

CITY OF FALCON HEIGHTS  
Regular Meeting of the City Council  
City Hall  
2077 West Larpenteur Avenue

AGENDA  
July 24, 2013

- A. CALL TO ORDER:
- B. ROLL CALL: LINDSTROM \_\_\_ HARRIS \_\_\_ GOSLINE \_\_\_  
LONG \_\_\_ MERCER-TAYLOR \_\_\_  
FISCHER \_\_\_
- C. PRESENTATIONS:
- D. APPROVAL OF MINUTES: July 10, 2013
- E. PUBLIC HEARINGS:
- F. CONSENT AGENDA:
  - 1. General Disbursements through 7/18/2013: \$436,910.84  
Payroll through 7/12/2013: \$20,832.53
  - 2. Approval of City Licenses
  - 3. Declaration of Bond Reimbursement
  - 4. Acceptance of University of Minnesota Grant Award
  - 5. Acceptance of Scholarship Funds from Commonwealth Terrace Cooperative (CTC)
- G. POLICY ITEMS:
  - 1. Massage License Application
  - 2. Chicken Ordinance
  - 3. Acceptance of Bond Bid for the 2013 Street Improvement Project (Addendum)
- H. INFORMATION/ ANNOUNCEMENTS:
- I. COMMUNITY FORUM:
- J. ADJOURNMENT:



CITY OF FALCON HEIGHTS  
Regular Meeting of the City Council  
City Hall  
2077 West Larpenteur Avenue

MINUTES  
July 10, 2013

- A. CALL TO ORDER: 7:00PM
- B. ROLL CALL: LINDSTROM \_\_AB\_\_ HARRIS \_\_X\_\_ GOSLINE \_\_X\_\_  
LONG \_\_X\_\_ MERCER-TAYLOR \_\_AB\_\_  
FISCHER \_\_X\_\_
- C. PRESENTATIONS:  
1.
- D. APPROVAL OF MINUTES: June 26, 2013 APPROVED
- E. PUBLIC HEARINGS:  
1. Hiawatha Conduit Bond Financing Pam Harris Moved, Approval 3-0  
-City Administrator Bart Fischer presented the staff report  
-Public hearing was opened at 7:04PM  
-Bryan Olson (1592 Roselawn Avenue) expressed opposition to the conduit bond financing mechanism in general  
-Chris Reedy (2160 Folwell Avenue) spoke in support of the proposal  
-Public hearing was closed at 7:06PM
- F. CONSENT AGENDA: Pam Harris Moved, Approval 3-0  
1. General Disbursements through 7/3/2013: \$185,142.51  
Payroll through 6/30/2013: \$20,751.07  
2. 2013 Street Project Payment #2  
3. Park Dedication Fee for Urban Farm/CommonBond Redevelopment
- G. POLICY ITEMS:
- H. INFORMATION/ ANNOUNCEMENTS:  
Council Member Chuck Long  
-Announced the upcoming Ice Cream Social, which will take place Thursday, July 25<sup>th</sup> from 6-8PM at Community Park  
-Human Rights Commission will be hosting a dialogue with One Voice Minnesota on Monday, August 19<sup>th</sup> from 7-9PM at City Hall  
  
City Administrator Bart Fischer  
-Announced that tree debris removal from the recent storm is done

-Bryan Olson (1592 Roselawn Avenue) commented that better communication is needed in the future regarding what tree debris would be picked up-boulevard tree debris vs. private tree debris

I. COMMUNITY FORUM:

-Bryan Olson (1592 Roselawn Avenue) brought forth concerns about a lack of content in the City Council meeting minutes and also expressed concerns with including materials provided at meetings in Council and Planning Commission Packets. He also expressed concerns about the City Hall summer hours as well as a concern with the City Administrator attending Rotary Club lunch meetings.

