed their partnership with Direct TV and CenturyLink product, Prism.

Mayor Dains opened the public hearing at 8:14 p.m.

There being no public comment, Mayor Dains closed the public hearing at 8:15 p.m.

Administrator Butkowski noted that the Ordinance would be placed on the November 10 agenda with no action required at this time.

B. Resolution 102715A Levying Special Assessments for Miscellaneous Delinquent Accounts Receivable

Administrator Butkowski reported that 1701 Carl Street has three delinquent accounts receivable for mowing, weeds and pest control nuisance abatements. Each of these invoices is more than 60-days delinquent with collection efforts unsuccessful. The special assessment would be for one year payable 2016 with interest of \$25.00 or 8%, whichever is greater.

Mayor Dains opened the public hearing at 8:17 p.m.

There being no public comment, Mayor Dains closed the public hearing at 8:18 p.m.

Motion was made by Councilor Gaasch and seconded by Councilor Hawkinson to adopt Resolution 102715A Levying Special Assessments for Miscellaneous Delinquent Accounts Receivable. Motion carried unanimously on a roll call vote.

C. Ordinance No15-07 Amending Title 9, Chapter 10 of the Code of Ordinances Regarding Driveway and Parking Pad Requirements

City Administrator Butkowski highlighted the ordinance from previous council discussions noting the ordinance had been reviewed by City Attorney Batty, who added the enforcement section.

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October 27, 2015

Mayor Dains opened the public hearing at 8:19 p.m.

There being no public comment, Mayor Dains closed the public hearing at 8:19 p.m.

Motion was made by Councilor Mac Lean and seconded by Councilor Gaasch to adopt Ordinance No. 15-07 Amending Title 9, Chapter 10 of the Code of Ordinances Regarding Driveway and Parking Pad Requirements. Motion carried unanimously on a roll call vote.

**Discussion / Action Items**

A. Resolution 102715B Calling a Public Hearing on the Issuance of Revenue Notes and Providing Preliminary Approval to the Proposed Issuance Thereof

Julie Eddington, Bond Counsel with Kennedy & Graven, addressed the city council regarding conduit financing for Benedictine Health System, who intend to refinance four facilities with the sale of Duluth and Plainview facilities. The schedule calls for the public hearing at the November 24 council meeting with the nine million in bonds to close in December before year-end. Ms. Eddington noted that the real estate sales could impact the bond closing. While the City has no bonding plans for 2016, the council hoped the closing would be in 2015 so the City might assist another with conduit financing next year should the opportunity arise.

Motion was made by Councilor Gaasch and seconded by Councilor Hawkinson to adopt Resolution 102715B Calling a Public Hearing on the Issuance of Revenue Notes and Providing Preliminary Approval to the Proposed Issuance Thereof. Motion carried unanimously on a roll call vote.

B. Group Homes

Councilor Mac Lean expressed frustration with no change in the group home situation on Eustis Street and the number of calls since the council discussion and lack of response from Ramsey County commissioner or staff. Administrator Butkowski noted that the group home on Walnut Street has relocated outside of Lauderdale.

Police Chief Ohl stated that his department has not received any communication but noted that his department is capable of responding with no assistance needed. The issue with the group homes is the quality of life with area residents.

Discussion ensued with Mayor Dains stating that he would contact the county board chair and county administrator to assist.

City administrator noted the next meeting may include the CenturyLink Cable Franchise, 2016 Budget including Special Revenue, Capital Improvement and Enterprise Funds, 2016 Utility Rates, and Amendments to the Animal Control Ordinance.

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October 27, 2015

**Work Session**

A. Public Comment.

None.

B. Sex Offender Residency Restrictions

City Administrator Butkowski introduced the topic and reviewed discussions with City Attorney Batty. Police Chief Ohl reviewed the various levels of sex offenders and data practices requirements. Besides the sex offender levels, there is the Predatory Offender Registration (POR) that are not assigned a level. To his knowledge, there is one predatory offender in Lauderdale.

Councilor Gaasch left the meeting at 8:52 p.m.

Administrator Butkowski noted that she has a model ordinance that has a 2,000 feet distance requirement. For Lauderdale, 2,000 feet from the community park and daycares would limit sex offenders locating in Lauderdale. Following council discussion, the administrator was directed to contact the League of Minnesota Cities regarding the 2,000 foot distance. In closing, Chief Ohl noted that the three cities of Lauderdale, Falcon Heights and St. Anthony work closely together so the other cities would probably follow with similar ordinances.

C. Community Development Update

None.

**Closed Session**

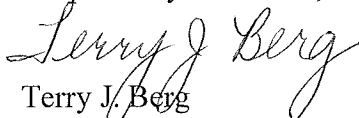
**A. 1821 Eustis Street**

Mayor Dains called the closed session of the City Council at 8:56 p.m. The purpose of the closed session was to review confidential data and consider strategies for purchase of real property at 1821 Eustis Street conducted pursuant to Minnesota Statutes Sections 13D.05, subdivision 3 and 13.44, subdivision 3.

Mayor Dains closed the session at 9:12 p.m.

There being no further business on the council agenda, motion was made by Councilor Hawkinson and seconded by Councilor Mac Lean, carried unanimously, to adjourn the meeting at 9:13 p.m.

Respectfully submitted,

  
Terry J. Berg  
Deputy City Clerk

**CITY OF LAUDERDALE**

**CLAIMS FOR APPROVAL**

**November 10, 2015 City Council Meeting**

Payroll

11/06/15 Payroll: Direct Deposit # 502117-502121	\$8,317.37
11/06/15 Payroll: Payroll Liabilities, e-payments 1046E-1048E	\$7,128.89

Vendor Claims

11/10/15 Claims: Check #'s 23042-23068	\$85,639.91
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**SUBTOTAL \$101,086.17**

**Total Claims for Approval**

**\$101,086.17**

LAUDERDALE, MN

11/06/15 10:41 AM

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Payments

Current Period: NOVEMBER 2015

Batch Name	110615 PR				
Payment		Computer Dollar Amt	\$7,128.89	Posted	
Refer	5058 ICMA RETIREMENT TRUST - 457	Ck# 001046E	11/6/2015		
Cash Payment	G 101-21705 ICMA RETIREMENT		November 6 2015 Payroll		\$1,869.46
Invoice	102060646		11/6/2015		
Transaction Date	11/6/2015	Due 0	NORTH STAR CHE 10100	<b>Total</b>	\$1,869.46
Refer	5059 NORTH STAR BANK, CHECKING S	Ck# 001047E	11/6/2015		
Cash Payment	G 101-21701 FEDERAL TAXES		November 6 2015 Payroll		\$1,313.06
Invoice			11/6/2015		
Cash Payment	G 101-21703 FICA WITHHOLDING.		November 6 2015 Payroll		\$2,143.58
Invoice			11/6/2015		
Transaction Date	11/6/2015	Due 0	NORTH STAR CHE 10100	<b>Total</b>	\$3,456.64
Refer	5060 PERA	Ck# 001048E	11/6/2015		
Cash Payment	G 101-21704 PERA		November 6 2015 Payroll		\$1,802.79
Invoice			11/6/2015		
Transaction Date	11/6/2015	Due 0	NORTH STAR CHE 10100	<b>Total</b>	\$1,802.79

Fund Summary

	10100 NORTH STAR CHECKING	
101 GENERAL		\$7,128.89
		<u>\$7,128.89</u>

Pre-Written Check	\$7,128.89
Checks to be Generated by the Computer	\$0.00
<b>Total</b>	<u>\$7,128.89</u>



**\*Check Detail Register©**

NOVEMBER 2015

Check Amt Invoice Comment

**10100 NORTH STAR CHECKING**

Paid Chk#	Date	Payee	Check Amt	Invoice	Comment
<b>Paid Chk# 023042 11/10/2015 BERG, TERRY</b>					
E 101-41200-331		TRAVEL EXPENSE	\$6.33		Mileage
E 101-41200-409		OTHER EQUIPMENT REPAIR/M	\$139.27		Typewriter Repair
		<b>Total BERG, TERRY</b>	<b>\$145.60</b>		
<b>Paid Chk# 023043 11/10/2015 BOYER TRUCKS</b>					
E 101-43000-202		PERMANENT SUPPLIES	\$9.59	27993H	Wiper Blades
		<b>Total BOYER TRUCKS</b>	<b>\$9.59</b>		
<b>Paid Chk# 023044 11/10/2015 CITY OF ROSEVILLE</b>					
E 101-41200-306		CONSULTING FEES	\$486.75	220762	November IT Services
E 101-41200-391		TELEPHONE/PAGERS	\$104.45	220806	November Telephone Services
		<b>Total CITY OF ROSEVILLE</b>	<b>\$591.20</b>		
<b>Paid Chk# 023045 11/10/2015 CITY OF ST ANTHONY</b>					
E 101-42100-319		POLICE CONTRACT	\$52,865.50	3321	November Police Contract
		<b>Total CITY OF ST ANTHONY</b>	<b>\$52,865.50</b>		
<b>Paid Chk# 023046 11/10/2015 CITY OF ST PAUL</b>					
E 101-43000-327		OTHER SERVICES	\$180.25	00012492	Radio Shop Maintenance
		<b>Total CITY OF ST PAUL</b>	<b>\$180.25</b>		
<b>Paid Chk# 023047 11/10/2015 EUREKA RECYCLING</b>					
E 203-50000-389		RECYCLING CONTRACTOR	\$2,511.77	15408	November Recycling
E 203-50000-327		OTHER SERVICES	\$984.50	15408	Cart to Alley Transition
		<b>Total EUREKA RECYCLING</b>	<b>\$3,496.27</b>		
<b>Paid Chk# 023048 11/10/2015 G &amp; K SERVICES</b>					
E 602-49100-425		CLOTHING	\$53.28	2277524-10	October Uniforms
E 601-49000-425		CLOTHING	\$53.28	2277524-10	October Uniforms
		<b>Total G &amp; K SERVICES</b>	<b>\$106.56</b>		
<b>Paid Chk# 023049 11/10/2015 GLTC PREMIUM PAYMENTS</b>					
G 101-21706		HEALTH INSURANCE	\$102.70	1607387	Long Term Care Insurance
		<b>Total GLTC PREMIUM PAYMENTS</b>	<b>\$102.70</b>		
<b>Paid Chk# 023050 11/10/2015 GOPHER STATE ONE-CALL</b>					
E 101-43400-386		GOPHER STATE ONE CALL	\$26.10	148449	October Locates
		<b>Total GOPHER STATE ONE-CALL</b>	<b>\$26.10</b>		
<b>Paid Chk# 023051 11/10/2015 HOME DEPOT CRC</b>					
E 101-43000-228		REPAIR SUPPLIES	\$33.97	2020633	Smart Panel
E 101-43000-228		REPAIR SUPPLIES	\$101.91	2022702	Smart Panels
E 101-43000-228		REPAIR SUPPLIES	\$13.96	3041762	Station - Loctite Sealant
		<b>Total HOME DEPOT CRC</b>	<b>\$149.84</b>		
<b>Paid Chk# 023052 11/10/2015 HUGHES AND JOSEPH</b>					
E 101-41500-300		LEGAL FEES - PROSECUTING	\$850.00	0046	October

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NOVEMBER 2015

		Check Amt	Invoice	Comment
<b>Total HUGHES AND JOSEPH</b>		<b>\$850.00</b>		
Paid Chk#	023053	11/10/2015	KENNEDY & GRAVEN	
E 101-41500-305	LEGAL FEES - CIVIL	\$2,227.50	128284	Parking Pads, Driveways, Snow Removal, Peddlers Ordinance
<b>Total KENNEDY &amp; GRAVEN</b>		<b>\$2,227.50</b>		
Paid Chk#	023054	11/10/2015	LILLIE SUBURBAN NEWS	
E 101-41100-352	PUBLIC INFORMATION NOTICE	\$72.00		Public Hearing for Cable Franchise
E 101-41100-352	PUBLIC INFORMATION NOTICE	\$240.00		Ordinance No 15-06
E 101-41100-352	PUBLIC INFORMATION NOTICE	\$726.00		Ordinance No 15-05
E 101-41100-352	PUBLIC INFORMATION NOTICE	\$150.00		Public Hearing Notice for Special Assessments
<b>Total LILLIE SUBURBAN NEWS</b>		<b>\$1,188.00</b>		
Paid Chk#	023055	11/10/2015	MET COUNCIL ENVIRONMENTAL SERV	
E 601-49000-387	WATER TREATMENT SERVICE	\$11,019.42	1049475	November Wastewater Treatment
<b>Total MET COUNCIL ENVIRONMENTAL SERV</b>		<b>\$11,019.42</b>		
Paid Chk#	023056	11/10/2015	MINNESOTA PLAYGROUND, INC.	
E 101-45200-228	REPAIR SUPPLIES	\$172.00	2015396	Tot Seat
<b>Total MINNESOTA PLAYGROUND, INC.</b>		<b>\$172.00</b>		
Paid Chk#	023057	11/10/2015	NORTH STAR BANK, CHECKING STMT	
E 201-45600-379	HALLOWEEN EVENT	\$30.36		Halloween Decorations
<b>Total NORTH STAR BANK, CHECKING STMT</b>		<b>\$30.36</b>		
Paid Chk#	023058	11/10/2015	NORTH STAR BANK, PETTY CASH	
E 101-41200-203	POSTAGE	\$47.00		Business License Mailing
E 201-45600-379	HALLOWEEN EVENT	\$23.28		Halloween Party Food
E 101-41200-202	PERMANENT SUPPLIES	\$26.77		Manilla Envelopes
E 201-45600-379	HALLOWEEN EVENT	\$19.99		Halloween Volunteer Cards
E 201-45600-379	HALLOWEEN EVENT	\$58.68		Black Light and Gift Bags
E 201-45600-379	HALLOWEEN EVENT	\$17.10		Maze Materials
<b>Total NORTH STAR BANK, PETTY CASH</b>		<b>\$192.82</b>		
Paid Chk#	023059	11/10/2015	OFF ICE OF THE STATE AUDITOR	
E 101-41200-308	TRAINING & EDUCATION	\$140.00	864	Local Government Training Conference - TJB
<b>Total OFF ICE OF THE STATE AUDITOR</b>		<b>\$140.00</b>		
Paid Chk#	023060	11/10/2015	RAMSEY COUNTY, PROP REC & REV	
E 101-42100-442	MISCELLANEOUS	\$6.24	EMCOM-0046	October Fleet Support
E 101-42100-318	911 DISPATCH	\$228.72	EMCOM-0046	October 911 Dispatch - CAD
E 101-41200-355	PRINTING SERVICES	\$25.00	RISK-001753	November Health Insurance
G 101-21706	HEALTH INSURANCE	\$443.49	RISK-001753	November Health Insurance
<b>Total RAMSEY COUNTY, PROP REC &amp; REV</b>		<b>\$703.45</b>		
Paid Chk#	023061	11/10/2015	RAMSEY COUNTY,	
E 101-42100-318	911 DISPATCH	\$1,116.41	EMCOM-0046	October 911 Dispatch

LAUDERDALE, MN

11/06/15 1:26 PM

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**\*Check Detail Register©**

NOVEMBER 2015

		Check Amt	Invoice	Comment
<b>Total RAMSEY COUNTY, TAX FORFEITED</b>		<b>\$1,116.41</b>		
Paid Chk#	023062	11/10/2015	SCHWAAB, INC	
E 101-41200-201	GENERAL SUPPLIES	\$31.98	A011645	Notary Stamp - TJB
<b>Total SCHWAAB, INC</b>		<b>\$31.98</b>		
Paid Chk#	023063	11/10/2015	ST PAUL REGIONAL WATER SERVICE	
E 101-43000-382	WATER UTILITIES	\$31.59		2430 Larpenteur Ave W
E 101-45200-382	WATER UTILITIES	\$69.82		1885 Fulham St
E 101-43000-382	WATER UTILITIES	\$60.78		1891 Walnut St
E 601-49000-382	WATER UTILITIES	\$20.44		1915 Walnut St
<b>Total ST PAUL REGIONAL WATER SERVICE</b>		<b>\$182.63</b>		
Paid Chk#	023064	11/10/2015	STANTEC	
E 405-48500-325	LARPENTEUR AVE IMPROVEM	\$497.25	969464	Larpenteur Avenue Streetscape
E 601-49000-304	ENGINEERING	\$9,078.47	969466	Inflow and Infiltration
<b>Total STANTEC</b>		<b>\$9,575.72</b>		
Paid Chk#	023065	11/10/2015	WASTE MANAGEMENT	
E 101-43000-384	REFUSE DISPOSAL	\$229.23	7238631-0500-	October - Public Works
<b>Total WASTE MANAGEMENT</b>		<b>\$229.23</b>		
Paid Chk#	023066	11/10/2015	XCEL ENERGY, 2430 LARPENTEUR	
E 101-43000-381	ELECTRIC UTILITIES	\$24.73	477282857	2430 Larpenteur
<b>Total XCEL ENERGY, 2430 LARPENTEUR</b>		<b>\$24.73</b>		
Paid Chk#	023067	11/10/2015	XCEL ENERGY, CITY HALL	
E 101-43000-383	GAS UTILITIES	\$43.76	477206581	City Hall
E 101-43000-381	ELECTRIC UTILITIES	\$143.66	477206581	City Hall
<b>Total XCEL ENERGY, CITY HALL</b>		<b>\$187.42</b>		
Paid Chk#	023068	11/10/2015	XCEL ENERGY, STREET LIGHTING	
E 101-43000-380	STREET LIGHTING	\$43.55	477267852	Lauderdale Bridge Lights
E 101-43000-380	STREET LIGHTING	\$51.08	477289743	Larpenteur Avenue
<b>Total XCEL ENERGY, STREET LIGHTING</b>		<b>\$94.63</b>		
<b>10100 NORTH STAR CHECKING</b>		<b>\$85,639.91</b>		

**\*Check Detail Register©**

NOVEMBER 2015

Check Amt Invoice Comment

**Fund Summary**

**10100 NORTH STAR CHECKING**

101 GENERAL	\$61,272.09
201 COMMUNITY EVENTS	\$149.41
203 RECYCLING	\$3,496.27
405 TIF-PROJECTS	\$497.25
601 SEWER UTILITIES	\$20,171.61
602 STORM SEWER ENTERPRISE FUND	\$53.28
	<hr/>
	\$85,639.91

**LAUDERDALE COUNCIL  
ACTION FORM**

**ACTION REQUESTED**

Consent                      X    
Public Hearing                     
Discussion                         
Action                               
Resolution                         
Work session                   

Meeting Date:    November 10, 2015

ITEM NUMBER   Berg - Probation and Wage  

STAFF INITIAL   JB  

APPROVED BY ADMINISTRATOR

**DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:**

Terry began working for the City on May 4, 2015. That means her six-month probationary period ended on November 3. Terry began at step three of the wage scale and now moves to step four or \$25.78/per hour.

**OPTIONS:**

**STAFF RECOMMENDATION:**

By approving the consent agenda, the City Council approves Terry Berg's step increase effective November 4, 2015.

**COUNCIL ACTION:**

# LAUDERDALE COUNCIL ACTION FORM

### Action Requested

Consent \_\_\_\_\_  
Public Hearing \_\_\_\_\_  
Discussion   X    
Action   X    
Resolution \_\_\_\_\_  
Work Session \_\_\_\_\_

Meeting Date November 10, 2015

ITEM NUMBER Animal Ordinance

STAFF INITIAL 

APPROVED BY ADMINISTRATOR

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

In 2013, the Council updated the animal control ordinance. In part, the revisions brought the dangerous dog section in step with what the City of St. Anthony had adopted. This makes sense as the St. Anthony Police Department provides animal control services as part of the police contract.

The revisions adopted in 2013 did not address whether dogs designated as dangerous by another municipality would be allowed into the City. Staff recently spoke with a Minneapolis resident that wanted to move to Lauderdale with his dog which Minneapolis had designated as dangerous. As this is something within the Council's purview to prohibit, staff is asking the Council whether you want to amend the ordinance. If the Council does, the city attorney has reviewed the following changes and it is ready for approval after the Council holds a public hearing.

### OPTIONS:

### STAFF RECOMMENDATION:

Motion to adopt Ordinance No. 15-08 Amending Title 5, Chapter 3 of the Code of Ordinances Regarding Animal Control.

CITY OF LAUDERDALE  
ORDINANCE NO. 15-08

An Ordinance Amending Title 5, Chapter 3  
of the Code of Ordinances Regarding Animal Control

The city council of the city of Lauderdale ordains as follows:

SECTION 1. Section 5-3-12 of the Lauderdale City Code is amended by deleting the ~~stricken material~~ and inserting the underlined material as follows:

5-3-12: DANGEROUS AND POTENTIALLY DANGEROUS DOGS:

A. Conformance with State Law: Nothing in this Section is intended to conflict with the provisions of Minnesota Statute Sections 347.50 through 347.565, as may be amended from time to time.

A.B. Dangerous or Diseased Animals: No person may keep on their premises, or on a premises occupied by them, nor permit to run at large in the city, any dog or other domesticated animal of a ferocious or vicious character, habit, or disposition as defined by Minnesota Statutes, Section 347.50 subd. 2. Any animal which is diseased, vicious, dangerous, rabid, or exposed to rabies may be impounded. If the animal cannot be impounded without serious risk to the person attempting to impound the animal, it may be killed immediately by a police officer or other person designated by the City Administrator.

C. Determination: The Chief of Police, or his designee, shall determine whether an animal meets the criteria for designation as a dangerous or potentially dangerous dog.

B.D. Appeals: Any owner who feels aggrieved by a potentially dangerous dog designation may appeal to the Chief of Police or his or her designee.

Any owner, who feels aggrieved by a dangerous dog notice or order of the Chief of Police, or the Chief's designee, may request a hearing before the City Council, which serves as the city's Hearing Officer, by filing an appeal in writing with the Chief of Police within fourteen (14) days after receipt of the notice or order. Upon the filing of such appeal, no further action shall be taken by the City until the matter has been decided by the City Council and all

appeals or appeal opportunities have been exhausted. The owner may appear with or without legal counsel and present evidence in opposition to the notice or order. Following the appeals hearing, the City Council shall make a determination of facts and shall, based upon such determination, affirm, repeal, or modify the Police Chief's notice or order. The City Council shall also establish a date for compliance with the order as affirmed or modified, which date shall be not less than five (5) days thereafter, in compliance with Minnesota Statutes, Section 347.541.

C.E. Confiscation: The animal control authority having jurisdiction shall immediately seize any dangerous dog if:

1. The owner does not appeal the Police Chief's order within the appeal period; or
2. The dog is not destroyed or permanently removed from the City within five (5) calendar days after the City Council has denied an appeal.

E.F. Stopping an Attack. If any law enforcement officer is witness to an attack by a dog upon a person or another animal, the officer may take whatever means the officer deems appropriate to bring the attack to an end and prevent further injury to the victim.

SECTION 2. This ordinance shall be effective upon its adoption and publication.

Adopted by the Lauderdale City Council this 10<sup>th</sup> day of November, 2015.

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Jeffrey Dains, Mayor

ATTEST:

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Heather Butkowski, City Administrator-Clerk

Published in the Roseville Review this 17<sup>th</sup> day of November, 2015.



**LAUDERDALE COUNCIL  
ACTION FORM**

**Action Requested**

Consent \_\_\_\_\_  
Public Hearing \_\_\_\_\_  
Discussion   X    
Action   X    
Resolution \_\_\_\_\_  
Work Session \_\_\_\_\_

Meeting Date November 10, 2015

ITEM NUMBER CenturyLink

STAFF INITIAL AB

APPROVED BY ADMINISTRATOR

**DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:**

At the last meeting, the City Council held a public hearing regarding CenturyLink's application for a cable franchise in the City of Lauderdale. The Council did not receive any comments from the public. Unless the Council would like to propose amendments to the ordinance, it is ready for adoption. In addition to the ordinance, staff recommends adopting the findings-of-fact as presented.

As the ordinance is lengthy at 40+ pages, it can be published in summary. As that requires a 4/5 vote, staff will bring a resolution for summary publication to the next council meeting as we only anticipate three councilors to be in attendance.

**OPTIONS:**

**STAFF RECOMMENDATION:**

Motion to adopt Ordinance 15-09 Cable Television Franchise Ordinance and the Findings-of-Fact as presented.

## CITY OF LAUDERDALE, MINNESOTA

In Re: CenturyLink Cable Franchise  
Application

### FINDINGS OF FACT

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The City is one of nine member cities of the North Suburban Communications Commission (the "NSCC"). Following the submission of an application for a cable television franchise for each member city of the NSCC, the above-entitled matter initially came before the NSCC for a public hearing on Thursday, March 5, 2015, at the NSCC's Office located at 2670 Arthur Street, Roseville, MN 55113. Said public hearing was held open through Friday, March 13, 2015, for the purpose of allowing additional written public comments. Following the public hearing, the NSCC's Executive Director prepared a detailed report entitled "Staff Report on CenturyLink Cable Franchise Application" (the "Staff Report"). The NSCC received and filed the Staff Report and directed NSCC staff to negotiate a cable television franchise with CenturyLink.

The City, in furtherance of its obligations as a steward on behalf of consumers in the City, desires to promote competition in the delivery of cable services and to encourage the deployment of state-of-the-art broadband networks in the hope that true and effective competition between cable service providers will increase the availability and quality of cable services, spur the development of new technologies, improve customer service, minimize rate increases and generally benefit consumers of the City.

The City also recognizes that any facilities based, second cable entrant is in a different position than the incumbent cable provider because the second entrant faces a significant, up front capital investment prior to having the opportunity to compete for its first customer. It is beneficial to attract and retain second entrants because of the investment made in the community

and the creation of new jobs, as well as the benefits to consumers by having a cable service competitor in the City. Adoption of this Franchise is, in the judgment of the City Council, in the best interests of the City and its residents.

Having held a public hearing on the cable franchise application (via the NSCC) and having reviewed the negotiated cable franchise with CenturyLink, the City now makes the following findings:

#### **FINDINGS OF FACT**

1. The City has the authority to grant cable television franchises to cable service providers, pursuant to applicable law. *See* Minn. Stat. § 238.08, Subd. 1(a); and Cable Office Report, § 4.
2. In January, 2015, the NSCC published a Notice of Intent to Franchise in a newspaper of general circulation of the City. *See* Staff Report, § 1.
3. CenturyLink submitted a cable franchise application (the “Application”) on February 20, 2015. *See* Staff Report, § 1.
4. The NSCC held a public hearing on the Application on March 5, 2015, and left the public hearing open until March 13, 2015, for the purpose of receiving additional written comments from the public. *See* Staff Report, Executive Summary and § 1.
5. Following the public hearing, the NSCC’s Executive Director prepared a “Staff Report on CenturyLink Cable Franchise Application” (the “Staff Report”) dated April 9, 2015. The Staff Report is incorporated herein by Reference.

6. The Staff Report was received and filed by the NSCC on or about April 10, 2015, and the NSCC directed NSCC staff to negotiate a cable television franchise with CenturyLink.
7. NSCC staff negotiated a cable television franchise with CenturyLink and presented it to the NSCC on October 7, 2015.
8. The NSCC adopted a Findings of Fact and Recommendation on October 7, 2015, which recommended approval of the negotiated cable television franchise with CenturyLink by each member city.
9. The City held a public hearing on the CenturyLink Cable Television Franchise Ordinance on October 27, 2015.
10. The impact of competition and the challenges to a new cable operator, like CenturyLink, are identified in the Staff Report. *See* Staff Report, § 2.
11. The applicable federal, state and local legal cable franchising requirements, including the application requirements, are identified in the Staff Report. *See* Staff Report, §§ 5 - 8.
12. The Staff Report identified the issues raised by the public, including the incumbent franchised cable operator, Comcast. *See* Staff Report, § 9.
13. The NSCC has substantially complied with the state and local cable franchise application requirements identified in the Staff Report.
14. CenturyLink's application substantially complied with state and local cable franchise application requirements identified in the Staff Report.
15. In the cable television franchise, CenturyLink agrees it has constructed a legacy communications system throughout the City that is capable of providing

telephone and internet services. CenturyLink represents that it desires to upgrade its existing legacy communications system and to install certain new facilities and equipment in the City and intends to operate a cable communications system in the City. *See* Staff Report, Exhibits 2 and 3.

16. CenturyLink further represents that upon completion of its cable service headend, it will be capable of providing cable communications service to a portion of the City over its existing facilities, but currently has no market penetration in the cable communications service market in the City. *See* Staff Report, Exhibits 2 and 3.
17. The NSCC reviewed CenturyLink's franchise application, published a notice of intent to franchise and held a public hearing all in compliance with applicable law. *See* Staff Report, § 1.
18. Comcast of Minnesota, Inc. ("Comcast"), currently holds a non-exclusive franchise with the City, and, Comcast, through its predecessors in interest, has continuously held a franchise with the City since 1983. *See* Staff Report, § 3
19. CenturyLink will be the first facilities based franchised cable operator to compete against the incumbent provider in the City since the initial cable television franchise was granted in 1983. *See* Staff Report, § 3.
20. Section 621(a)(1) of the Cable Television Consumer Protection and Competition Act of 1992 was amended to provide that "...a franchising authority may not unreasonably refuse to award an additional competitive franchise." In support of its mandate, the Conference Report noted that "[W]ithout the presence of another multichannel video programming distributor, a cable system faces no local

competition. The result is undue market power for the cable operator as compared to that of consumers . . . .” See H.R. Conf. Rep. No. 102-862, at 1231 (1992); and 621 Order at ¶ 8.

21. *In the Matter of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992*, Report and Order and Further Notice of Proposed Rulemaking, MB Docket No. 05-311 (Rel. March 5, 2007) (the “621 Order”), the FCC determined, based on Section 621(a)(1), that it is unlawful for a local franchising authority to refuse to grant a competitive franchise on the basis of unreasonable build-out mandates and that such mandates “can have the effect of granting de facto exclusive franchises, in direct contravention of Section 621(a)(1)’s prohibition of exclusive cable franchises.” See 621 Order, at ¶ 40; *see also*, Staff Report, § 7(E).
22. According to the FCC, “[b]ecause a second provider realistically cannot count on acquiring a share of the market similar to the incumbent’s share, the second entrant cannot justify a large initial deployment. Rather a new entrant must begin offering service within a smaller area to determine whether it can reasonably ensure a return on its investment before expanding.” See Staff Report, § 7(D).
23. In the 621 Order, the FCC found that “new cable competition reduced rates far more than competition from DBS [Direct Broadcast Satellite]. Specifically, the presence of a second cable operator in a market results in rates approximately 15 percent lower than in areas without competition.” See *also*, Staff Report, § 2.