J. ADJOURNMENT: 7:20PM

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Consent F1
<b>Attachment</b>	General Disbursements and Payroll
<b>Submitted By</b>	Roland Olson, Finance Director

*The City That Soars!*

<b>Item</b>	General Disbursements and Payroll
<b>Description</b>	<p>General Disbursements through 7/18/2013: \$436,910.84                  Payroll through 7/12/2013: \$20,832.53</p> <p>Please note that the general disbursement total includes a previously approved \$301,195.21 payment to T.A. Schifsky &amp; Sons, Inc. for a portion of the Pavement Improvement Project.</p>
<b>Budget Impact</b>	
<b>Attachment(s)</b>	General Disbursements and Payroll
<b>Action(s) Requested</b>	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

ST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
-----ID-----						
01-03110 CENTURY LINK						
I-201307094127		LIFT STATION LANDLINE	114.02			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013		1099: N		
		LIFT STATION LANDLINE		601 4601-85011-000	TELEPHONE - LANDLINE	59.18
		CURTIS FIELD LANDLINE		101 4141-85011-000	TELEPHONE - LANDLINE	54.84
=== VENDOR TOTALS ===			114.02			
=====						
01-03123 CINTAS CORPORATION #470						
I-470266480		TOWELS/TP/SUPPLIES	113.76			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013		1099: N		
		TOWELS/TP/SUPPLIES		101 4131-70110-000	SUPPLIES	113.76
=== VENDOR TOTALS ===			113.76			
=====						
01-03539 DAKOTA ELECTRIC ASSOCIATION						
I-138070008		JULY SOLAR PANEL	530.00			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013		1099: N		
		JULY SOLAR PANEL		101 4131-85025-000	SOLAR ELECTRIC	530.00
=== VENDOR TOTALS ===			530.00			
=====						
01-05115 GOPHER STATE ONE CALL						
I-201307094131		LOCATES	241.75			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013		1099: N		
		LOCATES		601 4601-88030-000	LOCATES	241.75
=== VENDOR TOTALS ===			241.75			
=====						
235 JAN-PRO CLEANING SYSTEMS						
I-35184		CLEANING SERVICES JULY	219.61			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013		1099: N		
		CLEANING SERVICES		101 4131-87010-000	CITY HALL MAINTENANCE	219.61
=== VENDOR TOTALS ===			219.61			
=====						
01-04570 JOSEPH, KATRINA E.						
I-201307094130		JOSEPH, KATRINA E.	2,500.00			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013		1099: Y		
		JOSEPH, KATRINA E.		101 4123-80200-000	LEGAL FEES	2,500.00
=== VENDOR TOTALS ===			2,500.00			

PACKET: 00850 JULY 11 PAYABLES  
VENDOR SET: 01 City of Falcon Heights  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----				GROSS	P.O. #		
ST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION	
=====							
01-05760	MINNESOTA	GFOA					
=====							
I-01558		INSURANCE CONFERENCE		50.00			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013			1099: N		
		INSURANCE CONFERENCE			101 4113-86100-000	CONFERENCES/EDUCATION/AS	50.00
		=== VENDOR TOTALS ===		50.00			
=====							
01-07263	NEXTEL COMMUNICATIONS, INC						
=====							
I-172868921-100		CELL PHONE FIRE TRUCK		65.16			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013			1099: N		
		CELL PHONE FIRE TRUCK			101 4124-85015-000	CELL PHONE	65.16
		=== VENDOR TOTALS ===		65.16			
=====							
01-06024	ON SITE SANITATION						
=====							
I-A-499297		TIOLET RENT CURTIS FIELD/SERV		97.26			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013			1099: N		
		TIOLET RENT CURTIS FIELD/SERV			601 4601-85080-000	PORTABLE TOILET PARKS	97.26
		=== VENDOR TOTALS ===		97.26			
=====							
01-06185	RAMSEY COUNTY						
=====							
I-201307094132		DENTAL/LIFE/DISABILITY		1,061.24			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013			1099: N		
		DENTAL/LIFE/DISABILITY			101 4112-89000-000	MISCELLANEOUS	1,061.24
		=== VENDOR TOTALS ===		1,061.24			
=====							
870	XCEL ENERGY						
=====							
I-201307094129		ELECT		3,555.76			
7/09/2013	APBNK	DUE: 7/09/2013 DISC: 7/09/2013			1099: N		
		ELECT			209 4209-85020-000	STREET LIGHTING POWER	636.15
		423.79			101 4141-85020-000	ELECTRIC/GAS	423.79
		ELECT			101 4141-85020-000	ELECTRIC/GAS	70.77
		ELECT			209 4209-85020-000	STREET LIGHTING POWER	2,261.21
		ELECT			209 4209-85020-000	STREET LIGHTING POWER	32.71
		ELECT			209 4209-85020-000	STREET LIGHTING POWER	11.19
		ELECT			209 4209-85020-000	STREET LIGHTING POWER	61.44
		ELECT			209 4209-85020-000	STREET LIGHTING POWER	58.50
		=== VENDOR TOTALS ===		3,555.76			
		=== PACKET TOTALS ===		8,548.56			

PACKET: 00853 JUNE 12TH PAYABLES  
VENDOR SET: 01 City of Falcon Heights  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----  
-----GROSS P.O. #  
-----DISCOUNT G/L ACCOUNT -----ACCOUNT NAME----- DISTRIBUTION  
=====

01-03001 CAMPBELL KNUTSON

I-201307114135 JUNE LEGALS 2,366.00  
7/11/2013 APBNK DUE: 7/11/2013 DISC: 7/11/2013 1099: Y  
JUNE LEGALS 101 4114-80200-000 LEGAL FEES 1,241.00  
JUNE LEGALS 208 4208-81900-000 OTHER PROFESSIONAL SERVI 1,125.00  
==== VENDOR TOTALS ==== 2,366.00

01-03247 CUB FOODS

I-201307114134 FOOD FOR COOKING CLASS 19.62  
7/11/2013 APBNK DUE: 7/11/2013 DISC: 7/11/2013 1099: N  
FOOD FOR COOKING CLASS 201 4201-70100-000 SUPPLIES 19.62  
I-201307124139 REC SPORTS SNACK 5.36  
7/12/2013 APBNK DUE: 7/12/2013 DISC: 7/12/2013 1099: N  
REC SPORTS SNACK 201 4201-73000-000 RECREATION EQUIPMENT 5.36  
==== VENDOR TOTALS ==== 24.98

01-05670 METRO PRODUCTS INC

I-92974 SHOP SUPPLY 179.79  
7/11/2013 APBNK DUE: 7/11/2013 DISC: 7/11/2013 1099: N  
SHOP SUPPLY 101 4132-70120-000 SUPPLIES 179.79  
I-93010 SHOP SUPPLIES 43.08  
7/11/2013 APBNK DUE: 7/11/2013 DISC: 7/11/2013 1099: N  
SHOP SUPPLIES 101 4132-70120-000 SUPPLIES 43.08  
==== VENDOR TOTALS ==== 222.87

343 MINNESOTA MULCH & SOIL

I-D10719A SWEEPINGS DISPOSAL 112.48  
7/11/2013 APBNK DUE: 7/11/2013 DISC: 7/11/2013 1099: N  
SWEEPINGS DISPOSAL 602 4602-83020-000 STREET SWEEPING 112.48  
==== VENDOR TOTALS ==== 112.48

01-06065 OXYGEN SERVICE COMPANY

I-03231982 BREATHING AIR 75.20  
7/11/2013 APBNK DUE: 7/11/2013 DISC: 7/11/2013 1099: N  
BREATHING AIR 101 4124-70100-000 SUPPLIES 75.20  
==== VENDOR TOTALS ==== 75.20



PACKET: 00853 JUNE 12TH PAYABLES  
VENDOR SET: 01 City of Falcon Heights  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

ST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
=====						
01-06115	TIMOTHY PITTMAN					
I-201307114137		MILEAGE REIMBSMNT MS-4 PRES	72.32			
7/11/2013	APBNK	DUE: 7/11/2013 DISC: 7/11/2013		1099: N		
		MILEAGE REIMBSMNT MS-4 PRES		602 4602-86010-000	MILEAGE	36.16
		MILEAGE PKS COMM		101 4141-86101-000	MILEAGE	36.16
		=== VENDOR TOTALS ===	72.32			
=====						
01-06581	TRI-STATE BOBCAT INC					
I-A98100		SHOP SUPPLY	101.77			
7/11/2013	APBNK	DUE: 7/11/2013 DISC: 7/11/2013		1099: N		
		SHOP SUPPLY		101 4132-70120-000	SUPPLIES	101.77
		=== VENDOR TOTALS ===	101.77			
=====						
01-06931	U.S. POSTMASTER					
I-201307114133		BULK POSTAGE	2,000.00			
7/11/2013	APBNK	DUE: 7/11/2013 DISC: 7/11/2013		1099: N		
		BULK POSTAGE		101 4112-70500-000	POSTAGE	2,000.00
		=== VENDOR TOTALS ===	2,000.00			
=====						
01-00880	US BANK HSA CUSTODIAN FOR BART					
I-201307114136		JULY HSA DEDUCTION	416.67			
7/11/2013	APBNK	DUE: 7/11/2013 DISC: 7/11/2013		1099: N		
		JULY HSA DEDUCTION		101 21714-000	HSA FLEX PAYAB LE	416.67
		=== VENDOR TOTALS ===	416.67			
		=== PACKET TOTALS ===	5,392.29			