24. The FCC also found that “competition for delivery of bundled services will benefit consumers by driving down prices and improving the quality of service offerings.” *See* Staff Report, § 2.
25. The FCC has concluded in the 621 Order that “broadband deployment and video entry are ‘inextricably linked’ and that broadband deployment is not profitable without the ability to compete with the bundled services that cable companies provide.” *See* 621 Order at ¶ 51; *see also*, Staff Report, §§ 2 and 7.
26. The City must, pursuant to the Federal Cable Act, “allow the applicant’s cable system a reasonable period of time to become capable of providing service to all households in the franchise area.” *See* Staff Report, § 7(A).
27. Minnesota Statutes, Chapter 238, among other things, requires a level playing field with the incumbent relating to area served (Minn. Stat. § 238.08, Subd. 1(b)) and a mandatory build out requirement within five years in initial cable franchises (Minn. Stat. § 238.084 Subd. 1(m)(3)). *See* Staff Report, § 8(A)-(B), and 11(c). CenturyLink has demonstrated a good faith basis for its position that applicable federal law preempts these provisions of Chapter 238 because they constitute an unreasonable barrier to entry. *See* Staff Report, § 11(c), and Exhibit 3 at ¶¶ 19-23.
28. CenturyLink claims the fact that these two provisions of the Minnesota Statutes constitute an unreasonable barrier to entry in the City is evidenced in part by the fact that there has been no facilities-based competitor since the initial cable communications franchise was granted. *See* Staff Report, Exhibit 3 at ¶¶ 19-23. CenturyLink has agreed to fully defend, indemnify and hold the City and the

NSCC harmless in the event this cable television franchise agreement is legally challenged. *See* Staff Report, § 11(c).

29. The cable television franchise ordinance is substantially similar to the Comcast cable television franchise, but also addresses a reasonable build-out of the City, and economic redlining.
30. The reasonable build-out provisions in the cable television franchise satisfy the state franchise requirement of requiring the cable system to be substantially complete within five (5) years and the federal franchise requirement of allowing a new cable service provider a reasonable period of time to become capable of providing cable service to all households in the franchise area. *See* Minn. Stat. § 238.084, Subd. 1(m); 47 U.S.C. § 541(a)(4)(A); and Staff Report, §§ 7(A), 7(D)-7(E), 8(B), and 11(c).
31. The 5-year cable television franchise requires CenturyLink to initially construct its system to serve fifteen percent (15%) of the City over 2 years. CenturyLink is required to make its best efforts to complete its initial deployment in less than 2 years and is required to equitably serve households throughout the City, including a significant number of households below the minimum income of the City. Quarterly meetings will allow the City and the NSCC to monitor CenturyLink's progress and compliance with the cable franchise and, if CenturyLink has market success, the cable television franchise has provisions to accelerate the construction of the cable communications system with the goal being complete coverage of the City by the end of the franchise term.



32. The state's cable franchising level playing field statute is satisfied because the cable television franchise requires (1) CenturyLink to pay the same franchise fee as Comcast; (2) the same area of coverage as Comcast; and (3) similar, and in some instances greater, public educational and governmental access requirements. *See* Minn. Stat. § 238.08, subd. 1(b); Staff Report, §§ 7(G), 8(A), and 11(d).
33. CenturyLink submitted an application that included a design for a state-of-the-art cable system that is capable or reliably providing a panoply of cable services to subscribers as required by the NSCC's Competitive Franchising Policies and Procedures. *See* Staff Report, § 10(3)(b).
34. The City has considered the financial, technical, and legal qualifications of CenturyLink. *See, e.g.,* Staff Report, § 10(3).
35. CenturyLink has the financial, technical, and legal qualifications to operate a cable communication system in the City.
36. A CenturyLink cable television franchise will provide a meaningful, distinct alternative to existing multichannel video programming distributors (including existing cable, direct broadcast satellite and other companies), will result in greater consumer choice, is in the public interest for economic development in the City. *See* Staff Report, Exhibits 2 and 3. CenturyLink has also promised to provide additional enhancements to PEG offerings to the City. For example, it has agreed in the franchise to provide every PEG channel in HD and to allow the City to share live programming with other cities in the Twin Cities by providing a Twin Cities Metro PEG Interconnect Network.

37. Consumers and residents of the City will also benefit from CenturyLink's competitive presence because it will drive broader deployment of higher broadband speeds. *See* Staff Report, Exhibits 2 and 3
38. CenturyLink has agreed to an initial deployment area, and it will serve additional areas based upon its market success, as defined in the franchise agreement, which the FCC has deemed to be a reasonable deployment model. *See* Staff Report, § 7(E)(b).
39. The City and its citizens will benefit from facilities based competition in the cable television market. *See* Staff Report, § 2.
40. All prior actions of the NSCC related to the CenturyLink Cable Franchise Application are hereby ratified and approved.

Therefore, based on the foregoing, the City Council has determined that it is in the best interests of the City and its residents to enter in to a cable television franchise ordinance/agreement with CenturyLink, in the form negotiated by the NSCC and that these Findings be incorporated therewith.

**ORDINANCE NO. 15-09**  
**CITY OF LAUDERDALE**

**CABLE TELEVISION FRANCHISE ORDINANCE**

Date: November 10, 2015

Prepared by:

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## ORDINANCE NO. 15-09

AN ORDINANCE GRANTING A FRANCHISE TO QWEST BROADBAND SERVICES, INC., D/B/A CENTURYLINK, TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE COMMUNICATIONS SYSTEM IN THE CITY OF LAUDERDALE; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM AND THE PUBLIC RIGHTS-OF-WAY IN CONJUNCTION WITH THE CITY'S RIGHT-OF-WAY ORDINANCE, IF ANY, AND PRESCRIBING PENALTIES FOR THE VIOLATION OF THE PROVISIONS HEREIN;

The City Council of the City of Lauderdale ordains:

### STATEMENT OF INTENT AND PURPOSE

Qwest Broadband Services, Inc., d/b/a CenturyLink ("Grantee"), applied for a cable franchise to serve the City. The City will adopt separate findings related to the application and the decision to grant a cable franchise to Grantee, which shall be incorporated herewith by reference. The City intends, by the adoption of this Franchise, to bring about competition in the delivery of cable services in the City.

Adoption of this Franchise is, in the judgment of the Council, in the best interests of the City and its residents.

### SECTION 1. SHORT TITLE AND DEFINITIONS

1. Short Title. This Franchise Ordinance shall be known and cited as the CenturyLink Cable Franchise Ordinance.
2. Definitions. For the purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.
  - a. "Basic Cable Service" means any service tier which includes the lawful retransmission of local television broadcast signals and any public, educational, and governmental access programming required by the Franchise to be carried on the basic tier. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b)(7).
  - b. "City" means City of Lauderdale, a municipal corporation, in the State of Minnesota, acting by and through its City Council, or its lawfully appointed designee.
  - c. "City Council" means the governing body of the City.

- d. “Cable Service” or “Service” means the provision of communications and/or entertainment services as “Cable Service” is defined by Minn. Stat. § 238.01 *et seq.* and 47 U.S.C § 521 *et seq.*, as may be amended from time to time, but including Institutional Network services. Cable Service shall also include any video programming service for which a franchise from a local government is permitted under state law.
- e. “Cable System” or “System” means a system of antennas, cables, wires, lines, towers, waveguides, or other conductors, Converters, equipment, or facilities located in City and designed and constructed for the purpose of producing, receiving, transmitting, amplifying, or distributing audio, video, and data. System as defined herein shall not be inconsistent with the definitions set forth in Minn. Stat. § 238.02, subd. 3 and 47 U.S.C. § 522(7). This definition shall include any facility that is a “cable system” under federal law or a “cable communications system” under state law.
- f. “Commercial Need” or “Marketplace Need” means such need or market demand which City and Grantee may jointly determine requires action or performance by Grantee as specifically set forth in this Franchise. Such determination shall be based upon evidence and information presented by City, Grantee and other interested parties at a duly noticed public proceeding. Grantee shall have an opportunity to present evidence regarding the level of market demand, the cost of meeting such demand and the availability of technologies to meet such demand. Any decision regarding Commercial or Marketplace Need which requires action by Grantee shall not be unreasonable.
- g. “Commission” means the North Suburban Communications Commission, a municipal Joint Powers Commission.
- h. “Converter” means an electronic device which converts signals to a frequency acceptable to a television receiver of a Subscriber and by an appropriate selector permits a Subscriber to view all Subscriber signals included in the service.
- i. “Drop” means the cable that connects the ground block on the Subscriber's residence or institution to the nearest feeder cable of the System.
- j. “FCC” means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.
- k. “Franchise” or “Cable Franchise” means this ordinance and the regulatory and contractual relationship established hereby.
- l. “Grantee” is Qwest Broadband Services, Inc., d/b/a CenturyLink, its lawful successors, transferees or assignees.



m. "Gross Revenues" shall be defined as and shall be construed broadly to include all revenues derived directly or indirectly by Grantee and/or an Affiliate that is a cable operator of the Cable System, from the operation of Grantee's Cable System to provide Cable Services within the City (including cash, credits, property or other consideration of any kind or nature). Gross revenues include, by way of illustration and not limitation: monthly fees for Cable Services, regardless of whether such Cable Services are provided to residential or commercial customers, including revenues derived from the provision of all Cable Services (including but not limited to pay or premium Cable Services, digital Cable Services, pay-per-view, pay-per-event and video-on-demand Cable Services); installation, reconnection, downgrade, upgrade or similar charges associated with changes in subscriber Cable Service levels; fees paid to Grantee for channels designated for commercial/leased access use; converter, remote control, lockout device and other Cable Service equipment rentals and/or leases or sales; advertising revenues received or derived by Grantee and/or its Affiliates, including but not limited to, rep fees, Affiliate fees, rebates and commissions, but excluding unaffiliated agency fees; late fees, convenience fees and administrative fees; revenues from program guides; franchise fees; and commissions from home shopping channels and other revenue sharing arrangements. Gross Revenues subject to franchise fees shall include revenues derived from sales of advertising that run on Grantee's Cable System within the City and shall be allocated on a *pro rata* basis using total Cable Service subscribers reached by the advertising. Additionally, Grantee agrees that Gross Revenues subject to franchise fees shall include all commissions paid to third parties associated with sales of advertising on the Cable System within the City allocated according to this paragraph using total Cable Service subscribers reached by the advertising. Gross revenues shall not include: actual bad debt write-offs, provided, however, that all or part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected; and any taxes on services furnished by Grantee imposed by any municipality, state or other governmental unit, provided that franchise fees shall not be regarded as such a tax.

- (i) To the extent revenues are received by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable Services, Grantee shall calculate revenues to be included in Gross Revenues using a methodology that allocates revenue on a *pro rata* basis when comparing the bundled service price and its components to the sum of the most recent published rate card rate for the components, except it is expressly understood that equipment may be subject to inclusion in the bundled price at full rate card value. This calculation shall be applied to every bundled service package containing Cable Service from which Grantee receives or derives revenues in the City, and must be updated within sixty (60) days of the date any rate change for cable and/or non-cable services is implemented for a service package containing Cable Service or the date any rate change is implemented for any service

included in a service package that contains Cable Service. The NSCC reserves its right to review and to challenge Grantee's calculations.

- (ii) For purposes of this definition, the term "Affiliates" means any person(s) and/or entity(ies) who own or control, are owned or controlled by or are under common ownership or control with Grantee but does not include affiliated entities that are not directly or indirectly involved with the programming, use, management, operation, construction, repair and/or maintenance of Grantee Corporation's cable systems.
  - (iii) Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties agree that reference shall be made to generally accepted accounting principles ("GAAP") as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/or the U.S. Securities and Exchange Commission ("SEC"). Notwithstanding the forgoing, the City and/or the Commission reserves its right to challenge Grantee's calculation of Gross Revenues, including the use or interpretation of GAAP as promulgated and defined by the FASB, EITF and/or the SEC.
- n. "Household" means a distinct address in the Qwest Corporation ("QC") network database, whether a residence or small business, subscribing to or being offered cable service. Grantee represents and warrants that it has access to the QC network database and shall demonstrate to the City's reasonable satisfaction how the data required in Section 2 are calculated and reported using the QC network database.
  - o. "Installation" means the connection of the System from feeder cable to the point of connection with the Subscriber Converter or other terminal equipment.
  - p. "Lockout Device" means an optional mechanical or electrical accessory to a Subscriber's terminal which inhibits the viewing of a certain program, certain channel, or certain channels provided by way of the Cable Communication System.
  - q. "North Suburbs Access Corporation" means that certain non-profit corporation or its lawful successor, designee, or assignee, which is delegated authority and responsibility for providing certain community programming functions including public access.
  - r. "North Suburban System" means the Cable System located in those municipalities collectively comprising the North Suburban Cable Commission.

- s. “Pay Television” means the delivery over the System of pay-per-channel or pay-per-program audio-visual signals to Subscribers for a fee or charge, in addition to the charge for Basic Cable Service or Cable Programming Services.
- t. “Person” is any person, firm, partnership, association, corporation, company, or other legal entity, but does not include the City or Commission.
- u. “Right-of-Way” or “Rights-of-Way” means the area on, below, or above any real property in City in which the City has an interest including, but not limited to any street, road, highway, alley, sidewalk, parkway, park, skyway, or any other place, area, or real property owned by or under the control of City, including other dedicated Rights-of-Way for travel purposes and utility easements.
- v. “Right-of-Way Ordinance” means the ordinance codifying requirements regarding regulation, management and use of Rights-of-Way in City, including registration and permitting requirements.
- w. “Set Top Box” means an electronic device (sometimes referred to as a receiver) which may serve as an interface between a System and a Subscriber’s television monitor and which may convert signals to a frequency acceptable to a television monitor of a Subscriber and may, by an appropriate selector, permit a Subscriber to view all signals of a particular service
- x. “Subscriber” means any Person who lawfully receives service via the System. In the case of multiple office buildings or multiple dwelling units, the “Subscriber” means the lessee, tenant or occupant.

**SECTION 2. GRANT OF AUTHORITY AND GENERAL PROVISIONS**

- 1. Grant of Franchise.
  - a. This Franchise is granted pursuant to the terms and conditions contained herein.
  - b. Nothing in this Franchise shall be deemed to waive the lawful requirements of any generally applicable City ordinance existing as of the Effective Date.
  - c. Each and every term, provision or condition herein is subject to the provisions of state law, federal law, and local ordinances and regulations. The Municipal Code of the City, as the same may be amended from time to time, is hereby expressly incorporated into this Franchise as if fully set out herein by this reference. Notwithstanding the foregoing, the City may not unilaterally alter the material rights and obligations of Grantee under this Franchise.
  - d. This Franchise shall not be interpreted to prevent the City from imposing additional lawful conditions, including additional compensation conditions for use of the Rights-of-Way, should Grantee provide service other than cable service.

- e. The parties acknowledge that Grantee intends that Qwest Corporation (“QC”), an affiliate of Grantee, will be primarily responsible for the construction and installation of the facilities in the Rights-of-Way, constituting the cable communications system, which will be utilized by Grantee to provide cable service. Grantee promises, as a condition of exercising the privileges granted by this Franchise, that any affiliate of the Grantee, including QC, directly or indirectly involved in the construction, management, or operation of the cable communications system will comply with all applicable federal, state and local laws, rules and regulations regarding the use of the City’s rights of way. The City agrees that to the extent QC violates any applicable laws, rules and regulations, the City shall first seek compliance directly from QC. In the event, the City cannot resolve these violations or disputes with QC, or any other affiliate of Grantee, then the City may look to Grantee to ensure such compliance. Failure by Grantee to ensure QC’s or any other affiliate’s compliance with applicable laws, rules and regulations shall be deemed a material breach of this Franchise by Grantee. To the extent Grantee constructs and installs facilities in the rights-of-way, such installation will be subject to the terms and conditions contained herein.
  
- f. No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:
  - (i) Any other permit or authorization required for the privilege of transacting and carrying on a business within the City that may be required by the ordinances and laws of the City;
  - (ii) Any permit, agreement, or authorization required by the City for Right-of-Way users in connection with operations on or in Rights-of-Way or public property including, by way of example and not limitation, street cut permits; or
  - (iii) Any permits or agreements for occupying any other property of the City or private entities to which access is not specifically granted by this Franchise including, without limitation, permits and agreements for placing devices on poles, in conduits or in or on other structures.
  
- g. This Franchise is intended to convey limited rights and interests only as to those Rights-of-Way in which the City has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide the Grantee with any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.
  
- h. This Franchise does not authorize Grantee to provide telecommunications service, or to construct, operate or maintain telecommunications facilities. This Franchise is not a bar to imposition of any lawful conditions on Grantee with respect to

telecommunications, whether similar, different or the same as the conditions specified herein. This Franchise does not relieve Grantee of any obligation it may have to obtain from the City an authorization to provide telecommunications services, or to construct, operate or maintain telecommunications facilities, or relieve Grantee of its obligation to comply with any such authorizations that may be lawfully required.

2. Grant of Nonexclusive Authority.

- a. The Grantee shall have the right and privilege, subject to the permitting and other lawful requirements of City ordinance, rule or procedure, to construct, erect, and maintain, in, upon, along, across, above, over and under the Rights-of-Way in City a Cable System and shall have the right and privilege to provide Cable Service. The System constructed and maintained by Grantee or its agents shall not interfere with other uses of the Rights-of-Way. Grantee shall make use of existing poles and other above and below facilities available to Grantee to the extent it is technically and economically feasible to do so.
- b. Notwithstanding the above grant to use Rights-of-Way, no Right-of-Way shall be used by Grantee if City determines that such use is inconsistent with the terms, conditions, or provisions by which such Right-of-Way was created or dedicated, or with the present use of the Right-of-Way.
- c. This Franchise shall be nonexclusive, and City reserves the right to grant a franchise to any Person at any time during the period of this Franchise for the provision of Cable Service. The terms and conditions of any such franchise shall be, when taken as a whole, no less burdensome or more beneficial than those imposed upon Grantee pursuant to this Franchise.

3. Lease or Assignment Prohibited. No Person may lease Grantee's System for the purpose of providing Service until and unless such Person shall have first obtained and shall currently hold a valid Franchise or other lawful authorization containing substantially similar burdens and obligations to this Franchise. Any assignment of rights under this Franchise shall be subject to and in accordance with the requirements of Section 10, Paragraph 5.

4. Franchise Term. This Franchise shall be in effect for a period of five (5) years from the date of acceptance by Grantee, unless sooner renewed, revoked or terminated as herein provided.

5. Compliance with Applicable Laws, Resolutions and Ordinances.

- a. The terms of this Franchise shall define the contractual rights and obligations of Grantee with respect to the provision of Cable Service and operation of the System in City. However, the Grantee shall at all times during the term of this Franchise be subject to all lawful exercise of the police power, statutory rights, local ordinance-making authority, and eminent domain rights of City. Except as

provided below, any modification or amendment to this Franchise, or the rights or obligations contained herein, must be within the lawful exercise of City's police power, in which case the provision(s) modified or amended herein shall be specifically referenced in an ordinance of the City authorizing such amendment or modification. This Franchise may also be modified or amended with the written consent of Grantee as provided in Section 13, Paragraph 3 herein.

- b. Grantee shall comply with the terms of any City ordinance or regulation of general applicability which addresses usage of the Rights-of-Way within City which may have the effect of superseding, modifying or amending the terms of Section 3 and/or Section 8, Paragraph 5(c) herein, except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
  - c. In the event of any conflict between Section 3 and/or Section 8, Paragraph 5(c) of this Franchise and any City ordinance or regulation which addresses usage of the Rights-of-Way, the conflicting terms in Section 3 and/or Section 8, Paragraph 5(c) of this Franchise shall be superseded by such City ordinance or regulation, except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
  - d. In the event any City ordinance or regulation which addresses usage of the Rights-of-Way adds to, modifies, amends, or otherwise differently addresses issues addressed in Section 3 and/or Section 8, Paragraph 5(c) of this Franchise, Grantee shall comply with such ordinance or regulation of general applicability, regardless of which requirement was first adopted except that Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way which exceed burdens on similarly situated Rights-of-Way users.
  - e. In the event Grantee cannot determine how to comply with any Right-of-Way requirement of City, whether pursuant to this Franchise or other requirement, Grantee shall immediately provide written notice of such question, including Grantee's proposed interpretation, to the City with copy to the North Suburban Cable Communications Commission, in accordance with Section 2, Paragraph 8. The City or Commission shall provide a written response within fourteen (14) days of receipt indicating how the requirements cited by Grantee apply. Grantee may proceed in accordance with its proposed interpretation in the event a written response is not received within seventeen (17) days of mailing or delivering such written question.
6. Rules of Grantee. The Grantee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably

necessary to enable said Grantee to exercise its rights and perform its obligations under this Franchise and to assure uninterrupted service to each and all of its Subscribers; provided that such rules, regulations, terms and conditions shall not be in conflict with provisions hereto, the rules of the FCC, the laws of the State of Minnesota, City, or any other body having lawful jurisdiction.

7. Territorial Area Involved. This Franchise is granted for the corporate boundaries of City, as it exists from time to time. In the event of annexation by City, or as development occurs, any new territory shall become part of the territory for which this Franchise is granted, subject Paragraph 7(a) (Reasonable Build-Out of the Entire City) below. Access to cable service shall not be denied to any group of potential residential cable Subscribers because of the income of the residents of the area in which such group resides. .

- a. Reasonable Build-Out of the Entire City. The Parties recognize that Grantee, or its affiliate, has constructed a legacy communications system throughout the City that is capable of providing voice grade service. The Parties further recognize that Grantee or its affiliate must expend a significant amount of capital to upgrade its existing legacy communications system and to construct new facilities to make it capable of providing cable service. Further, there is no promise of revenues from cable service to offset these capital costs. The Parties agree that the following is a reasonable build-out schedule taking into consideration Grantee's market success and the requirements of Minnesota state law.
  - (i) Complete Equitable Build-Out. Grantee aspires to provide cable service to all households within the City by the end of the initial term of this Franchise. In addition, Grantee commits that a significant portion of its investment will be targeted to areas below the median income in the City.
  - (ii) Initial Minimum Build-Out Commitment. Grantee agrees to be capable of serving a minimum of fifteen percent (15%) of the City's households with cable service during the first two (2) years of the initial Franchise term, provided, however that Grantee will make its best efforts to complete such deployment within a shorter period of time. This initial minimum build-out commitment shall include deployment to households equitably throughout the City and to a significant number of households below the medium income in the City. Nothing in this Franchise shall restrict Grantee from serving additional households in the City with cable service;
  - (iii) Quarterly Meetings. Commencing January 1, 2016, and continuing throughout the term of this Franchise, Grantee shall meet quarterly with the Executive Director of the Commission. At each quarterly meeting, Grantee shall present information acceptable to the City/Commission (to the reasonable satisfaction of the City/Commission) showing the number of households Grantee is presently capable of serving with cable service and the number of households that Grantee is actually serving with cable service. Grantee shall also present information acceptable to the

City/Commission (to the reasonable satisfaction of the City/Commission) that Grantee is equitably serving all portions of the City in compliance with this Section 2, Paragraph 7. In order to permit the City/Commission to monitor and enforce the provisions of this section and other provisions of this Franchise, the Grantee shall promptly, upon reasonable demand, show to the City/Commission (to the City/Commission's reasonable satisfaction) maps and provide other documentation showing exactly where within the City the Grantee is currently providing cable service;

- (iv) Additional Build-Out Based on Market Success. If, at any quarterly meeting, Grantee is actually serving twenty seven and one-half percent (27.5%) of the Households capable of receiving cable service, then Grantee agrees the minimum build-out commitment shall increase to include all of the Households then capable of receiving cable service plus an additional fifteen (15%) of the total households in the City, which Grantee agrees to serve within two (2) years from the quarterly meeting; provided, however, the Grantee shall make its best efforts to complete such deployment within a shorter period of time. For example, if, at a quarterly meeting with the Commission's Executive Director, Grantee shows that it is capable of serving sixty percent of the households in the City with cable service and is actually serving thirty percent of those households with cable service, then Grantee will agree to serve an additional fifteen percent of the total households in the City no later than 2 years after that quarterly meeting (a total of 75% of the total households). This additional build-out based on market success shall continue until every household in the City is served;
  
- (v) Line Extension. Grantee shall not have a line extension obligation until the first date by which Grantee is providing Cable Service to more than fifty percent (50%) of all subscribers receiving facilities based cable service from both the Grantee and any other provider(s) of cable service within the City. At that time, the City/Commission, in its reasonable discretion and after meeting with Grantee, shall determine the timeframe to complete deployment to the remaining households in the City, including a density requirement that is the same or similar to the requirement of the incumbent franchised cable operator.

8. Written Notice. All notices, reports, or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to any officer of Grantee or City's Administrator of this Franchise or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

If to City:                      City of Lauderdale  
   1891 Walnut Street  
   Lauderdale, Minnesota 55113



Attention: City Manager/Administrator

With copies to: North Suburban Cable Communications Commission  
2670 Arthur Street  
Roseville, Minnesota 55113

And to: Michael R. Bradley  
Bradley Hagen & Gullikson, LLC  
1976 Wooddale Drive, Suite 3A  
Woodbury, Minnesota 55125

If to Grantee: Qwest Broadband Services, Inc., d/b/a CenturyLink  
1801 California St., 10th Flr.  
Denver, CO 80202  
Attn: Public Policy

With copies to: Qwest Broadband Services Inc., d/b/a CenturyLink  
200 S. 5<sup>th</sup> Street, 21<sup>st</sup> Flr.  
Minneapolis, MN 55402  
Attn: Public Policy

Such addresses may be changed by either party upon notice to the other party given as provided in this Section.

### SECTION 3. CONSTRUCTION STANDARDS

#### 1. Registration, Permits and Construction Codes

- a. Grantee shall strictly adhere to all state and local laws and building and zoning codes currently or hereafter applicable to location, construction, installation, operation or maintenance of the System in City and give due consideration at all times to the aesthetics of the property.
- b. Failure to obtain permits or comply with permit requirements shall be grounds for revocation of this Franchise or any lesser sanctions provided herein or in any other applicable law.

2. Repair of Rights-of-Way and Property. Any and all Rights-of-Way, or public or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance, expansion, extension or reconstruction of the System shall be promptly and fully restored by Grantee, at its expense, to the same condition as that prevailing prior to Grantee's work, as determined by City. If Grantee shall fail to promptly perform the restoration required herein, after written request of City and reasonable opportunity to satisfy that request, City shall have the right to put the Rights-of-Way, public, or private property back into good condition. In the event City

determines that Grantee is responsible for such disturbance or damage, Grantee shall be obligated to fully reimburse City for such restoration.

3. Conditions on Right-of-Way Use.

- a. Nothing in this Franchise shall be construed to prevent City from constructing, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any Right-of-Way; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work.
- b. All System transmission and distribution structures, lines and equipment erected by the Grantee within City shall be located so as not to obstruct or interfere with the use of Rights-of-Way except for normal and reasonable obstruction and interference which might occur during construction and to cause minimum interference with the rights of property owners who abut any of said Rights-of-Way and not to interfere with existing public utility installations.
- c. If at any time during the period of this Franchise City shall elect to alter or change the grade or location of any Right-of-Way, the Grantee shall, at its own expense, upon reasonable notice by City, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures of the System and in each instance comply with the reasonable and lawful standards and specifications of City.
- d. The Grantee shall not place poles, conduits, or other fixtures of System above or below ground where the same will interfere with any gas, electric, telephone, water or other utility fixtures and all such poles, conduits, or other fixtures placed in any Right-of-Way shall be so placed as to comply with all reasonable and lawful requirements of City.
- e. The Grantee shall, upon request of any Person holding a moving permit issued by City, temporarily move its wires or fixtures to permit the moving of buildings with the expense of such temporary removal to be paid by the Person requesting the same, and the Grantee shall be given not less than ten (10) days advance written notice to arrange for such temporary changes.
- f. The Grantee shall have the authority to trim any trees upon and overhanging the Rights-of-Way of City so as to prevent the branches of such trees from coming in contact with the wires and cables or other facilities of the Grantee.
- g. Grantee shall use its best efforts to give reasonable prior notice to any adjacent private property owners who will be negatively affected or impacted by Grantee's work in the Rights-of-Way.

4. Undergrounding of Cable. Unless otherwise required by action of City Council, Grantee must place newly constructed facilities underground in areas of City where all other

utility lines are placed underground. Amplifier boxes and pedestal mounted terminal boxes may be placed above ground if existing technology reasonably requires, but shall be of such size and design and shall be so located as not to be unsightly or unsafe, all pursuant to plans submitted with Grantee's permit application(s) and approved by City.

5. Installation of Facilities. No poles, conduits, amplifier boxes, pedestal mounted terminal boxes, similar structures, or other wire-holding structures shall be erected or installed by the Grantee without required permit of City.
6. Safety Requirements.
  - a. The Grantee shall at all times employ ordinary and reasonable care and shall install and maintain in use nothing less than commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage or injuries.
  - b. The Grantee shall install and maintain its System and other equipment in accordance with City's codes and the requirements of the National Electric Safety Code and all other applicable FCC, state and local regulations, and in such manner that they will not interfere with City communications technology related to health, safety and welfare of the residents.
  - c. All System structures, and lines, equipment and connections in, over, under and upon the Rights-of-Way of City, wherever situated or located, shall at all times be kept and maintained in good condition, order, and repair so that the same shall not menace or endanger the life or property of City or any Person.

#### **SECTION 4. DESIGN PROVISIONS**

1. System Design.
  - a. Grantee shall develop, construct and operate a state-of-the-art cable communications system, constructed in accordance with Section 2, Paragraph (7)(a).
  - b. All final programming decisions remain the discretion of Grantee, provided that Grantee notifies City and Subscribers in writing thirty (30) days prior to any channel additions, deletions, or realignments, and further subject to Grantee's signal carriage obligations hereunder and pursuant to 47 U.S.C. §§ 531-536, and further subject to City's rights pursuant to 47 U.S.C. § 545. Location and relocation of the PEG Channels shall be governed by Section 6, Paragraph 1(d).
2. Interruption of Service. The Grantee shall interrupt service only for good cause and for the shortest time possible. Such interruption shall occur during periods of minimum use of the System. If service is interrupted for a total period of more than forty eight (48) hours in

any thirty (30) day period, Subscribers shall be credited pro rata for such interruption, upon request.