PACKET: 00856 JULY 16 PAYABLES  
VENDOR SET: 01 City of Falcon Heights  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

ID	POST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
=====							
01-00250			AMERIPRIDE SERVICES				
I-1002514289	7/16/2013	APBNK	LINEN CLEANING DUE: 7/16/2013 DISC: 7/16/2013 LINEN CLEANING	45.85	1099: N 101 4124-82011-000	LINEN CLEANING	45.85
=== VENDOR TOTALS ===				45.85			
=====							
01-00999			BOUNCE ON AIR				
I-201307184159	7/18/2013	APBNK	AIR BOUNCE FOR ICS DUE: 7/18/2013 DISC: 7/18/2013 AIR BOUNCE FOR ICS	284.24	1099: N 101 4116-89010-000	SPECIAL EVENTS	284.24
=== VENDOR TOTALS ===				284.24			
=====							
01-01047			BRUCE'S FOOD				
I-201307184158	7/18/2013	APBNK	ICE CREAM, ROOT BEAR, SNACKS DUE: 7/18/2013 DISC: 7/18/2013 FOOD FOR ICS	297.00	1099: N 101 4116-89010-000	SPECIAL EVENTS	297.00
=== VENDOR TOTALS ===				297.00			
=====							
01-06511			BRUCE, SEAL				
I-201307174150	7/17/2013	APBNK	PARTIAL WINDOW PERMIT REFUND DUE: 7/17/2013 DISC: 7/17/2013 PARTIAL WINDOW PERMIT REFUND	45.00	1099: N 101 32214-000	WINDOW/SIDING PERMIT	45.00
=== VENDOR TOTALS ===				45.00			
=====							
089			CASH				
I-201307174149	7/17/2013	APBNK	REGISTERED MAIL MANUAL CK# 080911 7/17/2013 REGISTERED MAIL CELL PHONE CARRY CASE	25.00	1099: N 101 4112-70500-000 101 4132-70120-000	POSTAGE SUPPLIES	3.59 21.41
=== VENDOR TOTALS ===				25.00			
=====							
01-03110			CENTURY LINK				
I-201307164140	7/16/2013	APBNK	PARK LANDLINE DUE: 7/16/2013 DISC: 7/16/2013 PARK LANDLINE	59.04	1099: N 101 4141-85011-000	TELEPHONE - LANDLINE	59.04
=== VENDOR TOTALS ===				59.04			

PACKET: 00856 JULY 16 PAYABLES  
 VENDOR SET: 01 City of Falcon Heights  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
=====							
01-03117	CITY OF LITTLE CANADA						
I-18498		2ND QTR BLD INSP MILEAGE REIM	379.24				
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N			
		2ND QTR BLD INSP MILEAGE REIMB		101 4117-81220-000	MECHANICAL INSPECTORS		379.24
=== VENDOR TOTALS ===			379.24				
=====							
01-03122	CITY OF ST PAUL						
I-128024		ASPHALT PATCHING FOR HOLES	72.31				
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N			
		ASPHALT PATCHING FOR HOLES		101 4132-75000-000	BITUMINOUS PATCHING		72.31
=== VENDOR TOTALS ===			72.31				
=====							
01-03247	CUB FOODS						
I-201307174152		COOKING CLASS	81.47				
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N			
		COOKING CLASS		201 4201-70100-000	SUPPLIES		81.47
=== VENDOR TOTALS ===			81.47				
=====							
01-07174	FALCON HEIGHTS LIMITED PARTNER						
I-201307174148		FALCON HEIGHTS LIMITED PARTNE	60,005.00				
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N			
		FALCON HEIGHTS LIMITED PARTNER		414 4414-93000-000	DEBT PAY AS YOU GO PYMT		60,005.00
=== VENDOR TOTALS ===			60,005.00				
=====							
084	FIRE EQUIPMENT SPECIALTIES						
I-7967		BARRICADE TAPE	138.42				
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N			
		BARRICADE TAPE		101 4124-70120-000	TOOLS & SUPPLIES		138.42
=== VENDOR TOTALS ===			138.42				
=====							
01-05718	GOODPOINTE TECHNOLOGY, INC						
I-2484		PAVEMENT CONDITION SURVEY	1,625.00				
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N			
		PAVEMENT CONDITION SURVEY		419 4419-83010-000	PAVEMENT MANAGEMENT		1,625.00
=== VENDOR TOTALS ===			1,625.00				

PACKET: 00856 JULY 16 PAYABLES  
VENDOR SET: 01 City of Falcon Heights  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----				GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION	
01-05134	HEJNY RENTAL, INC.						
I-201307184160		RENTALS FOR ICS	173.79				
7/18/2013	APBNK	DUE: 7/18/2013 DISC: 7/18/2013		1099: N			
		RENTALS FOR ICS		101 4116-89010-000	SPECIAL EVENTS	173.79	
		=== VENDOR TOTALS ===	173.79				
01-05243	HINRICHS,RICH						
I-201307184157		REIMB: FIRE SAFETY TRAINING E	235.55				
7/18/2013	APBNK	DUE: 7/18/2013 DISC: 7/18/2013		1099: N			
		REIMB: FIRE SAFETY TRAINING EQ		101 4124-70100-000	SUPPLIES	235.55	
		=== VENDOR TOTALS ===	235.55				
01-05440	LOFFLER COMPANIES, INC						
I-13935		COPIER SYSTEM RENT/USAGE	416.00				
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N			
		COPIER SYSTEM RENT/USAGE		101 4112-70100-000	SUPPLIES	416.00	
		=== VENDOR TOTALS ===	416.00				
01-05582	MENARDS						
I-201307164142		WOOD FOR BENCHES/ TRASH CAN	353.13				
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N			
		WOOD FOR BENCHES/ TRASH CAN		101 4141-70100-000	SUPPLIES	353.13	
		=== VENDOR TOTALS ===	353.13				
670	METRO PRODUCTS INC						
I-93135		WASHERS/NUTS/SUPPLIES	26.09				
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N			
		WASHERS/NUTS/SUPPLIES		101 4132-70120-000	SUPPLIES	26.09	
		=== VENDOR TOTALS ===	26.09				
01-05273	MN PUBLIC EMPLOYEES INSURANCE						
I-201307164145		AUGUST HEALTH INS	8,148.10				
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N			
		AUGUST HEALTH INS		101 4112-89000-000	MISCELLANEOUS	8,148.10	
		=== VENDOR TOTALS ===	8,148.10				

PACKET: 00856 JULY 16 PAYABLES  
 VENDOR SET: 01 City of Falcon Heights  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----				GROSS	P.O. #			
ST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION		
01-06027		OLSEN FIRE PROTECTION						
I-1877		ANNUAL SPRINKLER INSPECTION	275.00					
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N				
		ANNUAL SPRINKLER INSPECTION		101 4131-87010-000	CITY HALL MAINTENANCE	275.00		
		=== VENDOR TOTALS ===	275.00					
01-06030		OLSON,ROLAND						
I-201307174151		REIMB: MAY JUNE MILEAGE	24.35					
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N				
		MAY AND JUNE REIMBURSEMENT		101 4113-86010-000	MILEAGE	24.35		
		=== VENDOR TOTALS ===	24.35					
01-06115		TIMOTHY PITTMAN						
I-201307164143		REIMBURSEMENT (ICE CREAM SOC)	80.00					
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N				
		REIMBURSEMENT (ICE CREAM SOC)		101 4112-70100-000	SUPPLIES	80.00		
		=== VENDOR TOTALS ===	80.00					
01-06196		RASMUSEN, LITARA						
I-201307174154		REFUND	8.00					
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N				
		REFUND		201 34340-000	NON-RESIDENT FEE	8.00		
		=== VENDOR TOTALS ===	8.00					
546		STAPLES						
I-8026185119		OFFICE SUPPLIES	250.27					
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N				
		OFFICE SUPPLIES		101 4112-70100-000	SUPPLIES	250.27		
		=== VENDOR TOTALS ===	250.27					
01-06625		T.A. SCHIFSKY & SONS, INC						
I-201307184161		2013 STREET IMPROVEMENTS	301,195.21					
7/18/2013	APBNK	MANUAL CK# 080875 7/11/2013		1099: N				
		STORM CATCH BASIN PAY ECT #2		412 4412-92010-000	2013 STORM & STREET PROJE	245,315.47		
		SANITARY IMPRVMENTS PAY ECT #2		601 4601-87400-000	SANITARY 2013 STREET PRO	4,432.60		
		ALLEY IMPROVEMENTPAY ECT #2		419 4419-92055-000	CRAWFORD/ALLEY/ARONA MIL	9,191.27		
		STREET IMPROVMENT PAY ECT #2		419 4419-92055-000	CRAWFORD/ALLEY/ARONA MIL	42,255.87		
		=== VENDOR TOTALS ===	301,195.21					