3. Technical Standards. The technical standards used in the operation of the System shall comply, at minimum, with the technical standards promulgated by the FCC relating to Cable Systems pursuant to Title 47, Sections 76.601 to 76.617, as applicable, as may be amended or modified from time to time, which regulations are expressly incorporated herein by reference.

4. Special Testing.

a. The City shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise. In addition, the City/Commission may require special testing of a location or locations within the System if there is a particular matter of controversy or unresolved complaints regarding such construction or installation work or pertaining to such location(s). Demand for such special tests may be made on the basis of complaints received or other evidence indicating an unresolved controversy or noncompliance. Such tests shall be limited to the particular matter in controversy or unresolved complaints. The City shall endeavor to so arrange its request for such special testing so as to minimize hardship or inconvenience to Grantee or to the Subscribers caused by such testing.

b. Before ordering such tests, Grantee shall be afforded thirty (30) days following receipt of written notice to investigate and, if necessary, correct problems or complaints upon which tests were ordered. The City shall meet with Grantee prior to requiring special tests to discuss the need for such and, if possible, visually inspect those locations which are the focus of concern. If, after such meetings and inspections, City wishes to commence special tests and the thirty (30) days have elapsed without correction of the matter in controversy or unresolved complaints, the tests shall be conducted at Grantee's expense by a qualified engineer selected by City and Grantee, and Grantee shall cooperate in such testing.

5. Drop Testing and Replacement. The Grantee shall replace, at no separate charge to an individual Subscriber, all Drops and/or associated passive equipment incapable of passing the full System capacity at the time a Subscriber upgrades.

6. FCC Reports. The results of any tests required to be filed by Grantee with the FCC shall upon request of City also be filed with the City or its designee within ten (10) days of the conduct of such tests.

7. Interconnection. The System servicing the Cities of Arden Hills, Falcon Heights, Lauderdale, Little Canada, Mounds View, New Brighton, North Oaks, Arden Hills, and St. Anthony shall continue to be completely interconnected. In addition, Grantee shall make available for interconnection purposes one (1) channel for forward video purposes, one (1) six

(6) MHz channel for return video purposes, one (1) channel for forward data or other purposes, and one (1) channel for return data or other purposes between all Systems adjacent to the North Suburban System and under common ownership with Grantee. This commitment may be satisfied through the provision of the Twin Cities Metro PEG Interconnect Network, provided Grantee agrees to allow all cities adjacent to the North Suburban System to participate.

8. Nonvoice Return Capability. Grantee is required to use cable and associated electronics having the technical capacity for nonvoice return communications.

9. Lockout Device. Upon the request of a Subscriber, Grantee shall make available a Lockout Device at no additional charge to Subscribers.

## SECTION 5. SERVICE PROVISIONS

1. Regulation of Service Rates.

- a. The City may regulate rates for the provision of Cable Service, equipment, or any other communications service provided over the System to the extent allowed under federal or state law(s). City reserves the right to regulate rates for any future services to the extent permitted by law.
- b. Grantee shall give City and Subscribers written notice of any change in a rate or charge at least one billing cycle prior to the effective date of the change. Bills must be clear, concise, and understandable, with itemization of all charges.

2. Sales Procedures. Grantee shall not exercise deceptive sales procedures when marketing any of its services within City. In its initial communication or contact with a non-Subscriber and in all general solicitation materials marketing the Grantee or its services as a whole, Grantee shall inform the non-Subscriber of all levels of service available, including the lowest priced and free service tiers. Grantee shall have the right to market door-to-door during reasonable hours consistent with local ordinances and regulation.

3. Subscriber Inquiry and Complaint Procedures.

- a. Grantee shall have a publicly listed toll-free telephone number which shall be operated so as to receive Subscriber complaints and requests on a twenty-four (24) hour-a-day, seven (7) days-a-week, 365 days a year basis. During normal business hours, trained representatives of Grantee shall be available to respond to Subscriber inquiries.
- b. Grantee shall maintain adequate numbers of telephone lines and personnel to respond in a timely manner to schedule service calls and answer Subscriber complaints or inquiries in a manner consistent with regulations adopted by the FCC and City where applicable and lawful. Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be

transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis. Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time. Grantee shall respond to written complaints with copy to City or its designee within thirty (30) days.

- c. Subject to Grantee's obligations pursuant to law regarding privacy of certain information, Grantee shall prepare and maintain written records of all complaints received from City and the resolution of such complaints, including the date of such resolution. Such written records shall be on file at the office of Grantee. Grantee shall provide City with a written summary of such complaints and their resolution upon request of City. As to Subscriber complaints, Grantee shall comply with FCC record-keeping regulations and make the results of such record-keeping available to City upon request.
- d. Subscriber requests for repairs shall be performed within thirty-six (36) hours of the request unless conditions beyond the control of Grantee prevent such performance. Grantee may schedule appointments for Installations and other service calls either at a specific time or, at a maximum, during a four hour time block during normal business hours. Grantee may also schedule service calls outside normal business hours for the convenience of customers. Grantee shall use its best efforts to not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment. If the installer or technician is late and will not meet the specified appointment time, he/she must use his/her best efforts to contact the customer and reschedule the appointment at the sole convenience of the customer. Service call appointments must be met in a manner consistent with FCC standards.

4. Subscriber Contracts. Grantee shall file with City any standard form Subscriber contract utilized by Grantee. If no such written contract exists, Grantee shall file with the City a document completely and concisely stating the length and terms of the Subscriber contract offered to customers. The length and terms of any Subscriber contract(s) shall be available for public inspection during normal business hours.

5. Refund Policy. In the event a Subscriber establishes or terminates service and receives less than a full month's service, Grantee shall prorate the monthly rate on the basis of the number of days in the period for which service was rendered to the number of days in the billing.

6. Late Fees. Fees for the late payment of bills shall not be assessed until after the service has been fully provided and, as of the due date of the bill notifying Subscriber of an unpaid balance, the bill remains unpaid. Late Fees may not exceed the actual costs to Grantee of late payment of bills and the servicing and collecting of such accounts.

7. Office Policy. The Grantee shall install, maintain and operate, throughout the term of this Franchise, a single staffed payment center with regular business hours in the Commission Franchise Area at a location agreed upon by the Commission and the Grantee. Additional payment centers may be installed at other locations. The purpose of the payment center(s) shall be to receive Subscriber payments. All subscriber remittances at a payment center shall be posted to Subscribers' accounts within forty-eight (48) hours of remittance. Subscribers shall not be charged a late fee or otherwise penalized for any failure by the Grantee to properly credit a Subscriber for a payment timely made. The Grantee shall, at the request of and at no delivery or retrieval charge to a Subscriber, deliver or retrieve electronic equipment (e.g., Set Top Boxes and remote controls). After consultation with the Commission, the Grantee shall provide Subscribers with at least sixty (60) days' prior notice of any change in the location of the customer service center serving the North Suburban System, which notice shall apprise Subscribers of the customer service center's new address, and the date the changeover will take place.

## SECTION 6. ACCESS CHANNEL(S) PROVISIONS

1. Public, Educational and Government Access.
  - a. City or its designee is hereby designated to operate, administer, promote, and manage access (public, education, and government programming) (hereinafter "PEG access") programming on the Cable System.
  - b. Within one hundred twenty (120) days from the Effective Date, the Grantee shall provide sixteen (16) channels (the "Access Channels") to be used for PEG access programming on the basic service tier. The City and Commission have the sole discretion to designate the use of each Access Channel. Grantee shall provide a technically reliable path for upstream and downstream transmission of the Access Channels, which will in no way degrade the technical quality of the Access Channels, from an agreed upon demarcation point at the Commission's Master Control Center at the Commission's office, and from any other designated Access providers' locations, to Grantee's headend, on which all Access Channels shall be transported for distribution on Grantee's subscriber network. The Access Channels shall be delivered without degradation to subscribers in the technical format (e.g. HD or SD) as delivered by the Commission and any designated Access provider to Grantee at each demarcation point at the Commission Office and at the designated Access providers' locations.
    - (1) All of the Access Channels will be made available through a multi-channel display (i.e. a picture in picture feed) on a single TV screen called a "mosaic" (the "North Suburban Mosaic"), where a cable subscriber can access via an interactive video menu one of any of the sixteen Access Channels. The North Suburban Mosaic will be located on Channel 15. The sixteen Access Channels will be located at Channels 8010-8025. The North Suburban Mosaic will contain only Access Channels authorized by the Commission.

- (2) Grantee will make available to the Commission the ability to place detailed scheduled Access Channel programming information on the interactive channel guide by putting the Commission in contact with the electronic programming guide vendor ("EPG provider") that provides the guide service (currently Gracenote). Grantee will be responsible for providing the designations and instructions necessary to ensure the Access Channels will appear on the programming guide throughout the City and any necessary headend costs associated therewith. The Commission shall be responsible for providing programming information to the EPG provider.
- (3) For purposes of this Franchise, the term channel shall be as commonly understood and is not any specific bandwidth amount. The signal quality of the Access Channels shall be the same as the local broadcast channels, provided such signal quality is delivered to Grantee at the Access Channels' respective demarcation points.
- (4) Grantee will provide, at no cost to the Commission, air time on non-Access channels during periods in which ample unsold/unused air time on such channels exists for City public service announcements (PSAs). The Commission will provide a 30-second PSA prior to the start of each month on a mutually agreed-upon schedule.
- (5) In the event Grantee makes any change in the Cable System and related equipment and facilities or in its signal delivery technology, which requires the City or Commission to obtain new equipment in order to be compatible with such change for purposes of transport and delivery of the Access Channels to the Grantee's headend, Grantee shall, at its own expense and free of charge to the City, the Commission, or its designated entities, purchase such equipment as may be necessary to facilitate the cablecasting of the Access Channels in accordance with the requirements of the Franchise.
- (6) Neither the Grantee nor the officers, directors, or employees of the Grantee is liable for any penalties or damages arising from programming content not originating from or produced by the Grantee and shown on any public access channel, education access channel, government access channel, leased access channel, or regional channel.
- (7) Within one hundred twenty (120) days of a written request from the Commission, Grantee shall make available as part of Basic Service to all Subscribers a PEG Access Video-on Demand (PEG-VOD) Service and maintain a PEG-VOD system. The PEG-VOD system shall be connected by the Grantee such that:



- (i) Twenty-five (25) hours of programming per member city of the Commission, or such greater amount as may be mutually agreed to by the parties, as designated and supplied by the City, Commission, or its Designated Access Provider to the Grantee may be electronically transmitted and/or transferred and stored on the PEG-VOD system; and
  - (ii) A database of that programming may be efficiently searched and a program requested and viewed over the PEG-VOD system by any Subscriber in the City; and
  - (iii) Programming submitted for placement on the PEG-VOD system, shall be placed on and available for viewing from the PEG-VOD system within forty-eight (48) hours of receipt of said programming;
  - (iv) The hardware and software described in Subsection (8) below, shall be in all respects of the same or better technical quality as the hardware and software utilized by Grantee in the provision of any other video on demand services offered over the Cable System, and shall be upgraded at Grantee's cost, when new hardware or software is utilized on Grantee's Cable System for other video on demand services. Grantee shall provide reasonable technical assistance to allow for proper use and operation when encoding hardware or software is installed and/or upgraded at City's facilities.
- (8) To ensure compatibility and interoperability, the Grantee shall supply and maintain all necessary hardware and software to encode, transmit and/or transfer Government Access programming from the City to the PEG-VOD system. The City shall be responsible for all monitoring of any equipment provided under this Section, and notifying Grantee of any problems. Grantee shall provide all technical support and maintenance for the equipment provided to the City by Grantee under this Section. After notification of any equipment problems, Grantee shall diagnose and resolve the problem within forty eight (48) hours. Major repairs which cannot be repaired within the forty eight (48) hour timeframe shall be completed within seven (7) days of notice, unless, due to Force Majeure conditions, a longer time is required. "Major repairs" are those that require equipment to be specially obtained in order to facilitate the repairs. The quality of signal and the quality of service obtained by a Subscriber utilizing the PEG-VOD service shall meet or exceed the quality standards established for all other programming provided by the Grantee and as established elsewhere in this Franchise Agreement.

- c. All residential Subscribers who receive all or any part of the total services offered on the System shall be eligible to receive the Access Channels at no additional charge. City may rename, reprogram, or otherwise change the use of these channels in its sole discretion, provided such use is non-commercial, lawful, and retains the general purpose of the provision of community programming. Nothing herein shall diminish the City's rights to secure additional channels pursuant to Minn. Stat. § 238.084, which is expressly incorporated herein by reference. City shall provide ninety (90) days prior written notice to Grantee of City's intent to activate access channels.
- d. Grantee may not move or otherwise change the channel number or location of any public or government access or community program channel, including the North Suburban Mosaic channel, without the written approval of the City or its designee. Upon six (6) months' notice to City, any other access channel may be moved by Grantee, but in no event more than once every two (2) years unless otherwise allowed by City, provided Grantee pays all reasonable costs or expenses arising out of the channel move including, but not limited to, equipment necessary to effect the change at the programmer's production or receiving facility (school frequency routing equipment, etc.), signage, letterhead, business cards, and reasonable marketing or other constituency notification costs. This paragraph shall not apply to Regional Channel 6.

2. Charges for Use. Channel time and playback of programming on the PEG access and community program channel(s) must be provided without charge to City and the public.

3. Access Rules. City, or its designee, shall implement rules for use of any access channel(s).

4. Access Support. Grantee shall pay a PEG Fee of \$4.15/subscriber/month from the effective date until the franchise renews. Starting with the 2016 calendar year, the City may elect to increase this fee based on the Consumer Price Index. Any such election must be made in writing to the Franchisee no later than September 1<sup>st</sup> prior to the year in which the increase shall apply. In no event shall the PEG Fee be in an amount different from the incumbent cable provider. In the event the incumbent recovers from subscribers a higher, or lower, PEG fee, Grantee will increase, or decrease, its PEG fee upon ninety (90) days written notice from the City. The PEG fee may be used for operational or capital support of PEG programming.

5. Regional Channel 6. Grantee shall designate standard VHF Channel 6 for uniform regional channel usage.

6. State and Federal Law compliance. Satisfaction of the requirements of this Section 6 satisfies any and all of Grantee's state and federal law requirements of Grantee with respect to PEG access.

7. Future PEG Funding Obligations. Grantee agrees that financial support for PEG arising from or relating to the obligations set forth in this Section shall in no way modify or

otherwise affect Grantee's obligations to pay Franchise Fees to City. Grantee agrees that although the sum of Franchise Fees plus the payments set forth in this Section may total more than five percent (5%) of Grantee's Gross Revenues in any 12-month period, the additional commitments shall not be offset or otherwise credited in any way against any Franchise Fee payments under this Franchise Agreement.

8. Additional Payments. If the incumbent franchised cable operator agrees to provide any support of the Access Channels in excess of the amount identified above or to any payment in support of any other PEG-related commitment after the Effective Date of this Franchise, the Commission, in its reasonable discretion, after meeting with the Grantee, will determine whether Grantee's PEG Fee should be changed. If Grantee is required to pay any additional PEG Fee, such amount must be based upon a per subscriber/per month fee.

## SECTION 7. SERVICES TO CITY

1. Twin Cities Metro PEG Interconnect Network. Grantee shall provide a discrete, non-public, video interconnect network, from an agreed upon demarcation point at the Commission's Master Control Center at the Commission's office, to Grantee's headend. The video interconnect network shall not exceed 50 Mbps of allocated bandwidth, allowing PEG operators that have agreed with Grantee to share (send and receive) live and recorded programming for playback on their respective systems. Where available the Grantee shall provide the video interconnect network and the network equipment necessary for the high-priority transport of live multicast HD/SD video streams as well as lower-priority file-sharing. Grantee shall provide 50 Mbps bandwidth for each participating PEG entity to send its original programming, receive at least two additional multicast HD/SD streams from any other participating PEG entity, and allow the transfer of files. Each participating PEG entity is responsible for encoding its own SD/HD content in suitable bit rates to be transported by the video interconnect network without exceeding the 50 Mbps of allocated bandwidth.

2. Cable Service to Public Buildings. Grantee shall, at no cost to the City or Commission, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and necessary reception equipment to up to seven (7) outlets at the Commission Office and at each Member City City Hall and to each Independent School District at the current locations located in the Commission area that originates PEG programming. Grantee shall, at no cost to the City, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and necessary reception equipment to up to three (3) outlets at all other government buildings, schools and public libraries located in the City where Grantee provides Cable Service, so long as these government addresses are designated as a Household and no other cable communications provider is providing complementary service at such location. For purposes of this subsection, "school" means all State-accredited K-12 public and private schools. Outlets of Basic and Expanded Basic Service provided in accordance with this subsection may be used to distribute Cable Services throughout such buildings; provided such distribution can be accomplished without causing Cable System disruption and general technical standards are maintained. Such outlets may only be used for lawful purposes. If any location is not designated as a Household, it

will be provided the functionality to monitor PEG signals through a mutually agreeable alternate technology at the expense of the Grantee.

## **SECTION 8. OPERATION AND ADMINISTRATION PROVISIONS**

1. Administration of Franchise. The City Manager or other designee shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise. The City, or its designee, may issue such reasonable rules and regulations concerning the construction, operation and maintenance of the System as are consistent with the provisions of the Franchise and law.

2. Delegated Authority. The City may appoint a citizen advisory body or a Joint Powers Commission, or may delegate to any other body or Person authority to administer the Franchise and to monitor the performance of the Grantee pursuant to the Franchise. Grantee shall cooperate with any such delegatee of City.

3. Franchise Fee.

- a. During the term of the Franchise, Grantee shall pay quarterly to City or its delegatee a Franchise Fee in an amount equal to five percent (5%) of its quarterly Gross Revenues, or such other amounts as are subsequently permitted by federal statute.
- b. Any payments due under this provision shall be payable quarterly. The payment shall be made within thirty (30) days of the end of each of Grantee's fiscal quarters together with a report showing the basis for the computation.
- c. All amounts paid shall be subject to audit and recomputation by City and/or the Commission and acceptance of any payment shall not be construed as an accord that the amount paid is in fact the correct amount. If an audit or review discloses an overpayment or underpayment of franchise fees, the City and/or the Commission shall notify Grantee of such overpayment or underpayment. The City's/Commission's audit or review expenses shall be borne by the City/Commission unless the audit or review determines that the payment to the City should be increased by more than five percent (5%) in the audited/reviewed period, in which case the costs of the audit/review shall be borne by Grantee, up to a cap of \$25,000, as a cost incidental to the enforcement of the Franchise. Any additional amounts due to the City as a result of the audit or review shall be paid to the City within thirty (30) days following written notice to Grantee by the City/Commission of the underpayment, which notice shall include a copy of the audit/review report. If the recomputation results in additional revenue to be paid to the City, such amount shall be subject to a ten percent (10%) annual interest charge.
- d. The City/Commission shall have the right to inspect and to require Grantee to provide any and all data, documents and records maintained by Grantee (or

maintained by an Affiliate or a third-party contractor/vendor on behalf of Grantee) reasonably related to the calculation and payment of franchise fees. The Grantee shall maintain such records, documents and data for a minimum of four (4) years.

- e. Grantee shall have no less than twenty (20) business days to respond fully and completely to any written request for data, documents and records issued by the City/Commission, unless an extension of time is granted by the City/Commission in writing. Grantee may request an extension of the twenty (20) business day deadline applicable to a written request for data, information and documents no later than ten (10) business days after the date of such request. Every request for an extension of time shall describe, in detail, the reasons the extension is necessary. The City/Commission may, in its sole discretion, grant or deny an extension request, and shall act reasonably in making such a determination based on the scope and complexity of the information request at issue and the facts cited by Grantee in its written extension request.
- f. In the event any franchise fee payment or recomputation amount is not made on or before the required date, Grantee shall pay, during the period such unpaid amount is owed, the additional compensation and interest charges computed from such due date, at an annual rate of ten percent (10%).
- g. Nothing in this Franchise shall be construed to limit any authority of the City to impose any tax, fee or assessment of general applicability.
- h. The franchise fee payments required by this Franchise shall be in addition to any and all taxes or fees of general applicability. Grantee shall not have or make any claim for any deduction or other credit of all or any part of the amount of said franchise fee payments from or against any of said taxes or fees of general applicability, except as expressly permitted by law. Grantee shall not apply nor seek to apply all or any part of the amount of said franchise fee payments as a deduction or other credit from or against any of said taxes or fees of general applicability, except as expressly permitted by law. Nor shall Grantee apply or seek to apply all or any part of the amount of any of said taxes or fees of general applicability as a deduction or other credit from or against any of its franchise fee obligations, except as expressly permitted by law.
- i. The Franchise Fee shall be in addition to any and all taxes or other levies or assessments which are now or hereafter required to be paid by businesses in general by any law of the City, the State or the United States including, without limitation, sales, use and other taxes, business license fees or other payments. Payment of the Franchise Fee under this Franchise shall not exempt Grantee from the payment of any other license fee, permit fee, tax or charge on the business, occupation, property or income of Grantee that may be lawfully imposed by the City. Any other license fees, taxes or charges shall be of general applicability in

nature and shall not be levied against Grantee solely because of its status as a cable operator or solely because of its status as such.

4. Access to Records. The City shall have the right to inspect, upon reasonable notice and during normal business hours, or require Grantee to provide within a reasonable time copies of any records maintained by Grantee which relate to System operations including specifically Grantee's accounting and financial records.

5. Reports and Maps.

- a. Grantee shall file with the City, at the time or payment of the Franchise Fee, a report of all Gross Revenues in form and substance as required by City.
- b. Grantee shall prepare and make available to City, at the times and in the form prescribed, such other reasonable reports with respect to Grantee's operations pursuant to this Franchise as City may require.
- c. If required by City, Grantee shall make available to the City Manager the maps, plats, and permanent records of the location and character of all facilities constructed, including underground facilities, and Grantee shall make available with City updates of such maps, plats and permanent records annually if changes have been made in the System.

6. Periodic Evaluation.

- a. The City may require evaluation sessions at any time during the term of this Franchise, upon fifteen (15) days written notice to Grantee.
- b. Topics which may be discussed at any evaluation session may include, but are not limited to, application of new technologies, System performance, programming offered, access channels, facilities and support, municipal uses of cable, subscriber rates, customer complaints, amendments to this Franchise, judicial rulings, FCC rulings, line extension policies and any other topics City deems relevant.
- c. As a result of a periodic review or evaluation session, upon notification from City, Grantee shall meet with city and undertake good faith efforts to reach agreement on changes and modifications to the terms and conditions of the Franchise which are both economically and technically feasible.

## SECTION 9. GENERAL FINANCIAL AND INSURANCE PROVISIONS

1. Performance Bond.
  - a. Within 30 days of the Effective Date of this Franchise, the Grantee shall deliver to the Commission a bond, that is effective as of the Effective Date and at all times thereafter, until the Grantee has liquidated all of its obligations with City, the Grantee shall furnish a bond to Commission in the amount of \$500,000.00 in a form and with such sureties as reasonably acceptable to City. This bond will be conditioned upon the faithful performance by the Grantee of its Franchise obligations and upon the further condition that in the event the Grantee shall fail to comply with any law, ordinance or regulation governing the Franchise, there shall be recoverable jointly and severally from the principal and surety of the bond any damages or loss suffered by City as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Grantee, plus a reasonable allowance for attorneys' fees and costs, up to the full amount of the bond, and further guaranteeing payment by the Grantee of claims, liens and taxes due City which arise by reason of the construction, operation, or maintenance of the System. The rights reserved by City with respect to the bond are in addition to all other rights City may have under the Franchise or any other law. City may, from year to year, in its sole discretion, reduce the amount of the bond.
  - b. The time for Grantee to correct any violation or liability, shall be extended by City if the necessary action to correct such violation or liability is, in the sole determination of City, of such a nature or character as to require more than thirty (30) days within which to perform, provided Grantee provides written notice that it requires more than thirty (30) days to correct such violations or liability, commences the corrective action within the thirty (30) days period and thereafter uses reasonable diligence to correct the violation or liability.
  - c. In the event this Franchise is revoked by reason of default of Grantee, City shall be entitled to collect from the performance bond that amount which is attributable to any damages sustained by City as a result of said default or revocation.
  - d. Grantee shall be entitled to the return of the performance bond, or portion thereof, as remains sixty (60) days after the expiration of the term of the Franchise or revocation for default thereof, provided City has not notified Grantee of any actual or potential damages incurred as a result of Grantee's operations pursuant to the Franchise or as a result of said default.
  - e. The rights reserved to City with respect to the performance bond are in addition to all other rights of City whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of a right with respect to the performance bond shall affect any other right City may have.

2. Letter of Credit.
  - a. Within thirty (30) days of the Effective Date of this Franchise, Grantee shall deliver to Commission an irrevocable and unconditional Letter of Credit, that is effective as of the Effective Date, in form and substance acceptable to City, from a National or State bank approved by the Commission , in the amount of \$25,000.00.
  - b. The Letter of Credit shall provide that funds will be paid to City, upon written demand of City, and in an amount solely determined by City in payment for penalties charged pursuant to this Section, in payment for any monies owed by Grantee to City or any person pursuant to its obligations under this Franchise, or in payment for any damage incurred by City or any person as a result of any acts or omissions by Grantee pursuant to this Franchise.
  - c. In addition to recovery of any monies owed by Grantee to City or any person or damages to City or any person as a result of any acts or omissions by Grantee pursuant to the Franchise, City in its sole discretion may charge to and collect from the Letter of Credit the following penalties:
    - i. For failure to timely complete System upgrades as provided in this Franchise unless City approves the delay, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
    - ii. For failure to provide data, documents, reports or information or to cooperate with City during an application process or system review or as otherwise provided herein, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.
    - iii. Fifteen (15) days following notice from City of a failure of Grantee to comply with construction, operation or maintenance standards, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
    - iv. For failure to provide the services Grantee has proposed, including, but not limited to, the implementation and the utilization of the access channels and the maintenance and/or replacement of the equipment and other facilities, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.
    - v. For Grantee's breach of any written contract or agreement with or to the City or its designee, the penalty shall be \$500.00 per day for each day, or part thereof, such breach occurs or continues.
    - vi. For failure to comply with the reasonable build-out provisions and for economic redlining in violation of Section 2, Paragraph 7 above and 47



U.S.C. § 541(a)(3): Five Hundred dollars (\$500) per day for each day or part thereof that such violation continues.

- vii. For failure to comply with any of the provisions of this Franchise, or other City ordinance for which a penalty is not otherwise specifically provided pursuant to this paragraph c, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.
- d. Each violation of any provision of this Franchise shall be considered a separate violation for which a separate penalty can be imposed.
- e. Whenever City finds that Grantee has violated one or more terms, conditions or provisions of this Franchise, or for any other violation contemplated in Section 9, Paragraph 2(c) above, a written notice shall be given to Grantee informing it of such violation. At any time after thirty (30) days (or such longer reasonable time which, in the sole determination of City, is necessary to cure the alleged violation) following local receipt of notice, provided Grantee remains in violation of one or more terms, conditions or provisions of this Franchise, in the sole opinion of City, City may draw from the Letter of Credit all penalties and other monies due City from the date of the local receipt of notice.
- f. Whenever the Letter of Credit is drawn upon, Grantee may, within seven (7) days of such draw, notify City in writing that there is a dispute as to whether a violation or failure has in fact occurred. Such written notice by Grantee to City shall specify with particularity the matters disputed by Grantee. All penalties shall continue to accrue and City may continue to draw from the Letter of Credit during any appeal pursuant to this subparagraph f.
  - i. City shall hear Grantee's dispute within sixty (60) days and render a final decision within sixty (60) days thereafter.
  - ii. Upon the determination of City that no violation has taken place, City shall refund to Grantee, without interest, all monies drawn from the Letter of Credit by reason of the alleged violation.
- g. If said Letter of Credit or any subsequent Letter of Credit delivered pursuant thereto expires prior to thirty (30) months after the expiration of the term of this Franchise, it shall be renewed or replaced during the term of this Franchise to provide that it will not expire earlier than thirty (30) months after the expiration of this Franchise. The renewed or replaced Letter of Credit shall be of the same form and with a bank authorized herein and for the full amount stated in Paragraph A of this Section.
- h. If City draws upon the Letter of Credit or any subsequent Letter of Credit delivered pursuant hereto, in whole or in part, Grantee shall replace or replenish to its full amount the same within ten (10) days and shall deliver to City a like

replacement Letter of Credit or certification of replenishment for the full amount stated in Section 9, Paragraph 2(a) as a substitution of the previous Letter of Credit. This shall be a continuing obligation for any draws upon the Letter of Credit.

- i. If any Letter of Credit is not so replaced or replenished, City may draw on said Letter of Credit for the whole amount thereof and use the proceeds as City determines in its sole discretion. The failure to replace or replenish any Letter of Credit may also, at the option of the City, be deemed a default by Grantee under this Franchise. The drawing on the Letter of Credit by City, and use of the money so obtained for payment or performance of the obligations, duties and responsibilities of Grantee which are in default, shall not be a waiver or release of such default.
- j. The collection by City of any damages, monies or penalties from the Letter of Credit shall not affect any other right or remedy available to City, nor shall any act, or failure to act, by City pursuant to the Letter of Credit, be deemed a waiver of any right of City pursuant to this Franchise or otherwise.

3. Indemnification of City.

- a. City, its officers, boards, committees, commissions, elected officials, employees and agents shall not be liable for any loss or damage to any real or personal property of any Person, or for any injury to or death of any Person, arising out of or in connection with Grantee's construction, operation, maintenance, repair or removal of the System or as to any other action of Grantee with respect to this Franchise.
- b. Grantee shall indemnify, defend, and hold harmless City, its officers, boards, committees, commissions, elected officials, employees and agents, from and against all liability, damages, and penalties which they may legally be required to pay as a result of the City's exercise, administration, or enforcement of the Franchise.
- c. Nothing in this Franchise relieves a Person, except City, from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's facilities while performing work connected with grading, regarding, or changing the line of a Right-of-Way or public place or with the construction or reconstruction of a sewer or water system.
- d. Grantee shall contemporaneously with this Franchise execute an Indemnity Agreement in the form of **Exhibit A**, which shall indemnify, defend and hold the City and Commission harmless for any claim for injury, damage, loss, liability, cost or expense, including court and appeal costs and reasonable attorneys' fees or reasonable expenses arising out of the actions of the City and/or Commission in granting this Franchise. This obligation includes any claims by another

franchised cable operator against the City and/or Commission that the terms and conditions of this Franchise are less burdensome than another franchise granted by the City or that this Franchise does not satisfy the requirements of applicable state law(s).