PACKET: 00856 JULY 16 PAYABLES  
VENDOR SET: 01 City of Falcon Heights  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----  
-----ST DATE BANK CODE -----DESCRIPTION----- GROSS DISCOUNT P.O. # G/L ACCOUNT -----ACCOUNT NAME----- DISTRIBUTION  
=====

01-05303 MICHELLE TESSER

I-201307184156 WATER FOR PARKS MEETING 228.92  
7/18/2013 APBNK DUE: 7/18/2013 DISC: 7/18/2013 1099: N  
WATER FOR PARKS MEETING 201 4201-70100-000 SUPPLIES 7.20  
MILEAGE REIMBURSEMENT MAY JUNE 101 4112-86100-000 CONFERENCES/EDUCATION/AS 221.72  
==== VENDOR TOTALS ==== 228.92

01-06584 THE FINN BAND

I-201307184155 BAND FOR ICS EVENT 300.00  
7/18/2013 APBNK DUE: 7/18/2013 DISC: 7/18/2013 1099: N  
BAND FOR ICS EVENT 101 4116-89010-000 SPECIAL EVENTS 300.00  
==== VENDOR TOTALS ==== 300.00

01-07173 TOWNSQUARE SENIOR LLC

I-201307174147 PAY AS GO 1ST HALF PAYMENT 35,029.00  
7/17/2013 APBNK DUE: 7/17/2013 DISC: 7/17/2013 1099: N  
PAY AS GO 1ST HALF PAYMENT 414 4414-93000-000 DEBT PAY AS YOU GO PYMT 35,029.00  
==== VENDOR TOTALS ==== 35,029.00

01-00878 US BANCORP

I-201307184162 REC SPORTS EQUIP 172.95  
7/18/2013 APBNK DUE: 7/18/2013 DISC: 7/18/2013 1099: N  
REC SPORTS EQUIP 201 4201-70100-000 SUPPLIES 99.95  
SENSIBLE LAND COALITION MTG 101 4112-86100-000 CONFERENCES/EDUCATION/AS 38.00  
ROTARY CLUB MEETING 101 4112-86100-000 CONFERENCES/EDUCATION/AS 35.00  
==== VENDOR TOTALS ==== 172.95

01-06922 USTA

I-201307164141 USTA MEMBERSHIP RENEWAL 35.00  
7/16/2013 APBNK DUE: 7/16/2013 DISC: 7/16/2013 1099: N  
USTA MEMBERSHIP RENEWAL 101 4141-86110-000 MEMBERSHIPS 35.00  
==== VENDOR TOTALS ==== 35.00

PACKET: 00856 JULY 16 PAYABLES  
 VENDOR SET: 01 City of Falcon Heights  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
ST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-05870	XCEL ENERGY					
I-201307174153		CURTIS FIELD GAZEBO ELECT	23.58			
7/16/2013	APBNK	DUE: 7/16/2013 DISC: 7/16/2013		1099: N		
		CURTIS FIELD GAZEBO ELECT		101 4141-85020-000	ELECTRIC/GAS	11.60
		SNELLING/HOYT ELECT		101 4141-85020-000	ELECTRIC/GAS	11.98
		=== VENDOR TOTALS ===	23.58			
01-07205	ZEP SALES & SERVICE					
I-4000386878		TRASH BAGS/ SOAP	173.52			
7/17/2013	APBNK	DUE: 7/17/2013 DISC: 7/17/2013		1099: N		
		TRASH BAGS/ SOAP		101 4131-70110-000	SUPPLIES	173.52
		=== VENDOR TOTALS ===	173.52			
		=== PACKET TOTALS ===	410,206.03			
		fed withholdings	7298.84			
		st withholdings	1181.62			
		Pera	3082.50			
		ICMA	1200.00			
			<u>422,969.99</u>			

EMP #	NAME	AMOUNT
1-1004	BART J FISCHER	2,404.43
1-1010	MICHELLE C TESSER	1,474.36
01-1014	CHELSEA PETERSEN	834.95
01-1136	ROLAND O OLSON	1,892.94
01-1150	JOHN R ONEILL	711.17
01-1038	DEBORAH K JONES	1,662.22
01-0085	DANIEL S JOHNSON-POWERS	84.20
01-0086	RICHARD H HINRICHS	133.03
01-0087	MICHAEL A MCKAY	58.77
01-0095	MICHAEL J POESCHL	164.80
01-0105	ANTON M FEHRENBACH	116.38
01-0106	SCOTT A TESCH	100.87
01-0123	BRYAN R SULLIVAN	89.56
01-0124	MICHAEL D KRUSE	107.11
01-1030	TIMOTHY J PITTMAN	1,602.43
01-1033	DAVE TRETSTVEN	1,454.96
01-1143	COLIN B CALLAHAN	1,048.20
01-2197	LAURA A CHANDLER	441.11

TOTAL PRINTED: 18 14,381.49

7-12-2013 10:44 AM PAYROLL CHECK REGISTER  
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 1  
 PAYROLL DATE: 7/12/2013

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
0034	KURHAJETZ, CLEMENT	R	7/12/2013	134.32	080876
0	ANDERSON, KEVIN	R	7/12/2013	87.65	080877
	GAFFNEY, PATRICK	R	7/12/2013	133.03	080878
0104	VANN, VINCENT A	R	7/12/2013	48.05	080879
0119	WICK, JEFFREY M	R	7/12/2013	58.37	080880
0125	MILLER, RACHEL L	R	7/12/2013	47.65	080881
0126	SMITH, BENJAMIN J	R	7/12/2013	116.38	080882
0127	PONTRELLI, MITCHELL E	R	7/12/2013	89.56	080883
0128	ROSENBERG, NICHOLAS M	R	7/12/2013	69.10	080884
2172	ARCAND, MICHAEL W	R	7/12/2013	236.63	080885
1149	PERKINS, JONATHAN R	R	7/12/2013	779.18	080886
1151	POLIS, MATTHEW P	R	7/12/2013	891.15	080887
2164	MILLER, ALLISON	R	7/12/2013	403.22	080888
2186	DAVITT, ALLISON N	R	7/12/2013	708.30	080889
2199	PELLEGRINI, DAVID L	R	7/12/2013	408.23	080890
2201	SAVAGE, MADELYN R	R	7/12/2013	182.13	080891
2206	HULL, ABBY N	R	7/12/2013	97.23	080892
2207	REINHART, ELIZABETH A	R	7/12/2013	195.80	080893
2208	JACKSON, ETHAN J	R	7/12/2013	124.95	080894
2210	WESTERMAYER, BENJAMIN J	R	7/12/2013	59.10	080895
2211	SHELLER, RYAN M	R	7/12/2013	406.60	080896
2212	CHAMBERS-OZASKY, ALEX R	R	7/12/2013	64.64	080897
2213	HUNT, NATALIE L	R	7/12/2013	544.32	080898
2214	PIERCE, KHADIJAH M	R	7/12/2013	95.69	080899
2215	PIEPER, JACKIE L	R	7/12/2013	332.49	080900
2217	MIELKE, ISAAC J	R	7/12/2013	137.27	080901

7-12-2013 10:44 AM PAYROLL CHECK REGISTER  
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 2  
 PAYROLL DATE: 7/12/2013

\*\*\* REGISTER TOTALS \*\*\*

REGULAR CHECKS:	26	6,451.04
DIRECT DEPOSIT REGULAR CHECKS:	18	14,381.49
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	44	20,832.53





July 2013 Statement 06/11/2013 - 07/10/2013

Page 2 of 2

CITY OF FALCON HEIGHT (CPN 001055690)

Cardmember Service 1-866-485-4545



**Transactions** FISCHER,BART J Credit Limit \$12000

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
<b>Purchases and Other Debits</b>					
06/14	06/13	8594	MIDWEST SPORTS 800-334-4580 OH	\$99.95	<i>Rec Sports</i>
06/18	06/17	3692	SENSIBLE LAND USE COAL 612-7207667 MN	\$38.00	<i>Training</i>
06/20	06/19	2682	PAYPAL *ROTARYCLUBR 402-935-7733 CA	\$35.00	<i>Rotary Event</i>
				<b>\$172.95</b>	

**Transactions** BILLING ACCOUNT ACTIVITY

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
<b>Payments and Other Credits</b>					
06/20	06/19	0175	PAYMENT THANK YOU	\$1,162.02CR	
				<b>\$1,162.02CR</b>	

<b>2013 Totals Year-to-Date</b>	
Total Fees Charged in 2013	\$0.00
Total Interest Charged in 2013	\$0.00

**Interest Charge Calculation**

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

\*\* APR for current and future transactions.