4. Insurance.

- a. As a part of the indemnification provided in Section 8.3, but without limiting the foregoing, Grantee shall file with City at the time of its acceptance of this Franchise, and at all times thereafter maintain in full force and effect at its sole expense, a comprehensive general liability insurance policy, including broadcaster's/cablecaster's liability and contractual liability coverage, in protection of the Grantee, and the City, its officers, elected officials, boards, commissions, agents and employees for any and all damages and penalties which may arise as a result of this Franchise. The policy or policies shall name the City as an additional insured, and in their capacity as such, City officers, elected officials, boards, commissions, agents and employees.
- b. The policies of insurance shall be in the sum of not less than \$1,000,000.00 for personal injury or death of any one Person, and \$2,000,000.00 for personal injury or death of two or more Persons in any one occurrence, \$500,000.00 for property damage to any one person and \$2,000,000.00 for property damage resulting from any one act or occurrence.
- c. The policy or policies of insurance shall be maintained by Grantee in full force and effect during the entire term of the Franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, and whether at the request of Grantee or for other reasons, except after sixty (60) days advance written notice have been provided to City.

**SECTION 10. SALE, ABANDONMENT, TRANSFER AND REVOCATION OF  
FRANCHISE**

1. City's Right to Revoke.

- a. In addition to all other rights which City has pursuant to law or equity, City reserves the right to commence proceedings to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, if it is determined by City that:
  - i. Grantee has violated material provisions(s) of this Franchise; or
  - ii. Grantee has attempted to evade any of the provisions of the Franchise; or
  - iii. Grantee has practiced fraud or deceit upon City.

City may revoke this Franchise without the hearing required by Section 10, Paragraph.2 herein if Grantee is adjudged a bankrupt.

2. Procedures for Revocation.

- a. City shall provide Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee thirty (30) days subsequent to receipt of the notice in which to correct the violation or to provide adequate assurance of performance in compliance with the Franchise. In the notice required herein, City shall provide Grantee with the basis of the revocation.
- b. Grantee shall be provided the right to a public hearing affording due process before the City Council prior to the effective date of revocation, which public hearing shall follow the thirty (30) day notice provided in subparagraph (a) above. City shall provide Grantee with written notice of its decision together with written findings of fact supplementing said decision.
- c. Only after the public hearing and upon written notice of the determination by City to revoke the Franchise may Grantee appeal said decision with an appropriate state or federal court or agency.
- d. During the appeal period, the Franchise shall remain in full force and effect unless the term thereof sooner expires or unless continuation of the Franchise would endanger the health, safety and welfare of any person or the public.

3. Abandonment of Service. Grantee may not abandon the System or any portion thereof without having first given three (3) months written notice to City. Grantee may not abandon the System or any portion thereof without compensating City for damages resulting from the abandonment, including all costs incident to removal of the System.

4. Removal After Abandonment, Termination or Forfeiture.

- a. In the event of termination or forfeiture of the Franchise or abandonment of the System, City shall have the right to require Grantee to remove all or any portion of the System from all Rights-of-Way and public property within City.
- b. If Grantee has failed to commence removal of System, or such part thereof as was designated by City, within thirty (30) days after written notice of City's demand for removal is given, or if Grantee has failed to complete such removal within twelve (12) months after written notice of City's demand for removal is given, City shall have the right to apply funds secured by the Letter of Credit and Performance Bond toward removal and/or declare all right, title, and interest to the System to be in City with all rights of ownership including, but not limited to, the right to operate the System or transfer the System to another for operation by it.

5. Sale or Transfer of Franchise.
- a. No sale or transfer of the Franchise, or sale, transfer, or fundamental corporate change of or in Grantee, including, but not limited to, a fundamental corporate change in Grantee's parent corporation or any entity having a controlling interest in Grantee, the sale of a controlling interest in the Grantee's assets, a merger including the merger of a subsidiary and parent entity, consolidation, or the creation of a subsidiary or affiliate entity, shall take place until a written request has been filed with City requesting approval of the sale, transfer, or corporate change and such approval has been granted or deemed granted, provided, however, that said approval shall not be required where Grantee grants a security interest in its Franchise and/or assets to secure an indebtedness. The foregoing notwithstanding, Grantee must seek approval of any transaction constituting a transfer under state law.
- b. Any sale, transfer, exchange or assignment of stock in Grantee, or Grantee's parent corporation or any other entity having a controlling interest in Grantee, so as to create a new controlling interest therein, shall be subject to the requirements of this Section 10, Paragraph 5. The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised. In any event, as used herein, a new "controlling interest" shall be deemed to be created upon the acquisition through any transaction or group of transactions of a legal or beneficial interest of fifteen percent (15%) or more by one Person. Acquisition by one Person of an interest of five percent (5%) or more in a single transaction shall require notice to City.
- c. The Grantee shall file, in addition to all documents, forms and information required to be filed by applicable law, the following:
1. All contracts, agreements or other documents that constitute the proposed transaction and all exhibits, attachments, or other documents referred to therein which are necessary in order to understand the terms thereof.
  2. A list detailing all documents filed with any state or federal agency related to the transaction including, but not limited to, the MPUC, the FCC, the FTC, the FEC, the SEC or MnDOT. Upon request, Grantee shall provide City with a complete copy of any such document; and
  3. Any other documents or information related to the transaction as may be specifically requested by the City.
- d. City shall have such time as is permitted by federal law in which to review a transfer request.

- e. The Grantee shall reimburse City for all the legal, administrative, and consulting costs and fees associated with the City's review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its subscriber rates.
- f. In no event shall a sale, transfer, corporate change, or assignment of ownership or control pursuant to subparagraph (a) or (b) of this Section 10 Paragraph 5 be approved without the transferee becoming a signatory to this Franchise and assuming all rights and obligations thereunder, and assuming all other rights and obligations of the transferor to the City including, but not limited to, any adequate guarantees or other security instruments provided by the transferor.
- g. In the event of any proposed sale, transfer, corporate change, or assignment pursuant to subparagraph (a) or (b) of this Section 10, Paragraph 5, City shall have the right to purchase the System for the value of the consideration proposed in such transaction. City's right to purchase shall arise upon City's receipt of notice of the material terms of an offer or proposal for sale, transfer, corporate change, or assignment, which Grantee has accepted. Notice of such offer or proposal must be conveyed to City in writing and separate from any general announcement of the transaction.
- h. City shall be deemed to have waived its right to purchase the System pursuant to this Section only in the following circumstances:
  - i. If City does not indicate to Grantee in writing, within sixty (60) days of receipt of written notice of a proposed sale, transfer, corporate change, or assignment as contemplated in Section 10, Paragraph 5(g) above, its intention to exercise its right of purchase; or
  - ii. It approves the assignment or sale of the Franchise as provided within this Section.
- i. No Franchise may be transferred if City determines Grantee is in noncompliance of the Franchise unless an acceptable compliance program has been approved by City. The approval of any transfer of ownership pursuant to this Section shall not be deemed to waive any rights of City to subsequently enforce noncompliance issues relating to this Franchise even if such issues predated the approval, whether known or unknown to City.

## **SECTION 11. PROTECTION OF INDIVIDUAL RIGHTS**

1. Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers (or group of potential subscribers) or general citizens on the basis of race, color, religion, national origin, sex, age, status as to public

assistance, affectional preference, or disability. Grantee shall comply at all times with all other applicable federal, state, and city laws, and all executive and administrative orders relating to nondiscrimination.

2. Subscriber Privacy.

- a. No signals may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever. Such permission shall be required for all channel activity planned for the purpose of monitoring individual viewing patterns or practices.
- b. No lists of the names and addresses of Subscribers or any lists that identify the viewing habits of Subscribers shall be sold or otherwise made available to any party other than to Grantee or its agents for Grantee's service business use or to City for the purpose of Franchise administration, and also to the Subscriber subject of that information, unless Grantee has received specific written authorization from the Subscriber to make such data available. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever.
- c. Written permission from the Subscriber shall not be required for the conducting of System wide or individually addressed electronic sweeps for the purpose of verifying System integrity or monitoring for the purpose of billing. Confidentiality of such information shall be subject to the provision set forth in subparagraph (b) of this Section.

## **SECTION 12. UNAUTHORIZED CONNECTIONS AND MODIFICATIONS**

1. Unauthorized Connections or Modifications Prohibited. It shall be unlawful for any firm, Person, group, company, corporation, or governmental body or agency, without the express consent of the Grantee, to make or possess, or assist anybody in making or possessing, any unauthorized connection, extension, or division, whether physically, acoustically, inductively, electronically or otherwise, with or to any segment of the System or receive services of the System without Grantee's authorization.

2. Removal or Destruction Prohibited. It shall be unlawful for any firm, Person, group, company, or corporation to willfully interfere, tamper, remove, obstruct, or damage, or

assist thereof, any part or segment of the System for any purpose whatsoever, except for any rights City may have pursuant to this Franchise or its police powers.

3. Penalty. Any firm, Person, group, company, or corporation found guilty of violating this section may be fined not less than Twenty Dollars (\$20.00) and the costs of the action nor more than Five Hundred Dollars (\$500.00) and the costs of the action for each and every subsequent offense. Each continuing day of the violation shall be considered a separate occurrence.

### **SECTION 13. MISCELLANEOUS PROVISIONS**

1. Franchise Renewal. Any renewal of this Franchise shall be performed in accordance with applicable federal, state and local laws and regulations. The term of any renewed Franchise shall be limited to a period not to exceed fifteen (15) years.

2. Work Performed by Others. All applicable obligations of this Franchise shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise, however, in no event shall any such subcontractor or other performing work obtain any rights to maintain and operate a System or provide Cable Service. Grantee shall provide notice to City of the name(s) and address(es) of any entity, other than Grantee, which performs substantial services pursuant to this Franchise.

3. Amendment of Franchise Ordinance. Grantee and City may agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to a review session pursuant to Section 7.5 or at any other time if City and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, state or local laws. Provided, however, nothing herein shall restrict City's exercise of its police powers or City's authority to unilaterally amend Franchise provisions to the extent permitted by law.

4. Compliance with Federal, State and Local Laws.

- a. If any federal or state law or regulation shall require or permit City or Grantee to perform any service or act or shall prohibit City or Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, either party shall notify the other of the point in conflict believed to exist between such law or regulation. Grantee and City shall conform to state laws and rules regarding cable communications not later than one year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective.
- b. If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all



the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and City.

5. Nonenforcement by City. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure or delay of City to enforce prompt compliance. City may only waive its rights hereunder by expressly so stating in writing. Any such written waiver by City of a breach or violation of any provision of this Franchise shall not operate as or be construed to be a waiver of any subsequent breach or violation.

6. Rights Cumulative. All rights and remedies given to City by this Franchise or retained by City herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by City and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

7. Grantee Acknowledgment of Validity of Franchise. Grantee acknowledges that it has had an opportunity to review the terms and conditions of this Franchise and that under current law Grantee believes that said terms and conditions are not unreasonable or arbitrary, and that Grantee believes City has the power to make the terms and conditions contained in this Franchise.

8. Force Majeure. The Grantee shall not be deemed in default of provisions of this Franchise or the City Code where performance was rendered impossible by war or riots, labor strikes or civil disturbances, floods or other causes beyond the Grantee's control, and the Franchise shall not be revoked or the Grantee penalized for such noncompliance, provided that the Grantee, when possible, takes immediate and diligent steps to bring itself back into compliance and to comply as soon as possible, under the circumstances, with the Franchise without unduly endangering the health, safety and integrity of the Grantee's employees or property, or the health, safety and integrity of the public, the Rights-of-Way, public property or private property.

#### **SECTION 14. PUBLICATION EFFECTIVE DATE; ACCEPTANCE AND EXHIBITS**

1. Publication: Effective Date. This Franchise shall be published in accordance with applicable local and Minnesota law. The Effective Date of this Franchise shall be the date of acceptance by Grantee in accordance with the provisions of Section 14, Paragraph 2.

2. Acceptance.

- a. Grantee shall accept this Franchise within sixty (60) of its enactment by the City Council, unless the time for acceptance is extended by City. Such acceptance by the Grantee shall be deemed the grant of this Franchise for all purposes provided, however, this Franchise shall not be effective until all City ordinance adoption procedures are complied with and all applicable timelines have run for the adoption of a City ordinance. In the event acceptance does not take place, or should all ordinance adoption procedures and timelines not be completed, this Franchise and any and all rights granted hereunder to Grantee shall be null and void.
- b. Upon acceptance of this Franchise, Grantee and City shall be bound by all the terms and conditions contained herein.
- c. Grantee shall accept this Franchise in the following manner:
  - i. This Franchise will be properly executed and acknowledged by Grantee and delivered to City.
  - ii. With its acceptance, Grantee shall also deliver any grant payments, performance bond and insurance certificates required herein that have not previously been delivered.

Passed and adopted this 10th day of November, 2015.

ATTEST:

CITY OF LAUDERDALE

By: \_\_\_\_\_  
Its: City Clerk/Administrator

By: \_\_\_\_\_  
Its: Mayor

ACCEPTED: This Franchise is accepted and we agree to be bound by its terms and conditions.

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

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

## **EXHIBIT A - INDEMNITY AGREEMENT**

**INDEMNITY AGREEMENT** made this 10th day of November, 2015, by and between Qwest Broadband Services, Inc., a Delaware Corporation, party of the first part, hereinafter called "CenturyLink," and the City of Lauderdale, a Minnesota Municipal Corporation, party of the second part, hereinafter called "City" and the North Suburban Communications Commission, a Minnesota Municipal Joint Powers entity, hereinafter called "Commission."

### **WITNESSETH:**

**WHEREAS**, the City of Lauderdale has awarded to Qwest Broadband Services, Inc. a franchise for the operation of a cable communications system in the City; and

**WHEREAS**, the City has required, as a condition of its award of a cable communications franchise, that it and the Commission be indemnified with respect to all claims and actions arising from the award of said franchise.

**NOW THEREFORE**, in consideration of the foregoing promises and the mutual promises contained in this agreement and in consideration of entering into a cable television franchise agreement and other good and valuable consideration, receipt of which is hereby acknowledged, CenturyLink hereby agrees, at its sole cost and expense, to fully indemnify, defend and hold harmless the City and the Commission, its officers, boards, commissions, employees and agents against any and all claims, suits, actions, liabilities and judgments for damages, cost or expense (including, but not limited to, court and appeal costs and reasonable attorneys' fees and disbursements assumed or incurred by the City in connection therewith) arising out of the actions of the City and Commission in granting a franchise to CenturyLink. This includes any claims by another franchised cable operator against the City that the terms and conditions of the CenturyLink franchise are less burdensome than another franchise granted by the City or that the CenturyLink Franchise does not satisfy the requirements of applicable federal, state, or local law(s). The indemnification provided for herein shall not extend or apply to any acts of the City or Commission constituting a violation or breach by the City or Commission of the contractual provisions of the franchise ordinance, unless such acts are the result of a change in applicable law, the order of a court or administrative agency, or are caused by the acts of CenturyLink.

The City or Commission shall give CenturyLink reasonable notice of the making of any claim or the commencement of any action, suit or other proceeding covered by this agreement. The City and Commission shall cooperate with CenturyLink in the defense of any such action, suit or other proceeding at the request of CenturyLink. The City and Commission may participate in the defense of a claim, but if CenturyLink provides a defense at CenturyLink's expense then CenturyLink shall not be liable for any attorneys' fees, expenses or other costs that City or Commission may incur if it chooses to participate in the defense of a claim, unless and until separate representation is required. If separate representation to fully protect the interests of both parties is or becomes necessary, such as a conflict of interest, in accordance with the Minnesota Rules of Professional Conduct, between the City or the Commission and the counsel selected by CenturyLink to represent the City and/or the Commission, Century Link shall pay, from the date such separate representation is required forward, all reasonable expenses incurred by the City or

the Commission in defending itself with regard to any action, suit or proceeding indemnified by CenturyLink. Provided, however, that in the event that such separate representation is or becomes necessary, and City or the Commission desires to hire a counselor any other outside experts or consultants and desires CenturyLink to pay those expenses, then City and/or the Commission shall be required to obtain CenturyLink's consent to the engagement of such counsel, experts or consultants, such consent not to be unreasonably withheld. Notwithstanding the foregoing, the parties agree that the City or Commission may utilize at any time, at its own cost and expense, its own attorney or outside counsel with respect to any claim brought by another franchised cable operator as described in this agreement.

The provisions of this agreement shall not be construed to constitute an amendment of the cable communications franchise ordinance or any portion thereof but shall be in addition to and independent of any other similar provisions contained in the cable communications franchise ordinance or any other agreement of the parties hereto. The provisions of this agreement shall not be dependent or conditioned upon the validity of the cable communications franchise ordinance or the validity of any of the procedures or agreements involved in the award or acceptance of the franchise, but shall be and remain a binding obligation of the parties hereto even if the cable communications franchise ordinance or the grant of the franchise is declared null and void in a legal or administrative proceeding.

It is the purpose of this agreement to provide maximum indemnification to the City and the Commission under the terms set out herein and, in the event of a dispute as to the meaning of this Indemnity Agreement, it shall be construed, to the greatest extent permitted by law, to provide for the indemnification of the City and the Commission by CenturyLink. This agreement shall be a binding obligation of and shall inure to the benefit of, the parties hereto and their successor's and assigns, if any.

**QWEST BROADBAND SERVICES, INC.**

Dated: \_\_\_\_\_, 2015

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

Its: \_\_\_\_\_

STATE OF LOUISIANA

PARISH OF OUACHITA

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of 2015, by \_\_\_\_\_, the \_\_\_\_\_ of Qwest Broadband Services, Inc., a Delaware Corporation, on behalf of the corporation.

\_\_\_\_\_  
NOTARY PUBLIC

Print Name: \_\_\_\_\_  
Bar Roll #/Notary ID #: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**CITY OF LAUDERDALE**

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

Department Head Responsible  
For Monitoring Contract

\_\_\_\_\_

Approved as to form:

\_\_\_\_\_

City Attorney

**NORTH SUBURBAN COMMUNICATIONS  
COMMISSION**

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

## LAUDERDALE COUNCIL ACTION FORM

### Action Requested

Consent \_\_\_\_\_  
 Public Hearing \_\_\_\_\_  
 Discussion \_\_\_\_\_  
 Action \_\_\_\_\_  
 Resolution \_\_\_\_\_  
 Work Session   X  

Meeting Date November 10, 2015

ITEM NUMBER Special Rev. Budget & Rates

STAFF INITIAL \_\_\_\_\_

APPROVED BY ADMINISTRATOR

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

Following are three documents for your review: Capital Improvement Plan (CIP) 2016-2025; Special Revenue Funds, Capital Funds, and Enterprise Funds Budget 2016; and Sanitary Sewer, Storm Water and Recycling Rate Study. Terry did an excellent job on these and structured them in a way which adds a new perspective.

The Capital Improvement Plan is largely the same as Council last saw it. The primary consideration is whether to do the lining in 2016 or 2017. Staff will finalize our recommendation in the next few weeks. The purchases and projects anticipated in 2016 are reflected in the next document, the 2016 budget for 201-602 funds. This document is also largely the same as the last time you saw it. With the transition to new finance software, some of the line item numbers and descriptions may change but that won't change the dollars budgeted.

The CIP and fund budgets are the basis for the rate study. The first page summarizes the rate increases being recommended by staff with supporting documentation further in the report.

Staff are recommending a sanitary sewer rate increase of five percent. This is driven by the Metropolitan Council's wastewater processing charge increase of 5.4%. Staff also recommend increasing the storm water rate by 5%. This is the smallest increase in years but will allow the fund to grow to an appropriate balance. Finally, staff recommend raising the recycling rate by 10% or three dollars per year. Since January, the recycling market has been so poor that the cost to process recycling has been greater than the value of the material. This has resulted in the City using the fund balance to cover the additional costs. A small increase will prevent the further erosion of the fund balance.

### STAFF RECOMMENDATION:

Discuss the materials and let staff know of any recommendations for changes. Staff will prepare resolutions to adopt the storm water, sanitary sewer, and recycling rates at the next meeting.



**CITY OF LAUDERDALE**  
**SPECIAL REVENUE FUNDS**  
**CAPITAL FUNDS**  
**ENTERPRISE FUNDS**  
**BUDGET 2016**

Draft 1 – November 5, 2015

CITY OF LAUDERDALE  
SPECIAL REVENUE FUNDS  
2016

Fund	Fund Title	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
201	COMMUNITY EVENTS	\$ 5,021	\$ 5,175	\$ 3,000	\$ 3,600
202	COMMUNICATIONS	\$ 20,868	\$ 21,094	\$ 20,025	\$ 20,025
203	RECYCLING	\$ 40,375	\$ 41,131	\$ 41,769	\$ 41,377
	<b>TOTAL REVENUES</b>	<b>\$ 66,264</b>	<b>\$ 67,400</b>	<b>\$ 64,794</b>	<b>\$ 65,002</b>
201	COMMUNITY EVENTS	\$ 3,825	\$ 4,252	\$ 3,325	\$ 3,425
202	COMMUNICATIONS	\$ 33,044	\$ 24,647	\$ 23,152	\$ 16,747
203	RECYCLING	\$ 36,129	\$ 44,545	\$ 46,493	\$ 51,341
	<b>TOTAL EXPENDITURES</b>	<b>\$ 72,998</b>	<b>\$ 73,444</b>	<b>\$ 72,970</b>	<b>\$ 71,513</b>



CITY OF LAUDERDALE  
COMMUNITY EVENTS  
2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
201-34787	GARAGE SALE	\$ 75	\$ 75	\$ 75	\$ 75
201-34788	DAY IN THE PARK	\$ 1,409	\$ 2,205	\$ 1,000	\$ 2,000
201-34789	MUSIC UNDER THE TREES	\$ 760	\$ 400	\$ 400	\$ -
201-34792	T-SHIRT SALES	\$ 112	\$ 343	\$ 100	\$ 100
201-34793	FUN RUN / WALK	\$ 1,695	\$ 1,243	\$ 400	\$ 400
201-34794	NIGHT TO UNITE	\$ -	\$ -	\$ -	\$ -
201-34795	HALLOWEEN EVENT	\$ 854	\$ 866	\$ 1,000	\$ 1,000
201-36211	INVESTMENT INTEREST	\$ 23	\$ 43	\$ 25	\$ 25
201-36255	MISCELLANEOUS REVENUE	\$ 93	\$ -	\$ -	\$ -
201-39200	TRANSFER IN	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<b>\$ 5,021</b>	<b>\$ 5,175</b>	<b>\$ 3,000</b>	<b>\$ 3,600</b>
201-45600-202	PERMANENT SUPPLIES	\$ -	\$ -	\$ -	\$ -
	<b>SUPPLIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
201-46500-368	FUN RUN / WALK	\$ 500	\$ 698	\$ 500	\$ 500
201-46500-369	MUSIC UNDER THE TREES	\$ 400	\$ 400	\$ 400	\$ 400
201-46500-373	T-SHIRT MERCHANDISE	\$ 500	\$ 525	\$ -	\$ -
201-46500-376	GARAGE SALE	\$ 75	\$ 75	\$ 75	\$ 75
201-46500-377	DAY IN THE PARK	\$ 1,300	\$ 1,586	\$ 1,300	\$ 1,400
201-46500-378	NIGHT TO UNITE	\$ 150	\$ 135	\$ 150	\$ 150
201-46500-379	HALLOWEEN EVENT	\$ 700	\$ 679	\$ 700	\$ 700
201-46500-440	MEETING EXPENSES	\$ 200	\$ 154	\$ 200	\$ 200
	<b>OTHER SERVICES &amp; CHARGES</b>	<b>\$ 3,825</b>	<b>\$ 4,252</b>	<b>\$ 3,325</b>	<b>\$ 3,425</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 3,825</b>	<b>\$ 4,252</b>	<b>\$ 3,325</b>	<b>\$ 3,425</b>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	<b>\$ 1,196</b>	<b>\$ 923</b>	<b>\$ (325)</b>	<b>\$ 175</b>

CITY OF LAUDERDALE  
COMMUNICATIONS  
2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
202-33600	GRANTS	\$ -	\$ -	\$ -	\$ -
202-36211	INVESTMENT INTEREST	\$ 52	\$ 15	\$ 25	\$ 25
202-36253	CABLE FRANCHISE FEES	\$ 20,816	\$ 21,079	\$ 20,000	\$ 20,000
	<b>TOTAL REVENUES</b>	<b>\$ 20,868</b>	<b>\$ 21,094</b>	<b>\$ 20,025</b>	<b>\$ 20,025</b>
202-49500-101	FULL TIME EMPLOYEES	\$ 16,935	\$ 12,353	\$ 10,377	\$ 6,087
202-49500-121	PERA CONTRIBUTIONS	\$ 1,228	\$ 896	\$ 778	\$ 456
202-49500-122	FICA/MC CONTRIBUTIONS	\$ 1,392	\$ 1,001	\$ 794	\$ 466
202-49500-131	HEALTH INSURANCE	\$ 2,640	\$ 2,005	\$ 1,620	\$ 1,140
202-49500-133	LIFE INSURANCE	\$ -	\$ -	\$ -	\$ -
202-49500-151	WORKERS COMPENSATION INSURANCE	\$ 103	\$ 78	\$ 83	\$ 48
	<b>PERSONNEL</b>	<b>\$ 22,298</b>	<b>\$ 16,333</b>	<b>\$ 13,652</b>	<b>\$ 8,197</b>
202-49500-307	COMPUTER SERVICES	\$ 500	\$ 500	\$ 500	\$ 550
202-49500-327	OTHER SERVICES	\$ 2,862	\$ 2,950	\$ 3,000	\$ 3,000
202-49500-329	CABLE FRANCHISE FEE	\$ 4,686	\$ 4,808	\$ 5,000	\$ 5,000
202-49500-409	OTHER EQUIPMENT REPAIRS	\$ 40	\$ -	\$ -	\$ -
	<b>OTHER SERVICES &amp; CHARGES</b>	<b>\$ 8,088</b>	<b>\$ 8,258</b>	<b>\$ 8,500</b>	<b>\$ 8,550</b>
202-49500-530	FURNITURE & EQUIPMENT	\$ 2,658	\$ 56	\$ 1,000	\$ -
	<b>CAPITAL OUTLAY</b>	<b>\$ 2,658</b>	<b>\$ 56</b>	<b>\$ 1,000</b>	<b>\$ -</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 33,044</b>	<b>\$ 24,647</b>	<b>\$ 23,152</b>	<b>\$ 16,747</b>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	<b>\$ (12,176)</b>	<b>\$ (3,553)</b>	<b>\$ (3,127)</b>	<b>\$ 3,278</b>

CITY OF LAUDERDALE  
 RECYCLING  
 2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
203-33622	COUNTY GRANTS	\$ 4,975	\$ 4,975	\$ 6,369	\$ 5,977
203-36100	SPECIAL ASSESSMENTS	\$ 35,000	\$ 35,528	\$ 35,000	\$ 35,000
203-36102	PENALTIES & INTEREST	\$ -	\$ 126	\$ -	\$ -
203-36211	INVESTMENT INTEREST	\$ 400	\$ 502	\$ 400	\$ 400
	<b>TOTAL REVENUES</b>	<b>\$ 40,375</b>	<b>\$ 41,131</b>	<b>\$ 41,769</b>	<b>\$ 41,377</b>
203-50000-101	FULL TIME EMPLOYEES	\$ 5,853	\$ 12,089	\$ 15,044	\$ 15,646
203-50000-121	PERA CONTRIBUTIONS	\$ 424	\$ 877	\$ 1,128	\$ 1,173
203-50000-122	FICA/MC CONTRIBUTIONS	\$ 512	\$ 1,044	\$ 1,151	\$ 1,197
203-50000-131	HEALTH INSURANCE	\$ 960	\$ 2,075	\$ 2,700	\$ 2,850
203-50000-133	LIFE INSURANCE	\$ -	\$ -	\$ -	\$ -
203-50000-151	WORKERS COMPENSATION INSURANCE	\$ 36	\$ 115	\$ 120	\$ 125
	<b>PERSONNEL</b>	<b>\$ 7,785</b>	<b>\$ 16,200</b>	<b>\$ 20,143</b>	<b>\$ 20,991</b>
203-50000-202	PERMANENT SUPPLIES	\$ -	\$ -	\$ -	\$ -
203-50000-327	OTHER SERVICES	\$ 332	\$ 331	\$ 350	\$ 350
203-50000-389	RECYCLING CONTRACTOR	\$ 28,012	\$ 28,014	\$ 26,000	\$ 30,000
203-50000-440	MEETING EXPENSES	\$ -	\$ -	\$ -	\$ -
	<b>OTHER SERVICES &amp; CHARGES</b>	<b>\$ 28,344</b>	<b>\$ 28,345</b>	<b>\$ 26,350</b>	<b>\$ 30,350</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 36,129</b>	<b>\$ 44,545</b>	<b>\$ 46,493</b>	<b>\$ 51,341</b>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	<b>\$ 4,246</b>	<b>\$ (3,414)</b>	<b>\$ (4,724)</b>	<b>\$ (9,964)</b>

CITY OF LAUDERDALE  
 CAPITAL IMPROVEMENT FUNDS  
 2016

Fund	Fund Title	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
401	STREET CAPITAL IMPROVEMENTS	\$ 8,885	\$ 2,598	\$ 2,000	\$ 2,000
402	GENERAL CAPITAL IMPROVEMENTS	\$ 80,332	\$ 25,276	\$ 400	\$ -
403	STORM SEWER CAPITAL IMPROVEMENTS	\$ 580	\$ 814	\$ 600	\$ -
404	PARK CAPITAL IMPROVEMENTS	\$ 918	\$ 1,300	\$ 1,000	\$ 1,000
405	TAX INCREMENT PROJECTS	\$ 202,033	\$ 1,681	\$ -	\$ -
407	SANITARY SEWER CAPITAL IMPROVEMENTS	\$ 1,398	\$ 89,783	\$ 36,500	\$ 286,500
414	DEVELOPMENT FUND	\$ -	\$ 121,841	\$ 38,000	\$ 38,000
	<b>TOTAL REVENUES</b>	<b>\$ 294,146</b>	<b>\$ 243,293</b>	<b>\$ 78,500</b>	<b>\$ 327,500</b>
401	STREET CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ 170,000	\$ 150,000
402	GENERAL CAPITAL IMPROVEMENTS	\$ 6,836	\$ -	\$ 48,000	\$ 48,000
403	STORM SEWER CAPITAL IMPROVEMENTS	\$ 80,000	\$ -	\$ -	\$ -
404	PARK CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ 25,000	\$ -
405	TAX INCREMENT PROJECTS	\$ 234,283	\$ 389,616	\$ -	\$ -
407	SANITARY SEWER CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ 250,000
414	DEVELOPMENT FUND	\$ -	\$ -	\$ 20,461	\$ -
	<b>TOTAL EXPENDITURES</b>	<b>\$ 321,119</b>	<b>\$ 389,616</b>	<b>\$ 263,461</b>	<b>\$ 448,000</b>

CITY OF LAUDERDALE  
STREET CAPITAL IMPROVEMENT  
2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
401-36100	SPECIAL ASSESSMENTS	\$ -	\$ 4	\$ -	\$ -
401-36200	MISCELLANEOUS REVENUE	\$ 82	\$ -	\$ -	\$ -
401-36211	INVESTMENT INTEREST	\$ 1,810	\$ 2,594	\$ 2,000	\$ 2,000
401-39201	TRANSFER IN	\$ 6,993	\$ -	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<u>\$ 8,885</u>	<u>\$ 2,598</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
401-48401-304	ENGINEERING	\$ -	\$ -	\$ -	\$ -
401-48401-328	STREET REPAIR	\$ -	\$ -	\$ 170,000	\$ 150,000
	<b>OTHER SERVICES &amp; CHARGES</b>	\$ -	\$ -	\$ 170,000	\$ 150,000
401-48401-710	TRANSFER OUT	\$ -	\$ -	\$ -	\$ -
	<b>OTHER FINANCING</b>	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 150,000</u>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	\$ 8,885	\$ 2,598	\$ (168,000)	\$ (148,000)

CITY OF LAUDERDALE  
GENERAL CAPITAL IMPROVEMENT  
2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
402-36211	INVESTMENT INTEREST	\$ 339	\$ 258	\$ 400	\$ -
402-36250	REFUNDS & REIMBURSEMENTS	\$ -	\$ -	\$ -	\$ -
402-39101	SALE OF FIXED ASSETS	\$ -	\$ -	\$ -	\$ -
402-39201	TRANSFER IN	\$ 79,993	\$ 25,018	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<u>\$ 80,332</u>	<u>\$ 25,276</u>	<u>\$ 400</u>	<u>\$ -</u>
402-48000-510	LAND	\$ 4,245	\$ -	\$ -	\$ -
402-48000-520	BUILDINGS	\$ -	\$ -	\$ 13,000	\$ 13,000
402-48000-530	FURNITURE & EQUIPMENT	\$ 2,591	\$ -	\$ -	\$ -
402-48000-530	MACHINERY & EQUIPMENT	\$ -	\$ -	\$ -	\$ 35,000
402-48000-560	VEHICLE	\$ -	\$ -	\$ 35,000	\$ -
	<b>CAPITAL OUTLAY</b>	<u>\$ 6,836</u>	<u>\$ -</u>	<u>\$ 48,000</u>	<u>\$ 48,000</u>
	<b>TOTAL EXPENDITURES</b>	<u>\$ 6,836</u>	<u>\$ -</u>	<u>\$ 48,000</u>	<u>\$ 48,000</u>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	<b>\$ 73,496</b>	<b>\$ 25,276</b>	<b>\$ (47,600)</b>	<b>\$ (48,000)</b>

CITY OF LAUDERDALE  
 STORM SEWER CAPITAL  
 2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
403-36211	INVESTMENT INTEREST	\$ 580	\$ 814	\$ 600	\$ -
403-36250	REFUNDS & REIMBURSEMENTS	\$ -	\$ -	\$ -	\$ -
403-39201	TRANSFER IN	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<u>\$ 580</u>	<u>\$ 814</u>	<u>\$ 600</u>	<u>\$ -</u>
403-48403-304	ENGINEERING	\$ -	\$ -	\$ -	\$ -
403-48403-327	OTHER SERVICES	\$ 80,000	\$ -	\$ -	\$ -
403-48403-328	STREET REPAIR	\$ -	\$ -	\$ -	\$ -
	<b>OTHER SERVICES &amp; CHARGES</b>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
403-48403-710	TRANSFER OUT	\$ -	\$ -	\$ -	\$ -
	<b>OTHER FINANCING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>TOTAL EXPENDITURES</b>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	\$ (79,420)	\$ 814	\$ 600	\$ -

CITY OF LAUDERDALE  
 PARK CAPITAL  
 2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
404-36211	INVESTMENT INTEREST	\$ 918	\$ 1,300	\$ 1,000	\$ 1,000
404-36230	DONATIONS	\$ -	\$ -	\$ -	\$ -
404-39201	TRANSFER IN	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<u>\$ 918</u>	<u>\$ 1,300</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
404-48404-304	ENGINEERING	\$ -	\$ -	\$ -	\$ -
	<b>OTHER SERVICES &amp; CHARGES</b>	\$ -	\$ -	\$ -	\$ -
404-48404-501	LAND	\$ -	\$ -	\$ -	\$ -
404-48404-525	PLAYGROUND	\$ -	\$ -	\$ -	\$ -
404-48404-527	CAPITAL IMPROVEMENT	\$ -	\$ -	\$ 25,000	\$ -
	<b>CAPITAL OUTLAY</b>	\$ -	\$ -	\$ 25,000	\$ -
	<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	\$ 918	\$ 1,300	\$ (24,000)	\$ 1,000



CITY OF LAUDERDALE  
TAX INCREMENT  
2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
405-31050	TAX INCREMENT	\$ 186,596	\$ -	\$ -	\$ -
405-31051	DELINQUENT TAX INCREMENT	\$ 3,833	\$ -	\$ -	\$ -
405-36211	INVESTMENT INTEREST	\$ 1,604	\$ 1,681	\$ -	\$ -
405-39200	TRANSFER IN	\$ 10,000	\$ -	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<u>\$ 202,033</u>	<u>\$ 1,681</u>	<u>\$ -</u>	<u>\$ -</u>
405-48500-304	ENGINEERING	\$ 24,000	\$ -	\$ -	\$ -
405-48500-305	LEGAL - CIVIL	\$ -	\$ 578	\$ -	\$ -
405-48500-325	LARPENTEUR AVENUE IMPROVEMENTS	\$ 68,167	\$ 359,884	\$ -	\$ -
405-48500-327	OTHER SERVICES	\$ 140,616	\$ 29,154	\$ -	\$ -
405-48500-442	MISCELLANEOUS	\$ 1,500	\$ -	\$ -	\$ -
	<b>OTHER SERVICES &amp; CHARGES</b>	<u>\$ 234,283</u>	<u>\$ 389,616</u>	<u>\$ -</u>	<u>\$ -</u>
405-48500-710	TRANSFER OUT	\$ -	\$ -	\$ -	\$ -
	<b>OTHER FINANCING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>TOTAL EXPENDITURES</b>	<u>\$ 234,283</u>	<u>\$ 389,616</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	<u>\$ (32,250)</u>	<u>\$ (387,935)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAUDERDALE  
SANITARY SEWER CAPITAL  
2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
407-36200	MISCELLANEOUS	\$ -	\$ 52,869	\$ -	\$ -
407-36211	INVESTMENT INTEREST	\$ 1,398	\$ 1,914	\$ 1,500	\$ 1,500
407-39201	TRANSFER IN	\$ -	\$ 35,000	\$ 35,000	\$ 285,000
	<b>TOTAL REVENUES</b>	<u>\$ 1,398</u>	<u>\$ 89,783</u>	<u>\$ 36,500</u>	<u>\$ 286,500</u>
407-48407-304	ENGINEERING	\$ -	\$ -	\$ -	\$ -
	<b>OTHER SERVICES &amp; CHARGES</b>	\$ -	\$ -	\$ -	\$ -
407-48407-500	CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ 250,000
	<b>CAPITAL OUTLAY</b>	\$ -	\$ -	\$ -	\$ 250,000
	<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	\$ 1,398	\$ 89,783	\$ 36,500	\$ 36,500

NOTES

2016 - Sewer Lining Project for Eustis Street and Como Avenue

CITY OF LAUDERDALE  
 DEVELOPMENT  
 2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
414-36211	INVESTMENT INTEREST	\$ -	\$ 141	\$ -	\$ -
414-36255	MISCELLANEOUS	\$ -	\$ 83,700	\$ -	\$ -
414-39200	TRANSFER IN	\$ -	\$ 38,000	\$ 38,000	\$ 38,000
	<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ 121,841</u>	<u>\$ 38,000</u>	<u>\$ 38,000</u>
414-48100-721	TRANSFER OUT	\$ -	\$ -	\$ 20,461	\$ -
	OTHER FINANCING	\$ -	\$ -	\$ 20,461	\$ -
	<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,461</u>	<u>\$ -</u>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	\$ -	\$ 121,841	\$ 17,539	\$ 38,000

CITY OF LAUDERDALE  
 ENTERPRISE FUNDS  
 2016

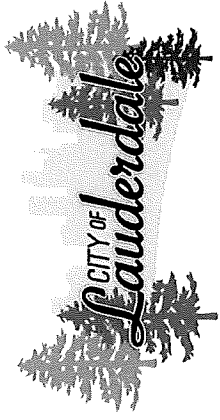
Fund	Fund Title	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
601	SANITARY SEWER	\$ 246,800	\$ 477,669	\$ 252,925	\$ 263,082
602	STORM WATER	\$ 79,754	\$ 86,722	\$ 68,500	\$ 80,400
	<b>TOTAL REVENUES</b>	<b>\$ 326,554</b>	<b>\$ 564,391</b>	<b>\$ 321,425</b>	<b>\$ 343,482</b>
601	SANITARY SEWER	\$ 219,490	\$ 227,123	\$ 273,063	\$ 536,811
602	STORM WATER	\$ 57,305	\$ 71,416	\$ 72,514	\$ 78,584
	<b>TOTAL EXPENDITURES</b>	<b>\$ 276,795</b>	<b>\$ 298,539</b>	<b>\$ 345,577</b>	<b>\$ 615,395</b>

CITY OF LAUDERDALE  
SANITARY SEWER  
2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
601-36211	INVESTMENT INTEREST	\$ 1,800	\$ 2,077	\$ 1,800	\$ 1,800
601-37210	SEWER SALES	\$ 245,000	\$ 254,644	\$ 251,125	\$ 261,282
601-39202	TRANSFER IN	\$ -	\$ 220,948	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<b>\$ 246,800</b>	<b>\$ 477,669</b>	<b>\$ 252,925</b>	<b>\$ 263,082</b>
601-49000-101	FULL TIME EMPLOYEES	\$ 28,512	\$ 28,949	\$ 30,279	\$ 47,577
601-49000-102	OVERTIME	\$ 10,324	\$ 10,774	\$ 12,000	\$ 12,000
601-49000-121	PERA CONTRIBUTIONS	\$ 2,798	\$ 2,193	\$ 3,171	\$ 3,568
601-49000-122	FICA/MC CONTRIBUTIONS	\$ 3,074	\$ 3,405	\$ 3,234	\$ 3,640
601-49000-131	HEALTH INSURANCE	\$ 5,455	\$ 5,877	\$ 5,184	\$ 6,042
601-49000-151	WORKERS COMPENSATION INSURANCE	\$ 2,132	\$ 2,916	\$ 2,895	\$ 2,956
	<b>PERSONNEL</b>	<b>\$ 52,295</b>	<b>\$ 54,114</b>	<b>\$ 56,763</b>	<b>\$ 75,783</b>
601-49000-201	GENERAL SUPPLIES	\$ 643	\$ -	\$ -	\$ -
601-49000-212	MOTOR FUELS	\$ 307	\$ 763	\$ 700	\$ 700
	<b>SUPPLIES</b>	<b>\$ 950</b>	<b>\$ 763</b>	<b>\$ 700</b>	<b>\$ 700</b>
601-49000-301	AUDITING	\$ 1,711	\$ 1,711	\$ 1,800	\$ 1,800
601-49000-304	ENGINEERING	\$ 399	\$ -	\$ 3,000	\$ 3,000
601-49000-308	TRAINING/CONFERENCES	\$ 900	\$ -	\$ 600	\$ 600
601-49000-316	SEWER JETTING	\$ -	\$ -	\$ 20,000	\$ 20,000
601-49000-327	OTHER SERVICES	\$ 6,759	\$ 9,309	\$ 7,000	\$ 7,000
601-49000-361	GENERAL LIABILITY	\$ 1,936	\$ 2,094	\$ 2,200	\$ 2,200
601-49000-362	PROPERTY INSURANCE	\$ 757	\$ -	\$ 1,000	\$ -
601-49000-382	WATER	\$ 50	\$ 57	\$ 100	\$ 100
601-49000-387	WATER TREATMENT SERVICE	\$ 118,311	\$ 123,376	\$ 133,000	\$ 139,228
601-49000-391	TELEPHONE/PAGERS	\$ 265	\$ 239	\$ 300	\$ 300
601-49000-402	TRUCK MAINTENANCE	\$ 217	\$ 69	\$ 400	\$ 400
601-49000-425	CLOTHING	\$ 648	\$ 643	\$ 700	\$ 700
	<b>OTHER SERVICES &amp; CHARGES</b>	<b>\$ 131,953</b>	<b>\$ 137,498</b>	<b>\$ 170,100</b>	<b>\$ 175,328</b>
601-49000-501	DEPRECIATION	\$ 34,292	\$ 34,748	\$ 35,000	\$ 35,000
601-49000-540	MACHINERY & EQUIPMENT	\$ -	\$ -	\$ -	\$ -
601-49000-554	CATCH BASIN REPAIRS	\$ -	\$ -	\$ 10,500	\$ -
	<b>CAPITAL OUTLAY</b>	<b>\$ 34,292</b>	<b>\$ 34,748</b>	<b>\$ 45,500</b>	<b>\$ 35,000</b>
601-49000-710	TRANSFER OUT	\$ -	\$ -	\$ -	\$ 250,000
	<b>OTHER FINANCING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,000</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 219,490</b>	<b>\$ 227,123</b>	<b>\$ 273,063</b>	<b>\$ 536,811</b>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	<b>\$ 27,310</b>	<b>\$ 250,546</b>	<b>\$ (20,138)</b>	<b>\$ (273,729)</b>

CITY OF LAUDERDALE  
 STORM WATER  
 2016

Account Number	Account Description	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
602-36211	INVESTMENT INTEREST	\$ 224	\$ 412	\$ 300	\$ 400
602-37300	STORM SEWER FEE	\$ 79,530	\$ 86,310	\$ 68,200	\$ 80,000
602-39200	TRANSFER IN	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<b>\$ 79,754</b>	<b>\$ 86,722</b>	<b>\$ 68,500</b>	<b>\$ 80,400</b>
602-49100-101	FULL TIME EMPLOYEES	\$ 32,523	\$ 33,090	\$ 34,360	\$ 39,997
602-49100-102	OVERTIME	\$ 4,302	\$ 4,489	\$ 5,000	\$ 5,000
602-49100-121	PERA CONTRIBUTIONS	\$ 2,650	\$ 2,748	\$ 2,952	\$ 3,000
602-49100-122	FICA/MC CONTRIBUTIONS	\$ 2,906	\$ 3,174	\$ 3,011	\$ 3,060
602-49100-131	HEALTH INSURANCE	\$ 5,033	\$ 5,398	\$ 5,616	\$ 5,928
602-49100-151	WORKERS COMPENSATION INSURANCE	\$ 1,733	\$ 2,381	\$ 2,375	\$ 2,399
	<b>PERSONNEL</b>	<b>\$ 49,147</b>	<b>\$ 51,280</b>	<b>\$ 53,314</b>	<b>\$ 59,384</b>
602-49100-201	GENERAL SUPPLIES	\$ -	\$ -	\$ -	\$ -
602-49100-212	MOTOR FUELS	\$ 643	\$ 762	\$ 700	\$ 700
602-49100-227	TOOLS & EQUIPMENT	\$ 54	\$ -	\$ -	\$ -
602-49100-228	REPAIR SUPPLIES	\$ 309	\$ -	\$ -	\$ -
	<b>SUPPLIES</b>	<b>\$ 1,006</b>	<b>\$ 762</b>	<b>\$ 700</b>	<b>\$ 700</b>
602-49100-301	AUDITING	\$ 1,711	\$ 1,711	\$ 1,800	\$ 1,800
602-49100-304	ENGINEERING	\$ 1,036	\$ 5,569	\$ 3,000	\$ 3,000
602-49100-308	TRAINING/CONFERENCES	\$ -	\$ 170	\$ 500	\$ 500
602-49100-314	STREET SWEEPING	\$ -	\$ 5,350	\$ 5,500	\$ 5,500
602-49100-327	OTHER SERVICES	\$ 343	\$ 2,984	\$ 3,500	\$ 3,500
602-49100-352	PUBLIC INFORMATION NOTICES	\$ 86	\$ 45	\$ 100	\$ 100
602-49100-361	GENERAL LIABILITY	\$ 1,936	\$ 2,094	\$ 2,200	\$ 2,200
602-49100-391	TELEPHONE/PAGERS	\$ 265	\$ 239	\$ 300	\$ 300
602-49100-402	TRUCK MAINTENANCE	\$ 217	\$ 69	\$ 400	\$ 400
602-49100-425	CLOTHING	\$ 648	\$ 643	\$ 700	\$ 700
602-49100-438	DUES & SUBSCRIPTIONS	\$ 910	\$ 500	\$ 500	\$ 500
602-49100-442	MISCELLANEOUS	\$ -	\$ -	\$ -	\$ -
	<b>OTHER SERVICES &amp; CHARGES</b>	<b>\$ 7,152</b>	<b>\$ 19,374</b>	<b>\$ 18,500</b>	<b>\$ 18,500</b>
602-49100-501	DEPRECIATION	\$ -	\$ -	\$ -	\$ -
602-49100-540	MACHINERY & EQUIPMENT	\$ -	\$ -	\$ -	\$ -
602-49100-554	CATCH BASIN REPAIRS	\$ -	\$ -	\$ -	\$ -
	<b>CAPITAL OUTLAY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
602-49100-710	TRANSFER OUT	\$ -	\$ -	\$ -	\$ -
	<b>OTHER FINANCING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 57,305</b>	<b>\$ 71,416</b>	<b>\$ 72,514</b>	<b>\$ 78,584</b>
	<b>REVENUES OVER/UNDER EXPENDITURES</b>	<b>\$ 22,449</b>	<b>\$ 15,306</b>	<b>\$ (4,014)</b>	<b>\$ 1,816</b>



**CITY OF LAUDERDALE**  
**CAPITAL IMPROVEMENT PLAN**

**2016-2025**

CITY OF LAUDERDALE  
 CAPITAL IMPROVEMENT PLAN  
 DEPARTMENT SUMMARY



DEPARTMENT	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Council Chambers				\$ 20,000							\$ 20,000
City Hall	\$ 13,000		\$ 60,000								\$ 73,000
Public Works	\$ 35,000				\$ 15,000	\$ 40,000	\$ 40,000				\$ 130,000
Street Infrastructure	\$ 150,000							\$ 175,000			\$ 325,000
Parks		\$ 8,000									\$ 8,000
Sanitary Sewer	\$ 250,000										\$ 250,000
Storm Water											\$ -
<b>GRAND TOTAL</b>	<u>\$ 448,000</u>	<u>\$ 8,000</u>	<u>\$ 60,000</u>	<u>\$ 20,000</u>	<u>\$ 15,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806,000</u>



CITY OF LAUDERDALE  
 CAPITAL IMPROVEMENT PLAN  
 FUNDING SOURCE SUMMARY



FUND	TITLE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
202	Communications				\$ 20,000							\$ 20,000
401	Street Improvement	\$ 150,000							\$ 175,000			\$ 325,000
402	General Capital	\$ 48,000		\$ 60,000		\$ 15,000	\$ 40,000	\$ 40,000				\$ 203,000
404	Park Improvement		\$ 8,000									\$ 8,000
601	Sanitary Sewer	\$ 250,000										\$ 250,000
602	Storm Water											\$ -
	<b>GRAND TOTAL</b>	<u>\$ 448,000</u>	<u>\$ 8,000</u>	<u>\$ 60,000</u>	<u>\$ 20,000</u>	<u>\$ 15,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806,000</u>

CITY OF LAUDERDALE  
 CAPITAL IMPROVEMENT PLAN  
 PROJECT SUMMARY BY YEAR AND FUNDING SOURCE



YEAR	PROJECT	FUND					
		202	401	402	404	601	602
2016	Sealcoating - all City streets		\$ 150,000				
	Eustis Street/Como Avenue Sewer Lining					\$ 250,000	
	City Hall - 3 section kitchen sink			\$ 4,000			
	City Hall - carpet replacement			\$ 9,000			
	1992 John Deere Mower 1445			\$ 35,000			
2017	Tennis Courts Resurfacing				\$ 8,000		
2018	City Hall - replace roof			\$ 60,000			
2019	Council Chambers Technology	\$ 20,000					
2020	Public Works Garage - replace roof			\$ 15,000			
2021	2001 John Deere Tractor 3520			\$ 40,000			
2022	2012 Ford F350 Truck and Plow			\$ 40,000			
2023	Sealcoating - all City street		\$ 175,000				
	<b>TOTALS</b>	\$ 20,000	\$ 325,000	\$ 203,000	\$ 8,000	\$ 250,000	\$ -



CITY OF LAUDERDALE  
 CAPITAL IMPROVEMENT PLAN  
 FUND 401 - STREET IMPROVEMENT



PROJECT	YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sealcoating - all City streets 7 year schedule	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ -
<b>TOTALS</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Project Name** Sealcoating - All City Streets

<b>Type</b>	Infrastructure	<b>Department</b>	Public Works
<b>Useful Life</b>	7 years	<b>Contact</b>	Public Works
<b>Category</b>	Maintenance	<b>Priority</b>	1 High

**Description**

It is scheduled to sealcoat all the City streets in 2016. This project will designed for construction in the summer months.

**Justification**

Sealcoating is part of the maintenance plan to extend the life of the bituminous streets within the City.

**Funding**

Fund 401 - Street Improvement

\$ 150,000

CITY OF LAUDERDALE  
 CAPITAL IMPROVEMENT PLAN  
 FUND 402 - GENERAL CAPITAL IMPROVEMENT



PROJECT	YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Hall - 3 section kitchen sink	\$ 4,000									
City Hall - carpet replacement	\$ 9,000									
1992 John Deere Mower 1445 10 year schedule	\$ 35,000									
City Hall - replace roof 20 year schedule			\$ 60,000							
Public Works Garage - replace roof 25 year schedule					\$ 15,000					
2001 John Deere Tractor 3520 10 year schedule						\$ 40,000				
2012 Ford F350 Truck and Plow 10 year schedule							\$ 40,000			
<b>TOTALS</b>	<b>\$ 48,000</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>







**Project Name** Eustis Street/Como Avenue Sewer Lining

<b>Type</b>	Infrastructure	<b>Department</b>	Sanitary Sewer
<b>Useful Life</b>	50 years	<b>Contact</b>	Public Works
<b>Category</b>	Infrastructure	<b>Priority</b>	1 High

**Description**

The sanitary sewer mains to be lined would be Eustis Street south of Larpenteur Avenue and Como Avenue from Eustis Avenue to Highway 280. The main runs parallel to Como Avenue; it is not located in the street. This project will be designed for construction in 2016.

**Justification**

This project would be a continuation of the City's program to line sanitary sewer mains to address inflow and infiltration.

**Funding**

Metropolitan Council Infrastructure Grant	\$ 62,500
Fund 601 - Sanitary Sewer	\$ 187,500
	<hr/>
Total	\$ 250,000
	<hr/> <hr/>

The City would need to apply for the grant funding with the anticipation of receiving 25% of the project costs.

CITY OF LAUDERDALE  
 CAPITAL IMPROVEMENT PLAN  
 FUND 602 - STORM WATER



PROJECT	YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

TOTALS \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

CITY OF LAUDERDALE  
 TECHNOLOGY REPLACEMENT PLAN  
 2016 - 2020



Department	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Funding Source(s)
City Administrator	0	1,500	0	0	0	1,500	0	0	0	1,500	Fund 101 - Operating
Assistant City Administrator	0	0	0	1,000	0	0	0	1,000	0	0	Fund 101 - Operating
Deputy City Clerk	0	1,000	0	0	0	1,000	0	0	0	1,000	Fund 101 - Operating
Public Works Coordinator	0	0	1,000	0	0	0	1,000	0	0	0	Fund 101 - Operating
Public Works Maintenance	1,000	0	0	0	1,000	0	0	0	1,000	0	Fund 101 - Operating
City Hall Front Counter	1,000	0	0	0	1,000	0	0	0	1,000	0	Fund 101 - Operating
City Hall Printer	0	0	0	350	0	0	0	0	0	0	Fund 101 - Operating
City Hall Copier	0	0	Lease	0	0	0	Lease	0	0	0	Fund 101 - Operating
<b>TOTAL</b>	<b>2,000</b>	<b>2,500</b>	<b>1,000</b>	<b>1,350</b>	<b>2,000</b>	<b>2,500</b>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>	<b>2,500</b>	

**NOTES**

Computers are replaced on 4-year schedule.

Printer is replaced on 10-year schedule.

Copier is leased on 4-year schedule.

**Sanitary Sewer, Storm Water and Recycling  
Rate Study**



November 5, 2015

## Key Findings

Annually, the City of Lauderdale establishes rates for sanitary sewer, storm water and recycling. Staff has completed the review and determined that:

- A 5% increase is proposed for the sanitary sewer residential and commercial charges.
- A reduction from previous double digit increases to 5% for the storm water charges.
- The first increase for recycling charges since 2004 of 10% which is an increase of \$3.00 per household in a calendar year.

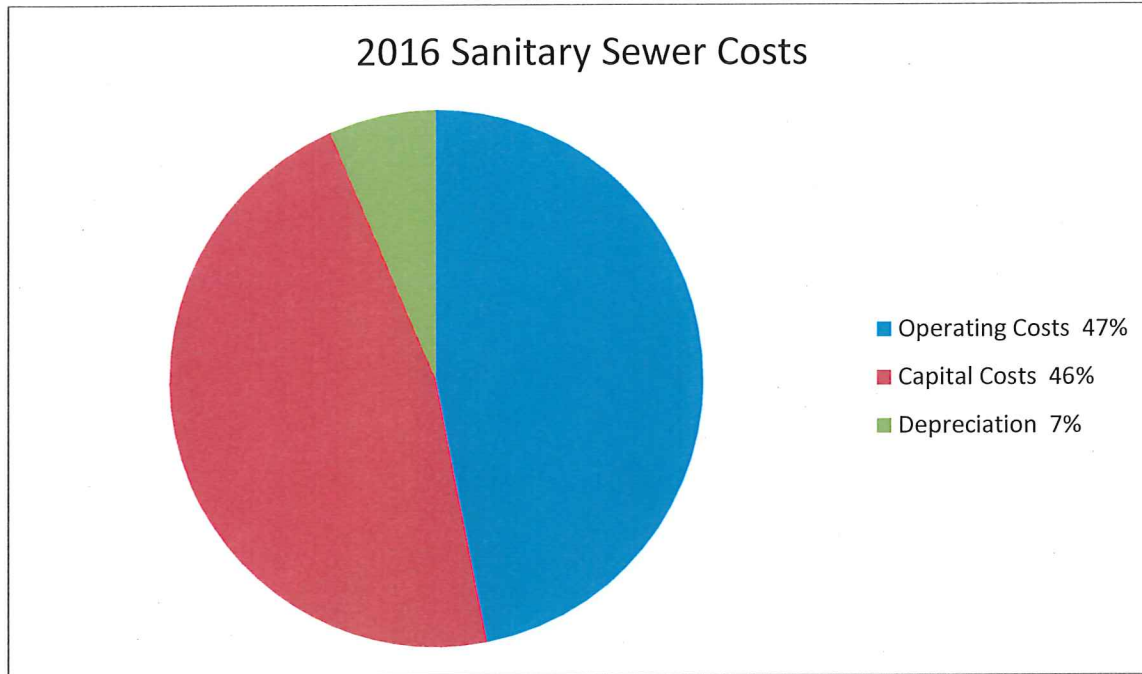
## Goals of a Utility Rate Study

The purpose of the rate study is to ensure that:

1. Rates are sufficient to pay for the ongoing operations and capital improvements, and to maintain adequate cash balances.
2. Staff and Council revisit cash balance policies to ensure they are meeting their enterprise system's current and future needs.
3. The rate structure distributes the costs of operating the system across utility users consistent with the policy objectives of the Council.

## Sanitary Sewer Utility

The following chart shows the operating and capital costs of the sanitary sewer fund for 2016; referencing the 10-year Capital Improvement Plan.



The sanitary sewer fund's 2015 budget had a deficit in operating of \$20,138 with a similar deficit for 2016. In addition, the Metropolitan Council adopted a Metropolitan Wastewater Charge for 2016 of \$201 million resulting in an increase of 5.4% over 2015. The increase from the Metropolitan Council, budgeted capital improvements, and operating deficits has staff projecting the need for 5% increase in sanitary sewer rates in 2016. The proposed sanitary sewer rates are in the following chart:

Sewer Rates	2012	2013	2014	2015	2016
Residential Base Charge	\$48.54	\$48.54	\$49.03	\$50.26	<b>\$52.77</b>
Commercial Flow Charge	\$2.40	\$2.40	\$2.42	\$2.48	<b>\$2.60</b>
% Increase	0%	0%	1%	3%	<b>5%</b>

## Sanitary Sewer Capital Improvements

The 2016-2025 Capital Improvement Plan contains one project for 2016 which is the sewer lining project for Eustis Street and Como Avenue for \$250,000. Proposed funding is \$187,500 from the sanitary sewer fund and \$62,500 from the Metropolitan Council Infrastructure Grant.

## Sanitary Sewer Availability Charge

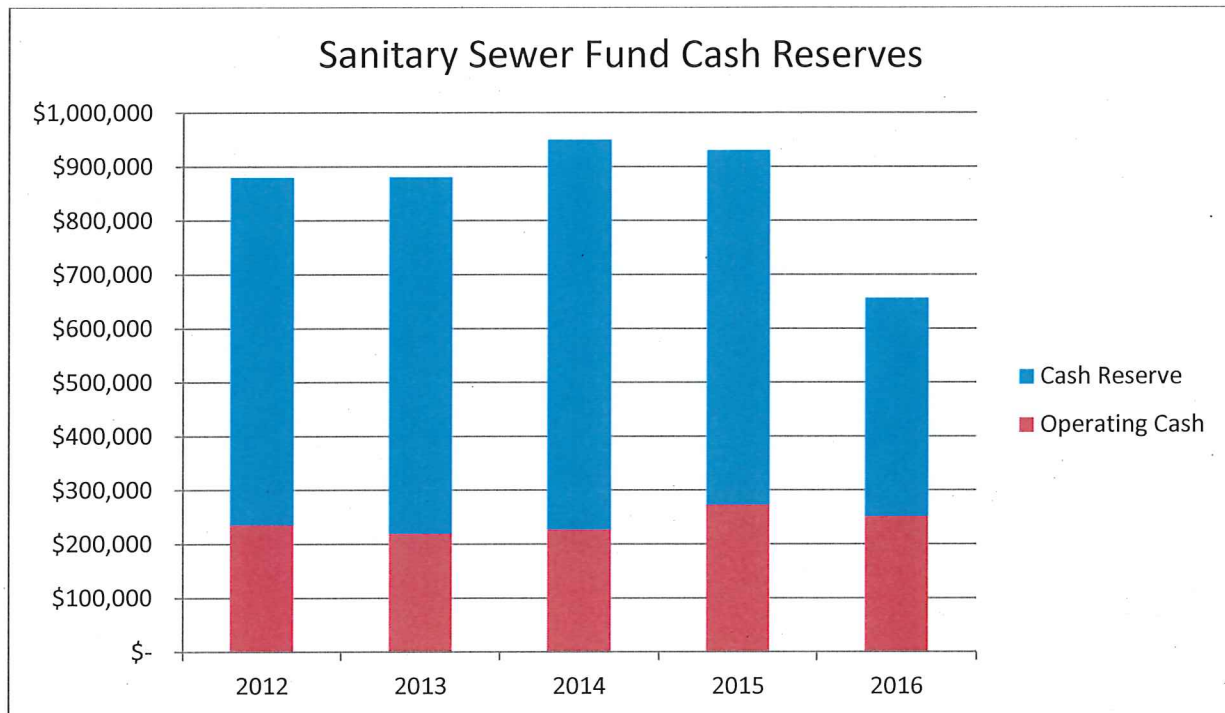
The Metropolitan Council in July adopted a \$0 increase to the base metropolitan sewer availability charge (SAC) effective January 1, 2016. SAC rate will be \$2,485 for metropolitan customer communities connected. The rate is the same as 2014 and 2015.

Pursuant to Minnesota Statute 473.517, subd. 3, a metropolitan SAC is paid by your community to the Metropolitan Council as users connect to the metropolitan wastewater system for the first time or as a user's maximum demand for sewer capacity increases. These fees are for the availability of capacity, not the actual use or flow in the metropolitan system as demanded by development or changes in use on specific properties within our community. Lauderdale may adopt a different SAC rate that would include the Metropolitan Council amount plus additional funds for the City. Historically, Lauderdale has used the Metropolitan Council rate.



## Target Cash Reserves – Sanitary Sewer Funds

Adequate cash reserves are needed to accommodate cash flow needs, invest in street replacement projects, and save for future capital projects. The recommended rates keep fee increases as low as possible and still leave the City's sewer system in adequate financial health. The historical and future cash balances for the sanitary sewer funds are shown in the following graph. The target cash reserve equals one year's operating expenses.



## Storm Water Utility

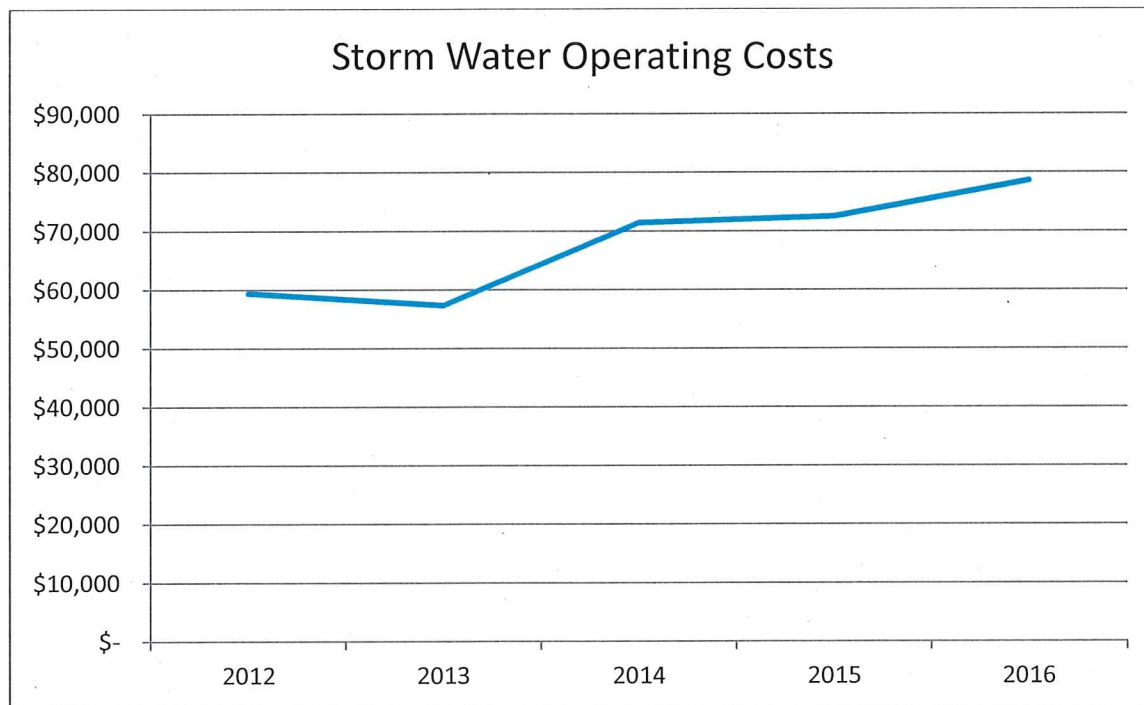
The Storm Water Utility pays for the infrastructure and maintenance that improves the quality of storm run-off. The City has been working to identify problems and solutions for inflow and infiltration within the corporate limits. Currently, Stantec has been metering areas of the city with a report to be presented to council this year.

The City has obligations imposed by the Metropolitan Council to invest dollars on storm water issues.

Lauderdale's ordinance establishes a system for billing using Residential Equivalency Factor (REF). A single family residential property is considered to be one RLE and will pay the base monthly fee adopted by council. The other developed property will be individually assigned a certain number of RLE's based on property size, impervious surface, and calculated storm water run-off. The property will also receive a credit if it has a storm water retention pond on-site.

Since Lauderdale is considered developed, the City does not anticipate an increase in the number of RLE's.

The following chart shows the historical and 2016 proposed operating costs of the storm water fund. There are no capital projects in the 2016-2025 Capital Improvement Plan.

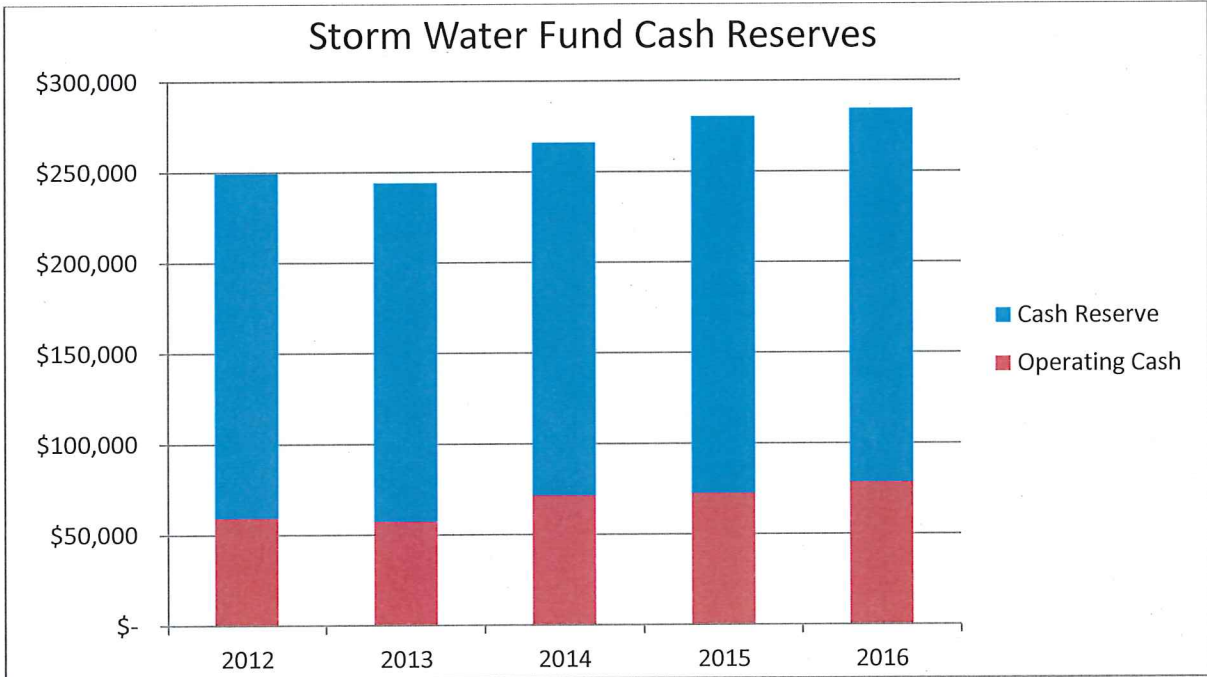


The storm water fund's 2015 budget had a slight deficit in operating of \$4,014 with small increase in fund balance for 2016. The City has been working under the directive of the Metropolitan Council on inflow and infiltration with some expenses being paid from the sanitary sewer fund. Due to the unknowns of addressing inflow and infiltration, staff is projecting a smaller increase than in recent years of 5%. The proposed storm water rates are in the following chart:

<b>Storm Water Rates</b>	2012	2013	2014	2015	<b>2016</b>
Residential	\$10.44	\$11.75	\$13.22	\$14.54	<b>\$15.27</b>
Commercial	\$52.20	\$58.73	\$66.10	\$72.71	<b>\$76.35</b>
% Increase	12.5%	12.5%	12.5%	10%	<b>5%</b>

**Target Cash Reserves – Storm Water Fund**

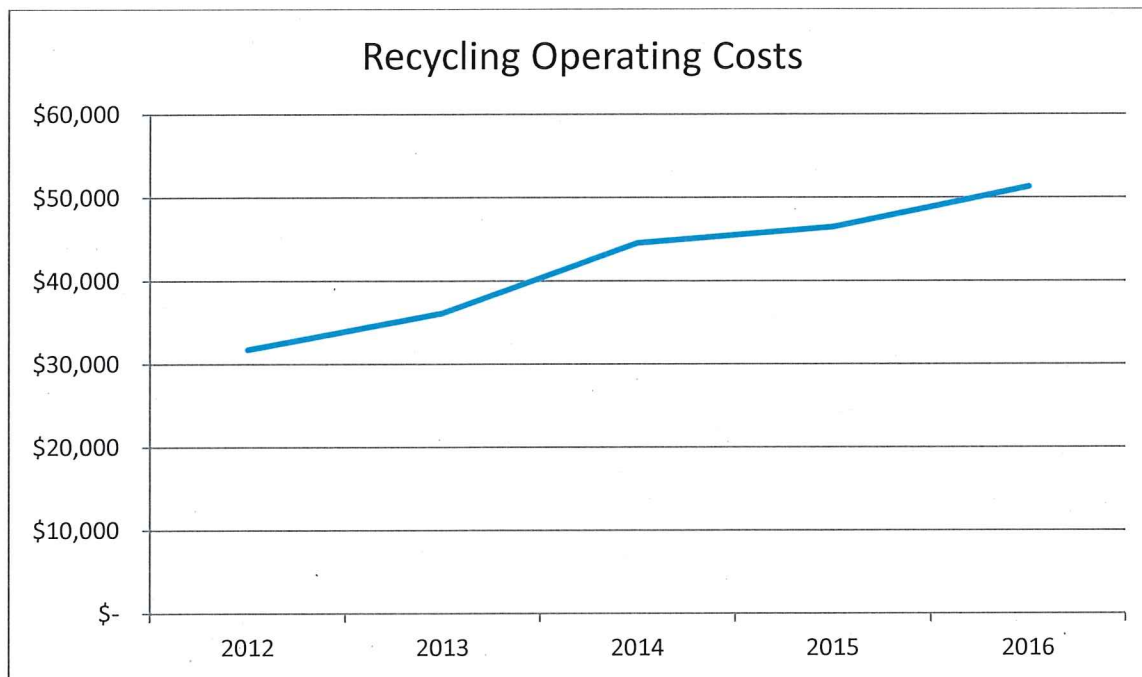
The projected cash balances will be adequate to meet on-going storm water expenditures. Capital needs are undetermined at this time with the City awaiting the Stantec report on inflow and infiltration issues within the City. The target cash balance is equal to one year's operating expenses.



## Recycling Fee

Lauderdale has single-sort recycling program which was changed in May 2015 from bins to recycling carts. Eureka! Recycling has the contract to provide curbside collection on weekly basis through December 31, 2018.

The contract rate was \$2.52 per household per month with the rate adjusted after the carts were implemented to \$2.08 per month. Remaining years of the contract (2016, 2017 and 2018), the per household cost will increase each year based on the Consumer Price Index (CPI). The CPI for 2015 is a negative, so the contract would remain at the same cost of \$2.08.

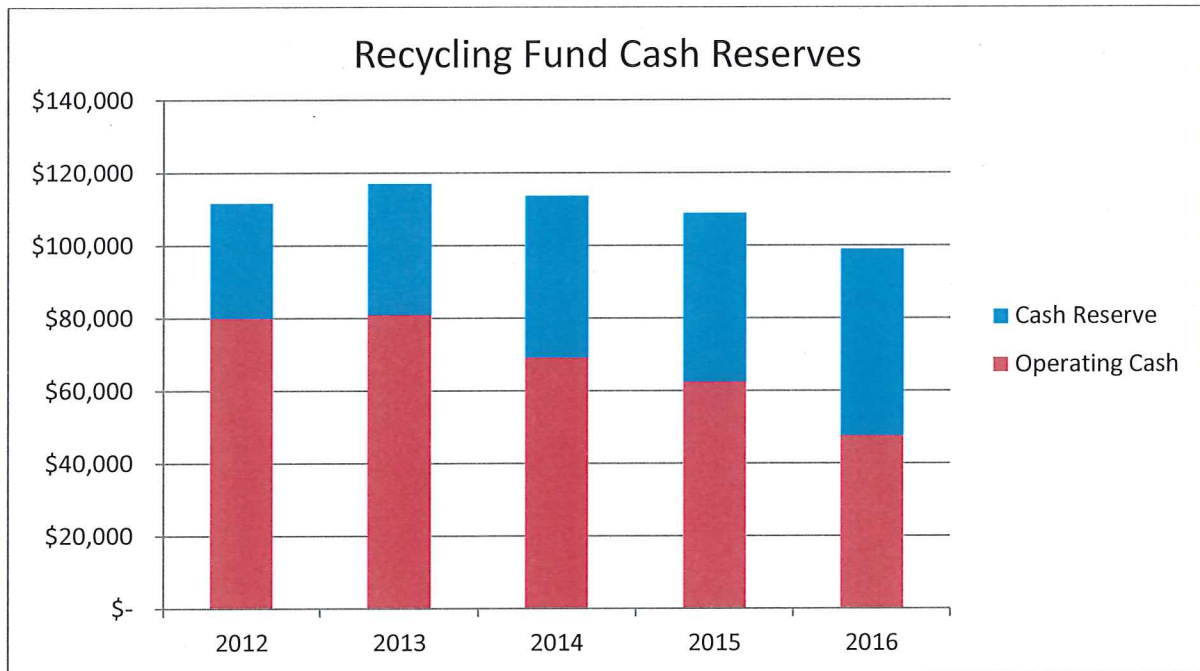


The recycling fund budget has had a deficit in operating since 2014 which continues through 2016 at the current rates. There are several reasons impacting operating costs: 1. the City's shift of employee costs to the recycling fund; and 2. the sale of recycling materials no longer generates additional revenue but the City pays the deficit for recycling materials which averages an additional \$120 per month. The recycling fee has not changed since 2004 and with the discussion of expanding the recycling program; it is staff recommendation to increase the fee, which amounts to \$3.00 per household in a calendar year. The proposed recycling rates are in the following chart:

Recycling Rates	2012	2013	2014	2015	2016
Residential	\$2.45	\$2.45	\$2.45	\$2.45	<b>\$2.70</b>
% Increase	0%	0%	0%	0%	<b>10%</b>

## Target Cash Reserves – Recycling Fund

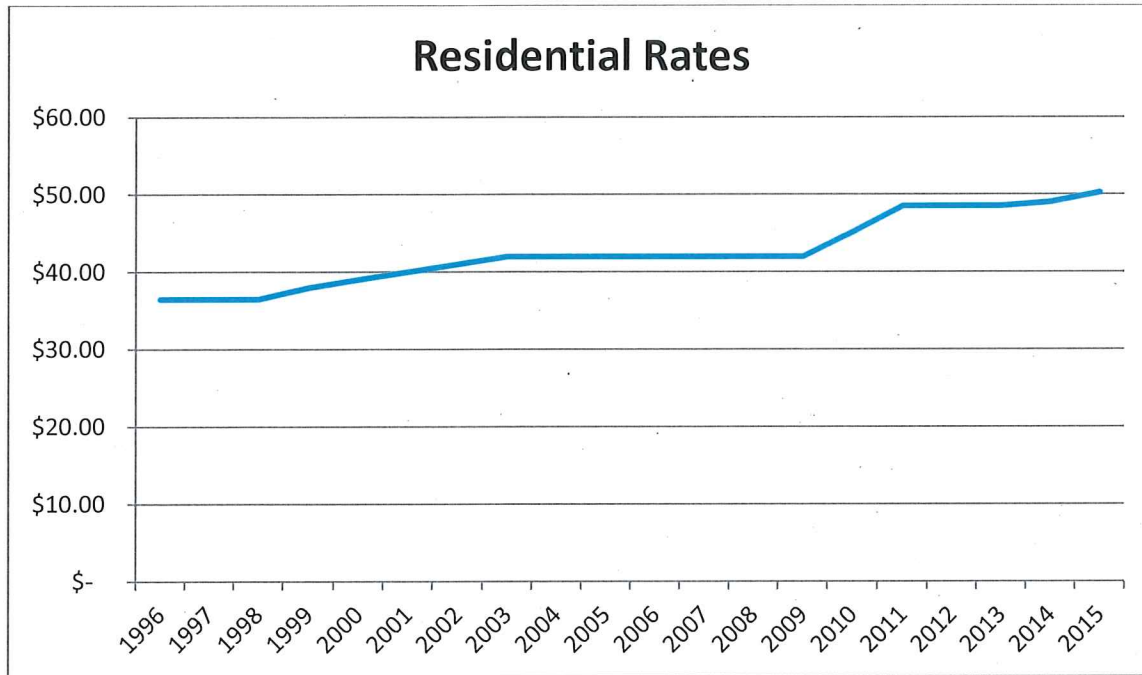
The projected cash balances will be adequate to meet on-going recycling program expenditures. Target cash balance is equal to one year's operating expenses.



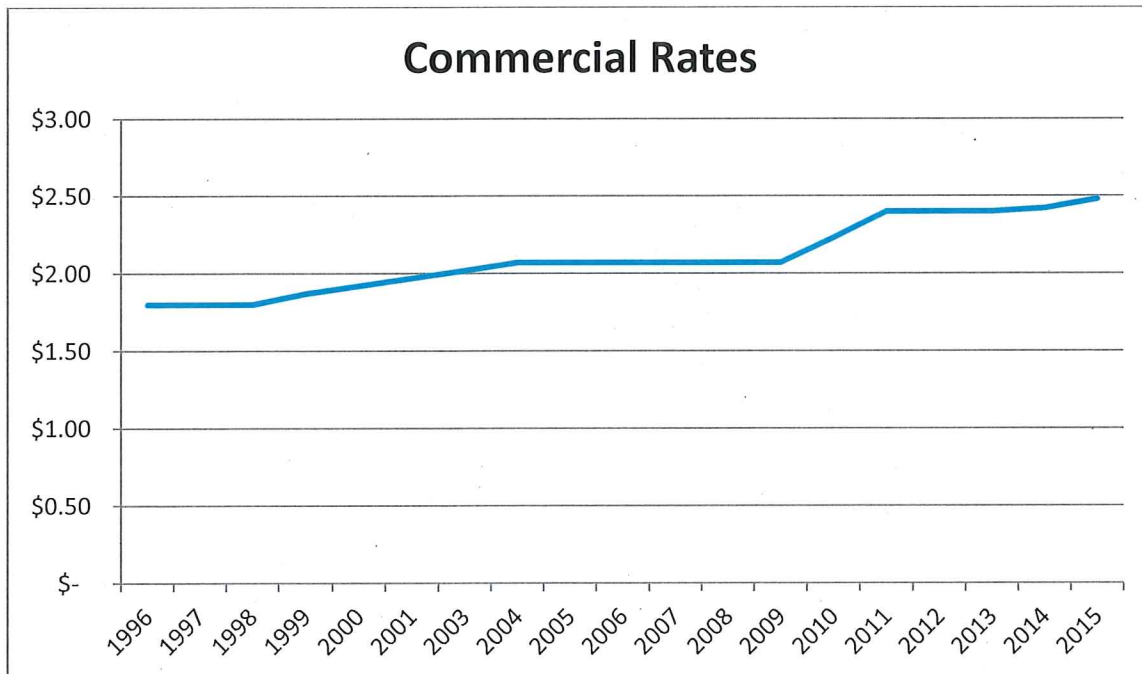
# Appendix A

## Sanitary Sewer Historical Rates

Residential rates are a flat charge per month.



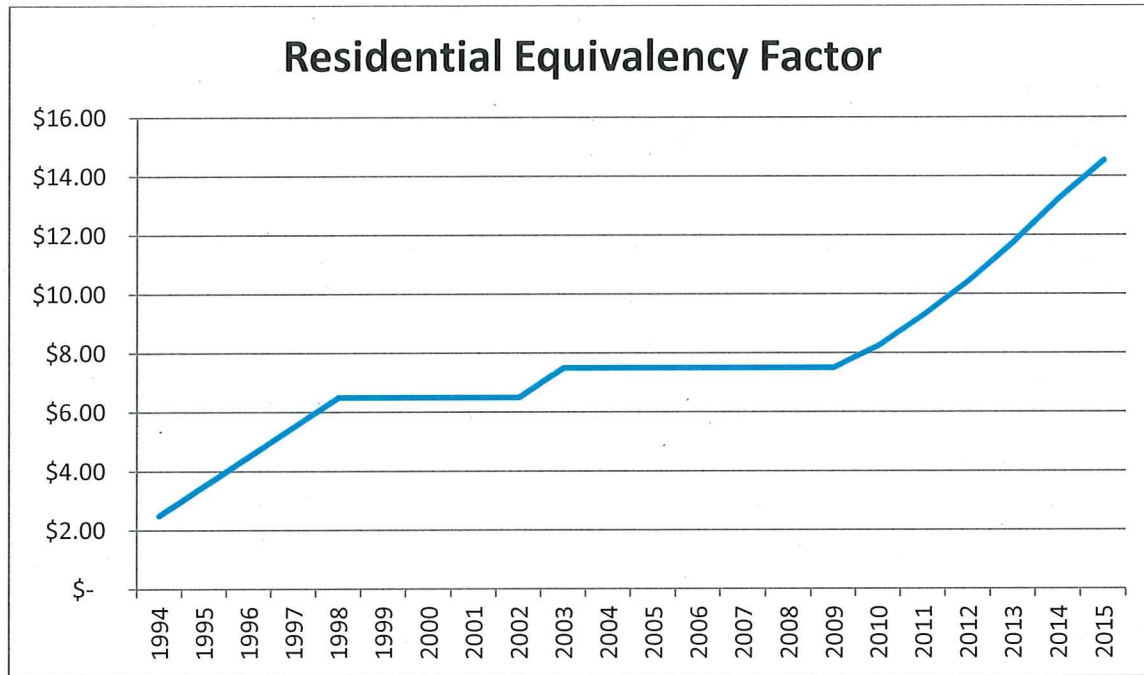
Commercial rates are based on flow or consumption charge.



## Appendix B

### Storm Water Historical Rates

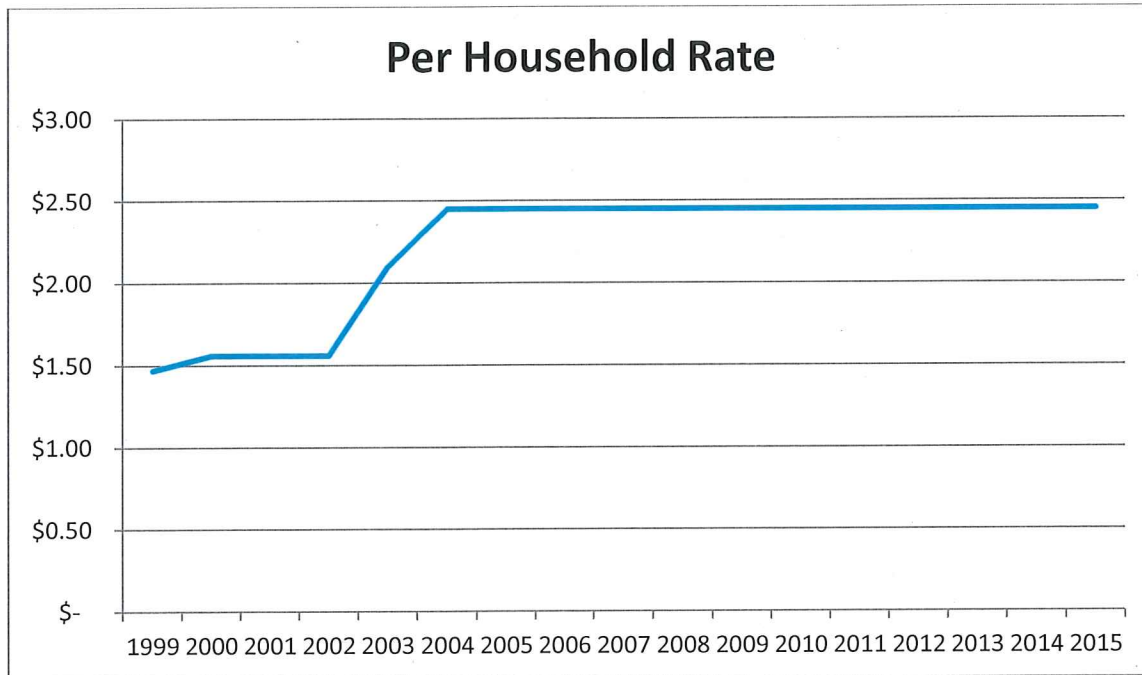
Storm Water rates are a flat charge based on Residential Equivalency Factor (REF) per month.



## Appendix C

### Recycling Historical Rates

Recycling rates are per single family household and multiplied per units. These rates are collected through the property tax system as a special assessment.





## LAUDERDALE COUNCIL ACTION FORM

### Action Requested

Consent \_\_\_\_\_  
 Public Hearing \_\_\_\_\_  
 Discussion \_\_\_\_\_  
 Action \_\_\_\_\_  
 Resolution \_\_\_\_\_  
 Work Session   X  

Meeting Date November 10, 2015

ITEM NUMBER Sewer Metering Report

STAFF INITIAL 

APPROVED BY ADMINISTRATOR

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

As part of the City's work plan with the Metropolitan Council to address inflow and infiltration (I/I), meters were distributed throughout the City this summer to find out which man-holes saw an increase in flow during rain events. The metering allows the City to determine which areas to focus on for mitigation work.

Attached is the report that Stantec produced based on the metering data. Page 2.2 provides a summary of what they found. In short, the meter by Corval (New Mech) produced a significant spike each time it rained. Other meters showed signs of I/I during rain events but the severity was impacted by a variety of conditions such as whether the ground was already saturated and the intensity and duration of the rain event.

The report recommends addressing the issue with Corval first. Staff will be meeting with representatives from Corval on Tuesday, November 10 so staff will be able to report back to the Council during the council meeting. The city engineer believes that if Corval's flow can be redirected, the City likely won't have future exceedances. City could petition to be removed from the list of I/I cities and no longer be required to submit work plans and dedicate funds to corrective action on the Met Council's time schedule.

Before the City entered into an agreement with Roseville to take Pacal's waste water, Roseville smoke tested the area for signs of I/I. Obviously, sources of I/I were either missed or the site has been changed to allow rainwater to enter the sanitary sewer system. Staff already let Roseville's public works director know about the issue. This is something the City will need to work through with Roseville.

Finally, the City's residential area north of Larpenteur showed signs of I/I coming from Malvern and Eustis, identified in the report as "Malvern Street." Increased flows also came from Pleasant, Lake, and Fulham, identified in the report as "Ryan Street East." With relatively new infrastructure, this is likely inflow and infiltration from exterior drains, sump pumps/drain tile connections, and old sewer services to the homes. It will be worth continuing to identify these small sources of I/I as they impact the City's annual waste water fee charge from the Met Council.

# Sanitary Sewer Flow Monitoring Study

City of Lauderdale



October 2015  
193803223

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	TABLE 1 – FLOW MONITORING RAIN EVENT SUMMARY.....	2.2
<b>3.0</b>	<b>FLOW MONITORING CONCLUSIONS</b> .....	<b>3.4</b>
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## FIGURES AND CHARTS

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<b>APPENDIX A</b>	<b>CORVAL FLOW MONITORING RESULTS</b>
<b>APPENDIX B</b>	<b>FLOW MONITORING ADDITIONAL NARRATIVE</b>

## SANITARY SEWER FLOW MONITORING STUDY

PROJECT BACKGROUND  
October 2015

### 1.0 PROJECT BACKGROUND

The Metropolitan Council Environmental Services (MCES) provides sanitary sewer collection service to communities throughout the Twin Cities Metro area. As part of the overall service plan, MCES has a policy in place to limit cities from discharging Inflow and Infiltration (I/I) into their sanitary sewer interceptor system. Generally speaking, this policy sets limits on allowable sanitary sewer flow rates into the MCES system. When limits are exceeded, cities are sent flow exceedance notices and associated I/I surcharge amounts. These amounts can be paid directly to Metropolitan Council or used to mitigate I/I within the community. These surcharge amounts or mitigation efforts can be spread out over a 4-year period. A full description of the program can be found here: <http://www.metrocouncil.org/Wastewater-Water/Publications-And-Resources/Ongoing-Infiltration-Inflow-Reduction-Program-2013.aspx>.

The City of Lauderdale has experienced exceedance events over the last two years. In 2013, two events in June resulted in surcharges of \$105,820. The City's sanitary sewer lining project in 2013 and 2014 along with other smaller eligible projects was used to fully mitigate this surcharge. In 2014 an exceedance in June totaled \$199,200 or \$49,800 over four years. The City was able to apply some unused eligible 2014 mitigation costs to reduce the 2015 planned spending to \$32,500.

The goal of this Sanitary Sewer Flow Monitoring project is to narrow down the location of the I/I issue(s), identify additional ways to determine the I/I source, and possibly identify the I/I source. Further investigations may be necessary to pin point the exact I/I source or sources.

To meet project goals, Stantec conducted sanitary sewer monitoring at numerous locations in the City of Lauderdale during June and July. Five monitors were used at a time during the project and ten different pipe locations were monitored. Stantec utilized our specialty 8 inch micromonitors to allow for detailed and low flow monitoring when possible. The project area included all areas which flow to the MCES flow meter on 33rd Ave. In general, the project area includes the area north of Larpenteur Ave. and the immediate area southwest of Larpenteur Ave. and Highway 280.



## SANITARY SEWER FLOW MONITORING STUDY

FLOW MONITORING DETAILS  
October 2015

### 2.0 FLOW MONITORING DETAILS

Stantec conducted sanitary sewer monitoring at numerous locations in the City of Lauderdale during June and July. Initial monitoring locations, installed on June 3, were along Highway 280. Sanitary sewer flow east of Highway 280 flows north or south and then crosses Highway 280 at Broadway St. or Larpenteur Ave. Flows monitored at Broadway St. (labeled MH1) include the PACAL site from the north and flows from northern portion of City of Lauderdale from the east. At MH2, just south of Larpenteur Ave., flows were monitored from the north along HWY280 and from the southern portion of Lauderdale from the east. The last location was an 8 inch micromonitor installed in MH3 on the pipe which runs under Highway 280 from Corval. The monitoring locations and sanitary sewer system are shown on Figure 1. Several rain events occurred while monitors were installed at these locations including heavy rains on June 3 and June 22. A summary of all rain events and subsequent inflow intensity is included in Table 1.

**Table 1 – Flow Monitoring Rain Event Summary**

RAIN EVENT	Corval	PACAL	NORTH LAUDERDALE	SOUTH LAUDERDALE	WALNUT ST.	MALVERN ST.	RYAN ST. SOUTH	RYAN ST. EAST
6/03/15	Severe	Moderate	Moderate	Moderate	-	-	-	-
6/07/15	Severe	NA	Moderate	Moderate	-	-	-	-
6/11/15	Low	None	None	None	-	-	-	-
6/17/15	Moderate	None	None	None	-	-	-	-
6/20/15	Severe	None	None	None	-	-	-	-
6/22/15	Severe	None	Moderate	Moderate	-	-	-	-
6/27/15	Severe	None	None	None	-	-	-	-
6/29/15	Severe	None	Low	NA	-	-	-	-
7/06/15	Severe	Low	Low	Low	-	-	-	-
7/12/15	Severe	Severe	Severe	Severe	-	-	-	-
7/18/15	Severe	Low	Low	Low	-	-	-	-
7/28/15	-	-	Severe	-	None	Low	None	Low
8/04/15	-	-	Low	-	None	Low	None	Low



## SANITARY SEWER FLOW MONITORING STUDY

FLOW MONITORING DETAILS  
October 2015

A summary of the recorded data from June 3<sup>rd</sup> to June 30<sup>th</sup> is provided in Chart 1. Charts 1A, 1B, and 1C provide detailed data for the key rain events and a summary of the inflow spikes recorded due to the rain event.

On June 30, one flow monitor was moved to the manhole just upstream of the MCES flow monitor. The flow monitor was moved from the north invert of MH2 and placed in manhole MH4 on 33rd Ave. This flow monitor provided a summary of all flows from the project area including between MH2 and the MCES meter. The monitoring locations and sanitary sewer system are shown on Figure 2 with results graphed in Chart 2. During this second monitoring period three of the heaviest rain events of the summer occurred on July 6, July 12, and July 18 as illustrated in Charts 2A, 2B, and 2C. The City of Lauderdale received notice from MCES of an excessive wastewater peak discharge on July 12, 2015.

Based on a review of the flow data, the monitors were moved on July 21, to record additional detail on the northern portion of the City of Lauderdale. Flow monitors were moved upstream of the east invert of MH1 to record flows near Ryan Ave. Four locations were monitored to provide a breakdown of flows from these neighborhoods. MH45, MH38, and MH16, labeled based on City numbering, are located just south of Ryan Ave. on Walnut St., Malvern St., and Carl St., respectively. The monitoring locations and sanitary sewer system are shown on Figure 3 with results graphed in Chart 3. Two rain events occurred during this period which created inflow spikes in the sanitary sewer system; the July 28<sup>th</sup> event is detailed on Chart 3A.

## SANITARY SEWER FLOW MONITORING STUDY

FLOW MONITORING CONCLUSIONS  
October 2015

### 3.0 FLOW MONITORING CONCLUSIONS

When reviewing the flow monitoring data, inflow spikes during rain events were reviewed in detail. Both the severity of the inflow spike and the frequency of the inflow were reviewed. In general, four key areas of the system were monitored: Corval, PACAL, North Lauderdale, and South Lauderdale. Corval and PACAL are two properties with a single connection to the sanitary sewer system. Monitoring of the north and south portions of the City of Lauderdale, east of Highway 280, combined includes hundreds of customers and nearly five miles of sanitary sewer pipes.

The largest and most significant problem is inflow during rain events from the Corval property. These inflows occurred during every rain event, are an immediate spike in flow, and stop when rain ends, indicating a direct connection to sanitary sewer. Flows during rain events from Corval range from 50 – 285 gpm. Based on our flow monitoring, Corval typically produces 45 – 80 percent of the inflow during inflow events. Corval recorded data is illustrated separate from other flows in Appendix A. Table 2 provides a summary of the flow monitoring results for all areas.

The first and most immediate corrective action is to work with Corval to eliminate rainwater from entering the sanitary sewer. Direct storm water connections to the sanitary sewer must be redirected and other potential sources of rainwater investigated. If physical inspection of the property is not enough to identify source of rainwater, smoke testing, televising pipes and roof drains, and possibly uncovering buried infrastructure may be necessary.

**Table 2 – Flow Monitoring Results Summary**

AREA	PRIORITY	INFLOW	FREQUENCY	NEXT STEPS
Corval	Primary	Severe	Constant	Immediate separation of storm and sanitary sewer flows at Corval property.
PACAL	Secondary	Low – Moderate	1 Time Monthly	Work with the City of Roseville to televise pipes and review PACAL property storm and sanitary sewer infrastructure.
North Lauderdale	Secondary	Moderate	2 Times Monthly	Televise and smoke test pipes under Hwy 280 and on Ryan Ave. to start.
South Lauderdale	-	Moderate	1 -2 Times Monthly	After elimination of other known problems, reevaluate these low to moderate flows.

## SANITARY SEWER FLOW MONITORING STUDY

FLOW MONITORING CONCLUSIONS  
October 2015

Inflows were also determined to occur from the northern half of Lauderdale and the PACAL site. Flows from the PACAL site spiked during heavy, sustained rains. PACAL inflow spikes are a fraction of the flow recorded from Corval. Flows during rain events from the PACAL property range from 40 – 100 gpm. Flows from North Lauderdale peaked above 165 gpm on four dates in June and July, with inflow spikes from 140 – 300 gpm. During the heaviest, sustained rain event on July 12, North Lauderdale contributed roughly the same as Corval. However, North Lauderdale is a significant portion of the total sewer system. Additional monitoring was conducted at the end of July into August, which helped narrow down locations for additional inflow investigations to the north Highway 280 crossing and Ryan Ave.

Another area for future evaluation is the southern half of Lauderdale. Several times during June and July an inflow spike was recorded coming across Highway 280 from this location. A large flow was only recorded during the most severe inflow event of the summer on July 12 and occurred roughly 20 minutes later than other increases. Further evaluation of the southern half of Lauderdale is recommended if excessive wastewater peaks continue to occur after the other sources of inflow are corrected. Additional narrative of all rain events from June through August is included in Appendix B.

In conclusion, to reduce inflow spikes within the City of Lauderdale the first and most important corrective action is to stop the rainwater inflow at the Corval property. Inflow from the Corval property is the majority inflow contributor in the system. During the exceedance on July 12, elimination of the Corval flow would have prevented the exceedance. Additionally, Corval introduces rain water into the sanitary system each time it rains; no other monitored location had such an immediate impact on the sanitary system. A physical review and further infiltration and inflow investigations at PACAL and north Highway 280 crossing and Ryan Ave. are also recommended at this time.

## FIGURES AND CHARTS

### **Figure 1 – Flow Monitoring Locations 6/03/15 – 6/30/15**

Chart 1 – Lauderdale Flow Monitoring, 6/03/15 - 6/30/15

Chart 1A – Lauderdale Flow Monitoring, 6/03/15 - 6/04/15

Chart 1B – Lauderdale Flow Monitoring, 6/22/15

Chart 1C – Lauderdale Flow Monitoring, 6/27/15 - 6/29/15

### **Figure 2 – Flow Monitoring Locations 6/30/15 – 7/21/15**

Chart 2 – Lauderdale Flow Monitoring, 6/30/15 - 7/21/15

Chart 2A – Lauderdale Flow Monitoring, 7/05/15 - 7/06/15

Chart 2B – Lauderdale Flow Monitoring, 7/12/15 - 7/13/15

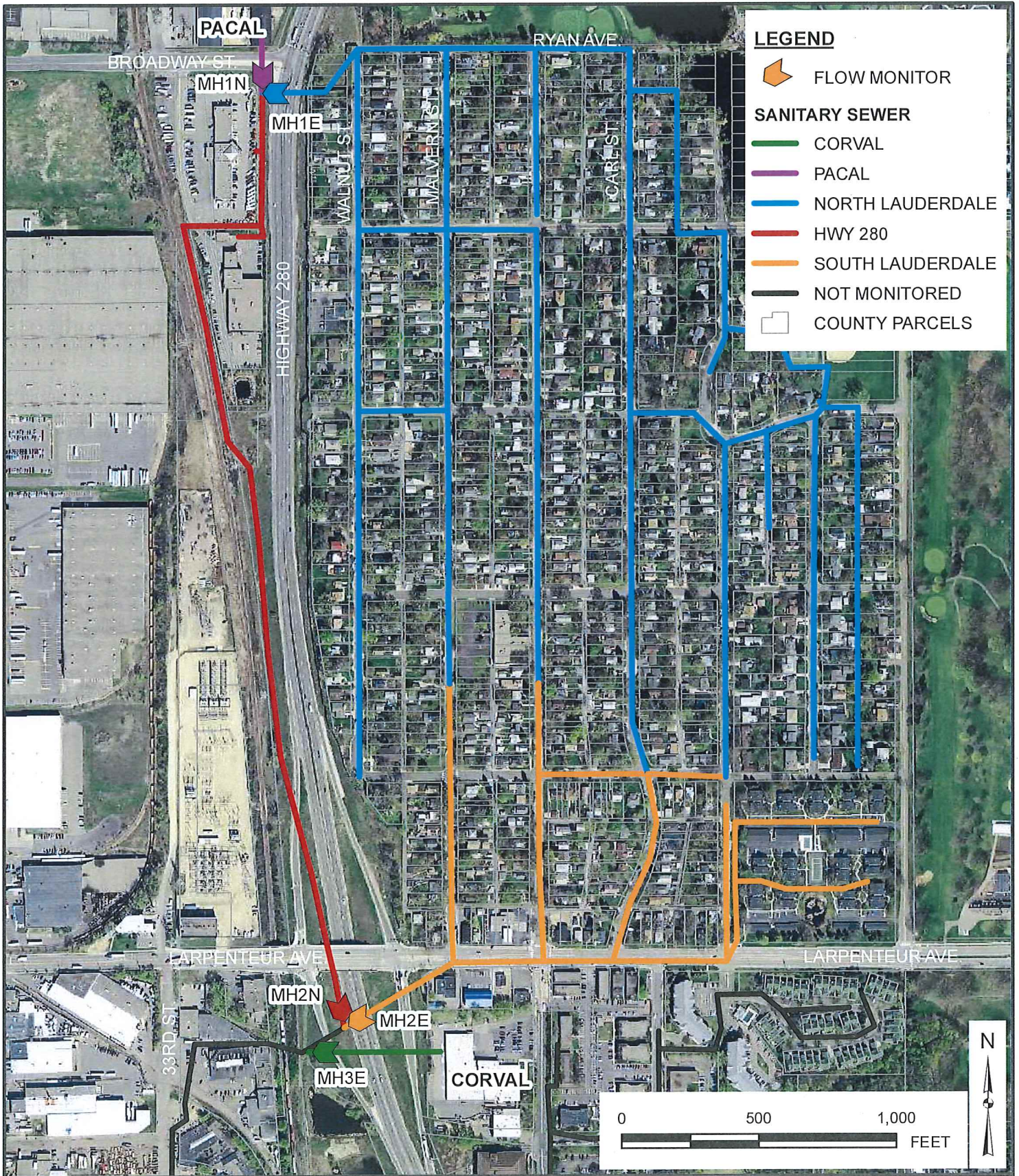
Chart 2C – Lauderdale Flow Monitoring, 7/17/15 - 7/18/15

### **Figure 3 – Flow Monitoring Locations 7/21/15 – 8/12/15**

Chart 3 – Lauderdale Flow Monitoring, 7/22/15 - 8/12/15

Chart 3A – Lauderdale Flow Monitoring, 7/22/15





**FIGURE 1 - FLOW MONITORING 6/03/15 - 6/30/15**

The information on this map has been compiled by Stantec staff from a variety of sources and is subject to change without notice. Stantec makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information.



2335 Highway 36 West  
 Saint Paul, MN 55113  
 651.636.4600

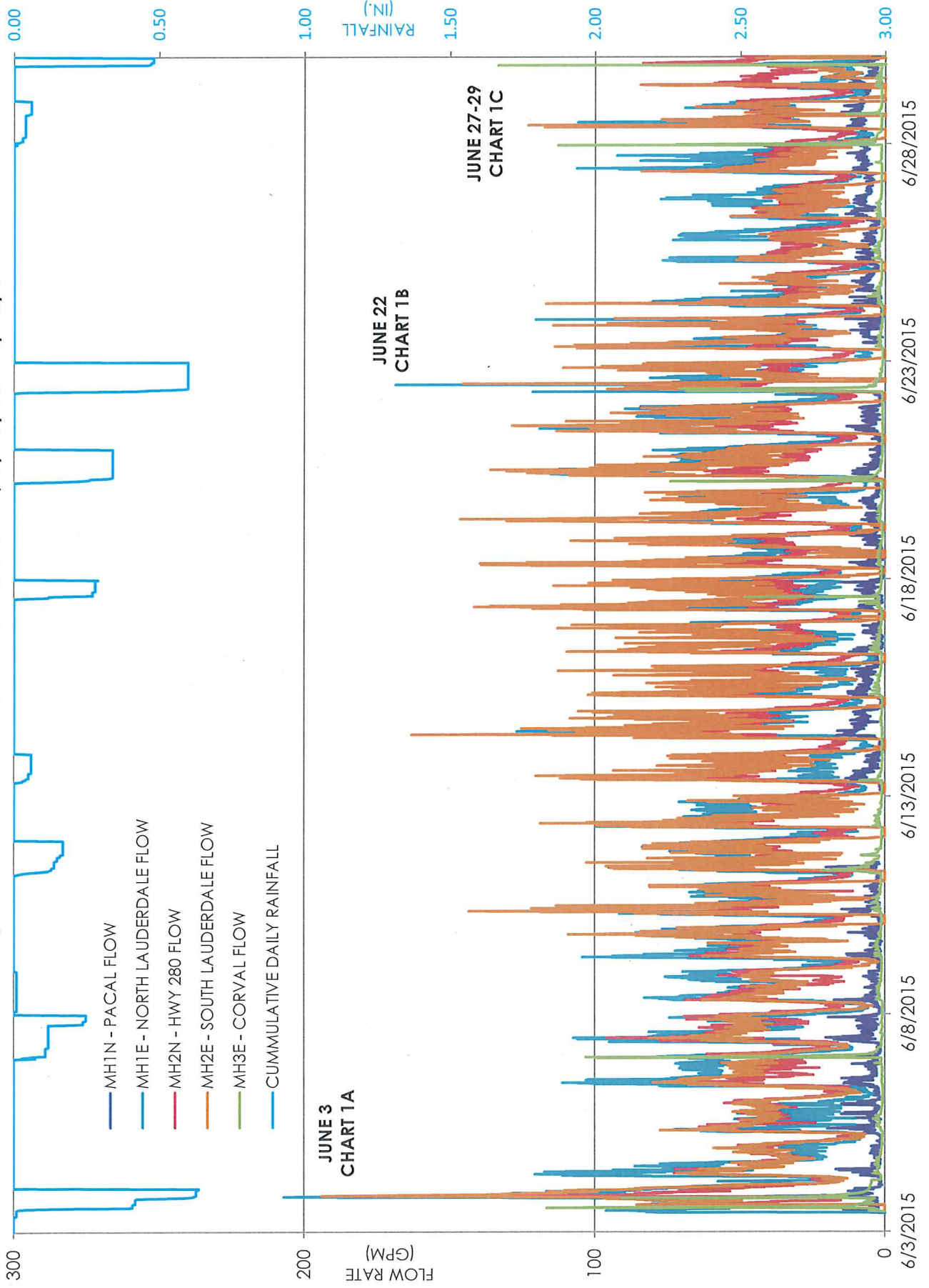
CITY OF LAUDERDALE

OCTOBER 2015

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*Design With Community In Mind*

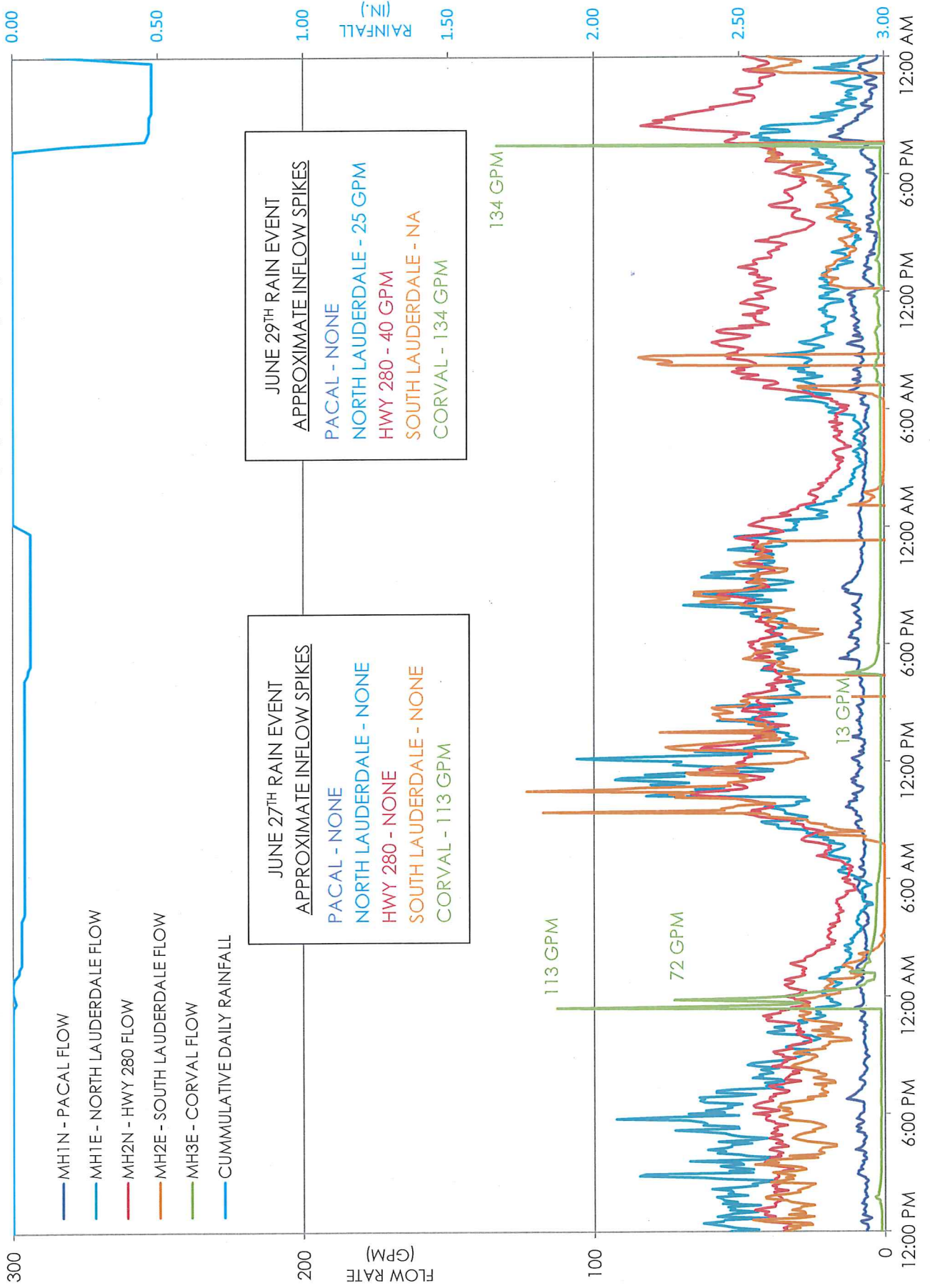
# CHART 1 - LAUDERDALE FLOW MONITORING, 6/03/15 - 6/30/15

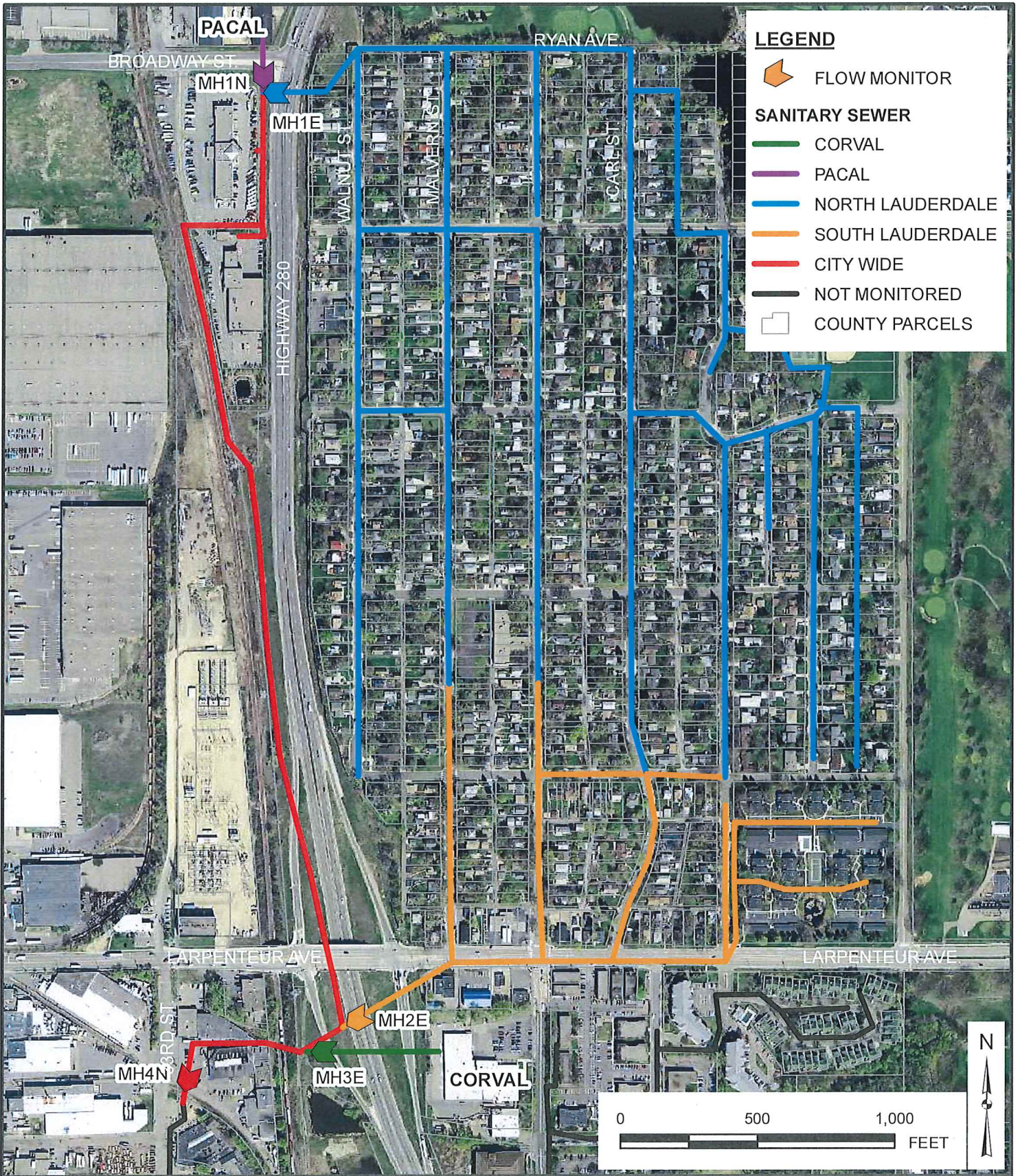






# CHART 1C - LAUDERDALE FLOW MONITORING, 6/27/15 - 6/29/15





2335 Highway 36 West  
 Saint Paul, MN 55113  
 651.636.4600

**FIGURE 2 - FLOW MONITORING 6/30/15 - 7/21/15**

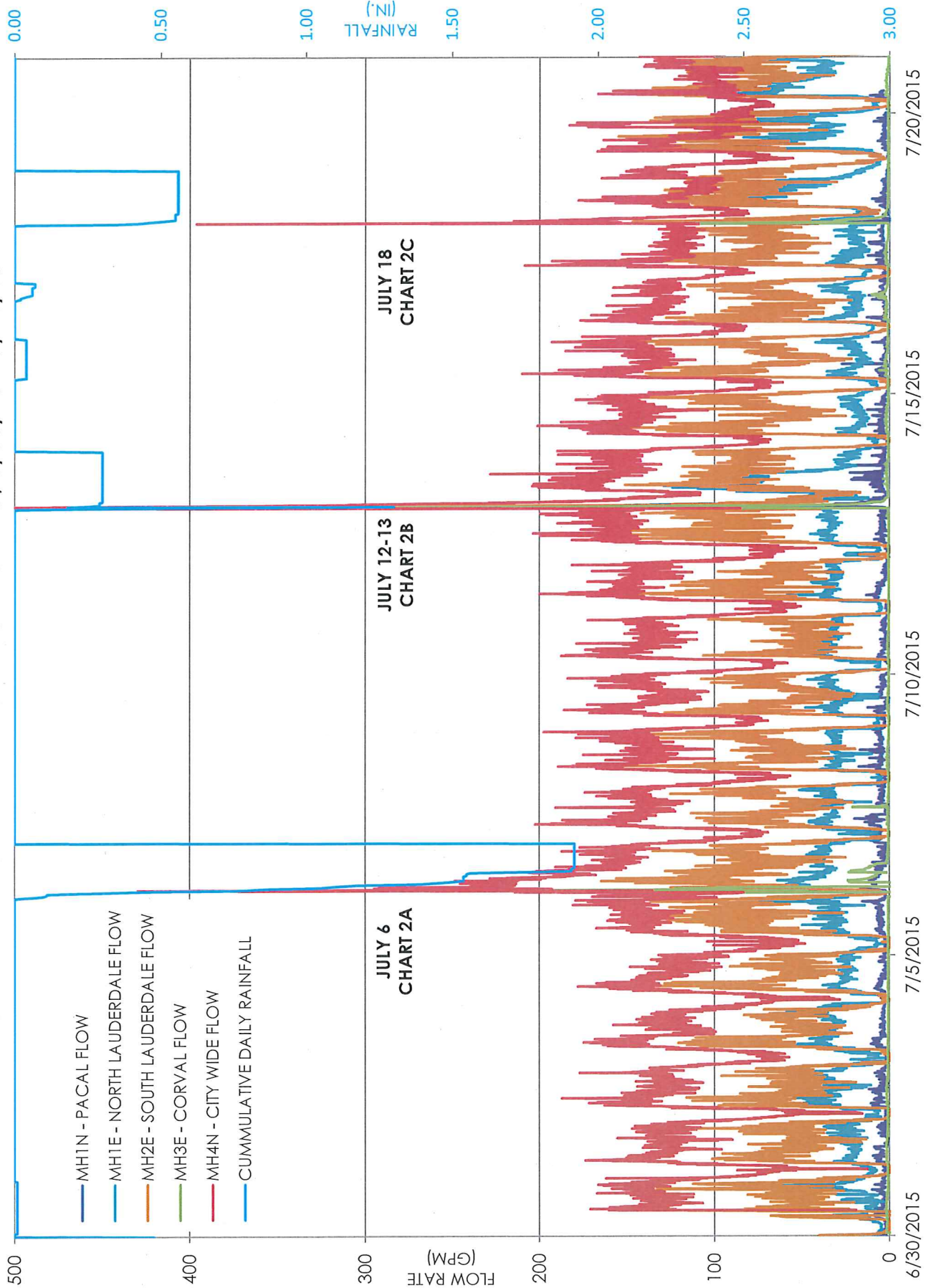
CITY OF LAUDERDALE

OCTOBER 2015

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V:\1938\active\193803223\GIS\Projects\Figure 2.mxd

**CHART 2 - LAUDERDALE FLOW MONITORING, 6/30/15 - 7/21/15**

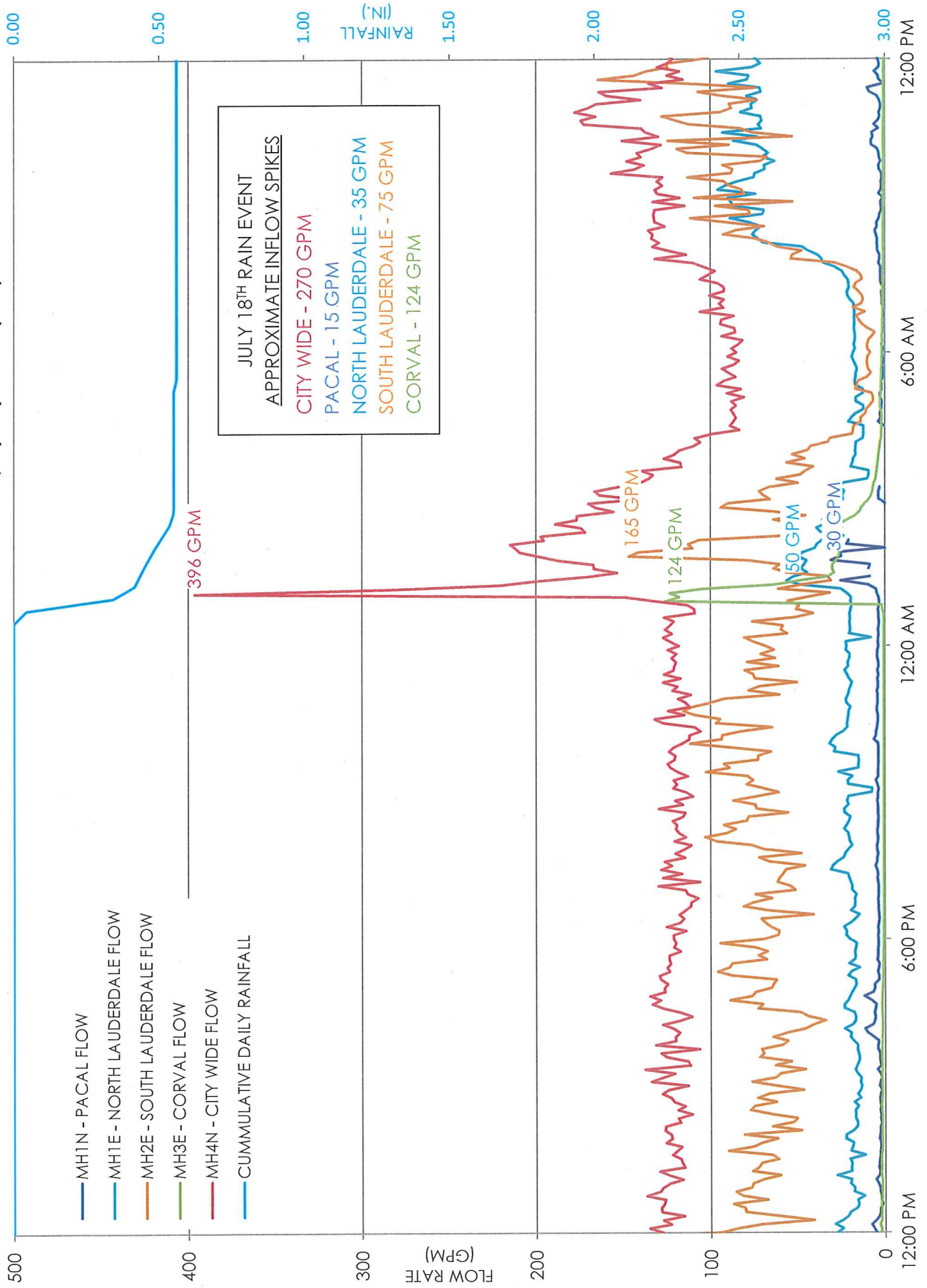


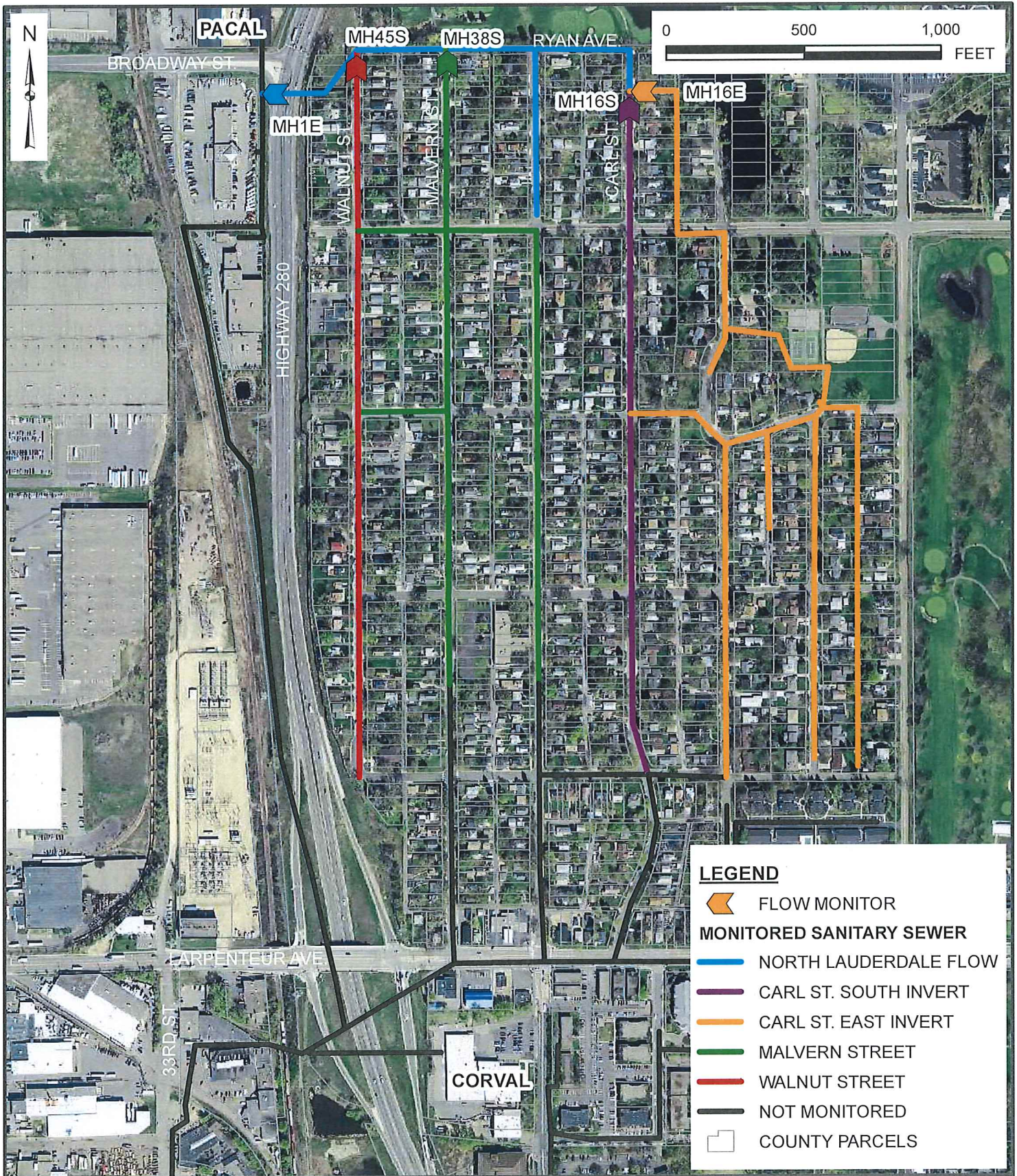






# CHART 2C - LAUDERDALE FLOW MONITORING, 7/17/15 - 7/18/15





**FIGURE 3 - FLOW MONITORING 7/21/15 - 8/12/15**

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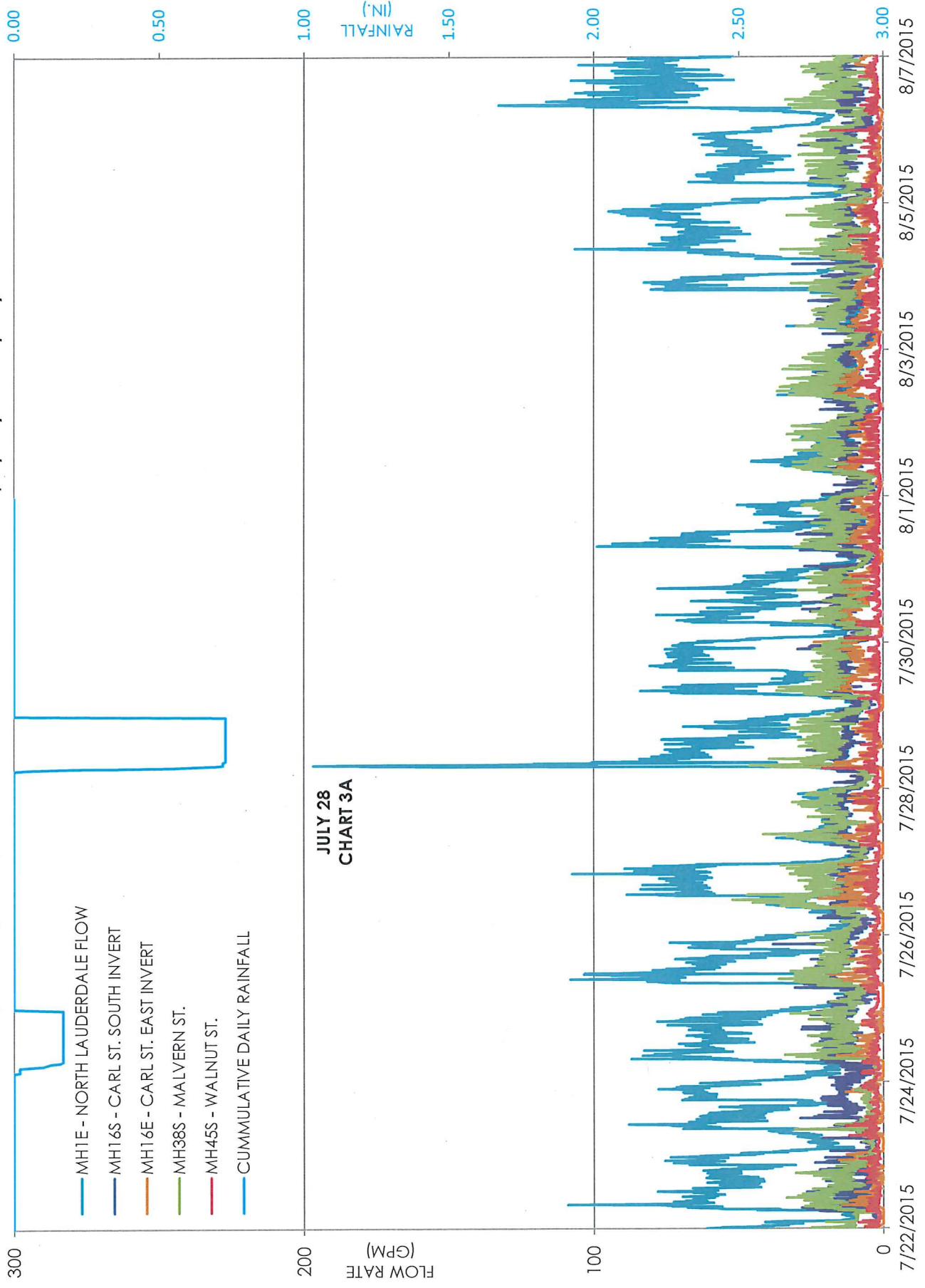
2335 Highway 36 West  
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CITY OF LAUDERDALE

OCTOBER 2015

V:\1938\active\193803223\GIS\Projects\Figure 3.mxd

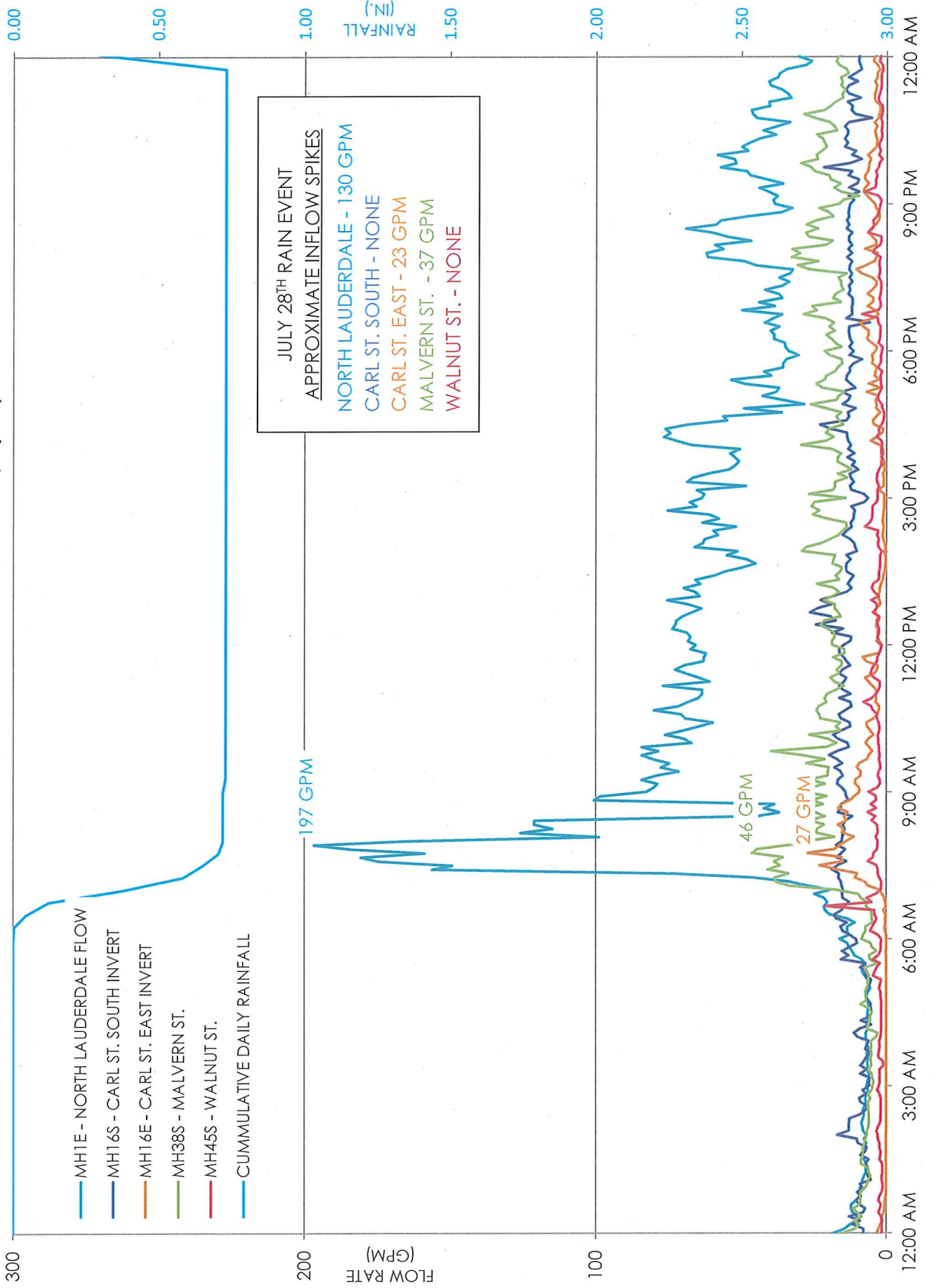
# CHART 3 - LAUDERDALE FLOW MONITORING, 7/22/15 - 8/06/15



- MH1E - NORTH LAUDERDALE FLOW
- MH16S - CARL ST. SOUTH INVERT
- MH16E - CARL ST. EAST INVERT
- MH38S - MALVERN ST.
- MH45S - WALNUT ST.
- CUMMULATIVE DAILY RAINFALL

JULY 28  
CHART 3A

# CHART 3A - LAUDERDALE FLOW MONITORING, 7/28/15



## Appendix A CORVAL FLOW MONITORING RESULTS

**CHART A1 - CORVAL FLOW MONITORING, 6/03/15 - 6/30/15**

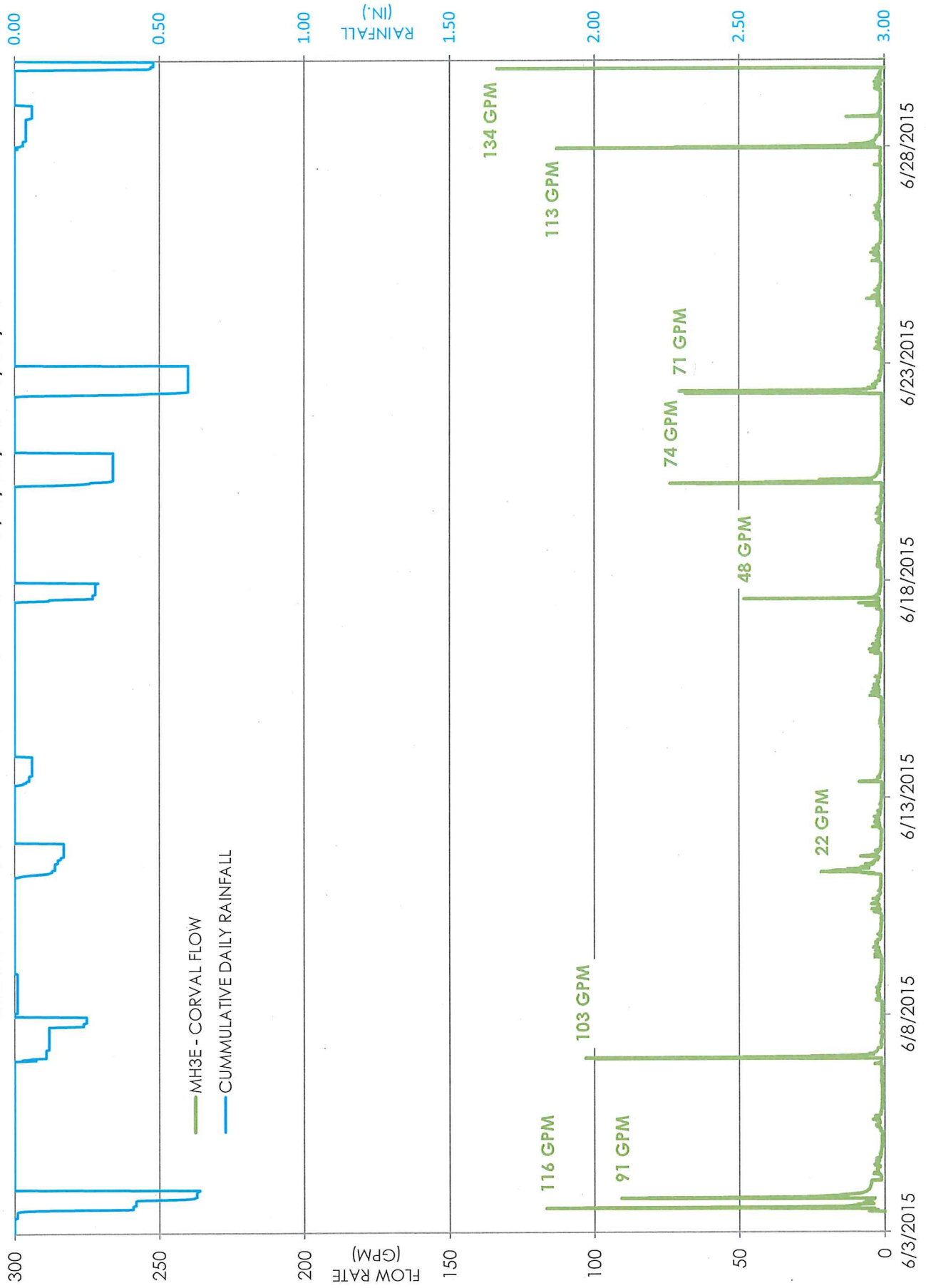
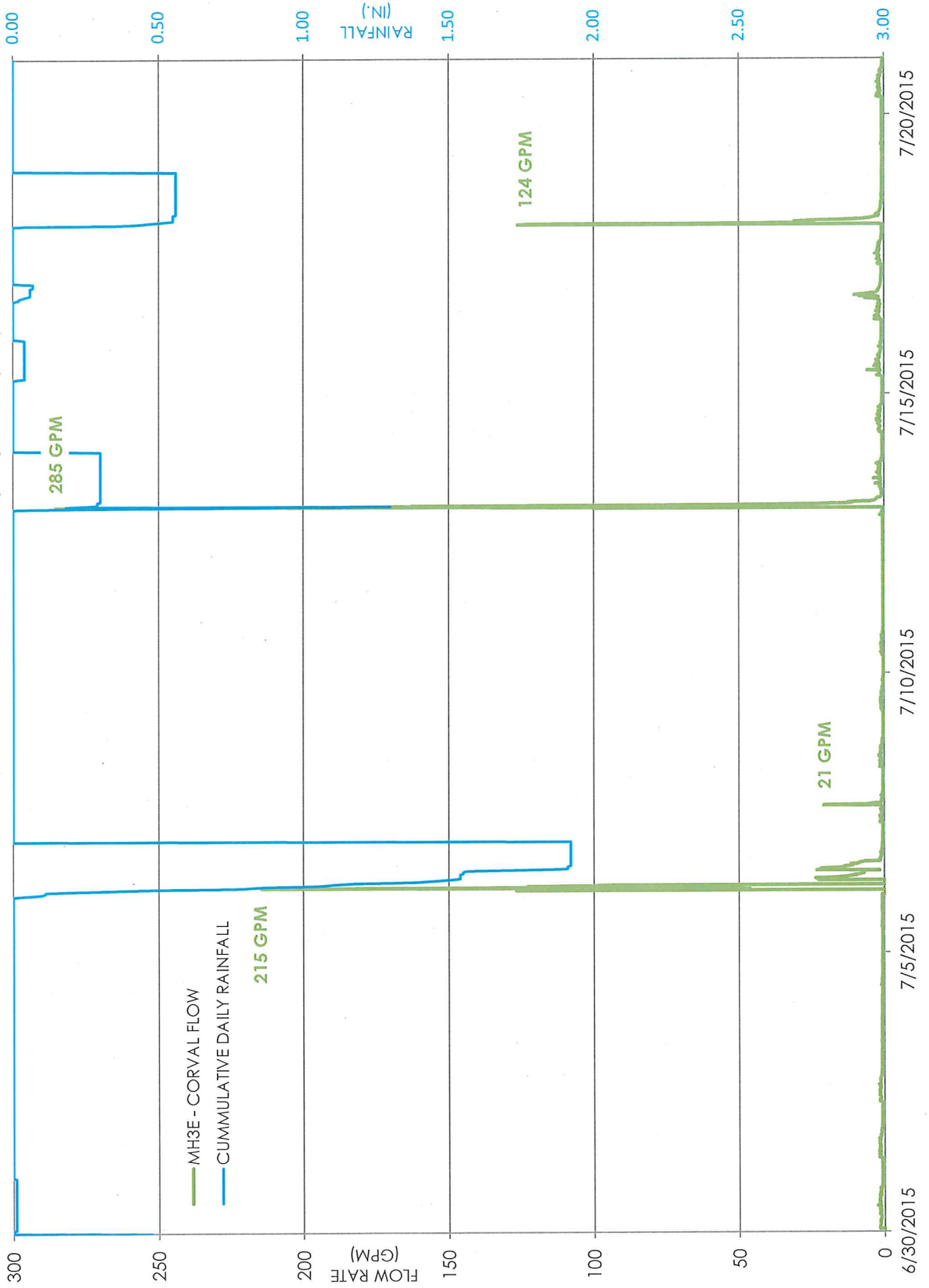


CHART A2 - CORVAL FLOW MONITORING, 6/03/15 - 6/30/15





**Appendix B FLOW MONITORING ADDITIONAL NARRATIVE**

## SANITARY SEWER FLOW MONITORING STUDY

Appendix B Flow Monitoring Additional Narrative  
October 2015

### First Monitor Deployment (June 3 – June 30)

Flow monitors were installed on June 3, along Highway 280 to obtain flow data from PACAL, North Lauderdale, South Lauderdale, and Corval. The monitoring locations and sanitary sewer system are shown on Figure 1 and all flow data is illustrated in Chart 1. Two separate rain events occurred on June 3, morning thunderstorms interrupted installation so three of five flow monitors were installed prior to the morning rain event. The remaining two flow monitors in MH2 were installed before rain returned in the evening. Chart 1A illustrates the results from the flow monitors. Initial rainfall total was 0.42 inches at MCES rain gauge near Lauderdale and evening rainfall was 0.21 inches. Approximate maximum inflow spike on June 3 was 116 gpm at Corval, 100 gpm from South Lauderdale, 145 gpm from North Lauderdale, and 40 gpm at PACAL.

Additional rain events of 1/3 inch of rain or less on June 7, June 17, and June 20, produced inflow spikes of approximately 50 – 75 gpm. A rainfall of 0.60 inches occurred the morning of June 22, causing the second round of inflow spikes throughout the City as illustrated on Chart 1B. Approximate maximum inflow spike on June 22 was 71 gpm at Corval, 100 gpm from South Lauderdale, and 100 gpm from North Lauderdale. The flow monitor installed for flows from PACAL stopped working just prior to the rain event, so data is not available. The flow monitor was cleaned and reset on June 23. Two additional rainfall events on June 28 and June 29, Chart 1C created inflow spikes at Corval only of 113 gpm and 134 gpm, respectively.

It is evident from the flow monitor results that Corval has a direct connection between rainwater and the sanitary sewer system. Storm water connections at Corval directly to the sanitary sewer are a major source of inflow for the City of Lauderdale. During all eight rain events, Corval contributed between approximately 50 gpm and 135 gpm. With data from the larger rain events on June 3 and June 22 (rainfall exceeds ½ inch both days), inflow was recorded from Corval, PACAL, and the rest of the City of Lauderdale. MCES flow meter data was obtained and compared to the flow monitoring results. Flows monitored with the area-velocity sensors were higher than the total flow MCES was reporting. Based on this comparison, a flow monitor was moved to the manhole upstream of the MCES flow meter.

### Second Monitor Deployment (June 30 – July 21)

On June 30, a flow monitor was moved from MH2 to MH4 along 33<sup>rd</sup> Ave. The monitoring locations and sanitary sewer system are shown on Figure 2 and all flow data is illustrated in Chart 2. The new location is a 15 inch pipe in the manhole directly upstream of the MCES flow meter. The flow monitors provided valuable inflow data during the first three weeks of July and confirmed the discrepancy with MCES flow meter data. Based on the MCES data, the flows from Corval are the majority portion of the City's inflow. In July, Corval accounts for approximately 40 – 100+ percent of total inflow spike depending on the event. Corval accounts for approximately 45 – 80 percent of total inflow spike based on flow monitoring data from location MH4N. Appendix C details the differences between the flow monitoring data and the MCES flow meter.



## SANITARY SEWER FLOW MONITORING STUDY

Appendix B Flow Monitoring Additional Narrative  
October 2015

Only three rain events of more than 0.2 inches occurred in the first three weeks of July and all three had a significant impact on the sanitary sewer system. Rainfall of nearly 2 inches occurred on the morning of July 6, 1.6 inches fell around midnight between July 12 and July 13, and 0.56 inches of rain resulted in inflows on July 18.

Rainfall on the morning of July 6, Chart 2A, created an immediate and large inflow spike of 215 gpm at Corval, which is approximately 77 percent of total inflow. PACAL only spiked 15 gpm and increases also occurred from the City east of Highway 280. The largest increase other than Corval was from South Lauderdale but the heaviest inflow was delayed at least 30 minutes. This rain event is representative how inflow occurs within the City. Immediate inflow enters the system from Corval and other lesser contributors, and then flows increased from North and South Lauderdale areas, taking time to decrease to a level before the rain event. This occurrence is even more evident on the July 12 storm, which resulted in a notice from MCES of an excessive wastewater peak discharge.

During the July 12 rain event, Chart 2B, the majority of the rain fell between 11:30 PM on July 12 and 1:30 AM on July 13. 1.55 inches of rain fell during this short period and created two peak flows of 694 gpm and 502 gpm at MH4. The inflow spikes were greater than 500 gpm and 300 gpm. The initial inflow spike is mainly attributed to a Corval spike of 285 gpm, PACAL spike of 100 gpm, and increased flows from east of Highway 280. Flows from North Lauderdale included a spike of 300 gpm shortly after the Corval spike. The second inflow spike was approximately 20 minutes later and the 300 gpm spike is almost completely from South Lauderdale, east of Highway 280.

On July 18, as illustrated on Chart 2C, 0.56 inches of rain produced an inflow spike of 124 gpm from Corval and approximately 75 gpm from South Lauderdale. Flows from North Lauderdale only spiked approximately 35 gpm and PACAL spiked 30 gpm. During June and July, flows from North and South Lauderdale spiked vary amounts between 100 gpm and 300 gpm on five dates. During June higher spikes were recorded from North Lauderdale, but during July equal spikes were recorded. Flows from Corval spiked between 50 gpm and 285 gpm on ten dates or every time more than 0.1 inches of rain fell. Even when very little rain fell, spikes from Corval were recorded. Flows from PACAL spiked up to 100 gpm.

It is recommended that the first corrective action is to work with Corval to eliminate rainwater from entering the sanitary sewer. Existing storm water connections to the sanitary sewer must be redirected and other potential sources of rainwater investigated. If physical inspection of the property is not enough to identify source of rainwater, smoke testing, televising pipes and roof drains, and possibly uncovering buried infrastructure may be necessary. A review of storm and sewer infrastructure on the PACAL property should be conducted and if needed televising and smoke testing may be appropriate. Further flow monitoring of North and South Lauderdale to narrow down the locations of inflow further is the most appropriate next step.



## SANITARY SEWER FLOW MONITORING STUDY

Appendix B Flow Monitoring Additional Narrative  
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### Final Monitor Deployment (July 21 – August 12)

On July 22, flow monitors were moved to record more specifics from North Lauderdale. The flow monitor at Broadway St. and Highway 280 was not moved. Four monitors were installed along Ryan Ave. at Walnut St., Malvern St., and Carl St. The monitoring locations and sanitary sewer system are shown on Figure 3 and all flow data is illustrated in Chart 3. Two rain events produced comparable inflow spikes on July 28 and August 4. Flow from North Lauderdale spiked 130 gpm on July 28, as shown in Chart 3A, and 50 gpm on August 4. Inflow was recorded at the flow monitor on Walnut St. and the east invert at Carl St. Both rain events recorded approximately 30 percent of inflow from Walnut St., 20 percent from east of Carl St., and the remaining 50 percent is from the area between these flow monitors and MH2. Therefore, half of the flow from North Lauderdale during these rain events is from the Ryan Ave., the northernmost block of Eustis St., and/or the pipe under Highway 280. Inflow was not recorded from Malvern St. or Carl St.

It is recommended that further inflow investigations focus on the sanitary sewer pipes along Ryan Ave. and the pipe under Highway 280. Televising and smoke testing of these pipes are two techniques to help locate the source of inflow.