Balance Type	Balance By Type	Balance Subject to Interest Rate	Variable	Interest Charge	Annual Percentage Rate	Expires with Statement	Interest Free Period
**BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	9.99%		NO
**PURCHASES	\$172.95	\$0.00	YES	\$0.00	9.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO

**Contact Us**

Phone

Voice: 1-866-485-4545  
TDD: 1-888-352-6455  
Fax: 1-866-807-9053

Questions

Cardmember Service  
P.O. Box 6353  
 Fargo, ND 58125-6353



Mail payment coupon with a check

U.S. Bank  
P.O. Box 790408  
St. Louis, MO 63179-0408



Online

usbank.com





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## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Consent F2
<b>Attachment</b>	N/A
<b>Submitted By</b>	Michelle Tesser, Assistant to the City Administrator

<b>Item</b>	Approval of City Licenses
<b>Description</b>	<p>The following individuals have applied for a <u>Mechanical License</u> for 2013. Staff has received the necessary documents for licensure.</p> <p>1. Hoffman Corner Heating &amp; Air Conditioning</p>
<b>Budget Impact</b>	N/A
<b>Attachment(s)</b>	N/A
<b>Action(s) Requested</b>	Staff recommends that the Falcon Heights City Council approve the 2013 City License Applications.





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## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Consent F3
<b>Attachment</b>	Draft Resolution No. 13-18
<b>Submitted By</b>	Bart Fischer, City Administrator

<b>Item</b>	Declaration of Bond Reimbursement
<b>Description</b>	<p>It was brought to Staff’s attention by the City’s Financial Consultants Ehlers, that the City Council should pass a resolution dealing with reimbursement of expenses from bond proceeds.</p> <p>The IRS has issued Treasury Regulations that require the City to have a Declaration of Bond Reimbursement Resolution in place for the reimbursement of costs already paid out for a project before the bonds are sold and proceeds received by the City. There are a number of “exceptions” to this regulation including expending State Aid Funds, etc. but it is still recommended that this resolution be passed so that there is not confusion as to what funds were used to pay for project costs to this point. The passing of this resolution will provide the City with the flexibility to reimburse any funds used to pay for project costs with bond funds.</p> <p>The City’s Financial Consultant, Bond Counsel and Staff recommend adoption of the Declaration of Bond Reimbursement Resolution</p>
<b>Budget Impact</b>	Ability to reimburse already incurred 2013 Street Improvement Project costs with bond proceeds.
<b>Attachment(s)</b>	Draft Resolution No. 13-18
<b>Action(s) Requested</b>	Staff recommends that the Falcon Heights City Council approve Resolution No. 13-18, establishing procedures relating to compliance with reimbursement bond regulations under the Internal Revenue Code.

**CITY OF FALCON HEIGHTS  
COUNCIL RESOLUTION**

July 24, 2013

No. 13-18

-----

**RESOLUTION ESTABLISHING PROCEDURES  
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND  
REGULATIONS UNDER THE INTERNAL REVENUE CODE**

BE IT RESOLVED by the City Council (the "Council") of the City of Falcon Heights, Minnesota (the "City"), as follows:

1. Recitals.

(a) The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

(b) The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

(c) The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

(d) The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Clerk to make the City's Declarations or to delegate from

time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

(a) Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.

(b) Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

(c) Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

(d) The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

4. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

-----  
Moved by:

Approved by: \_\_\_\_\_

Peter Lindstrom  
Mayor  
July 24, 2013

LINDSTROM        \_\_\_\_\_    In Favor  
GOSLINE  
HARRIS            \_\_\_\_\_    Against  
LONG  
MERCER-TAYLOR

Attested by: \_\_\_\_\_

Bart Fischer  
City Administrator  
July 24, 2013

**EXHIBIT A**

Declaration of Official Intent

The undersigned, being the duly appointed and acting City Clerk of the City of Falcon Heights, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the City Council to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.

2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

3. The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$\_\_\_\_\_ is the maximum principal amount of the Bonds which will be issued to finance the Project.

4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Regulations.

5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
City Clerk

City of \_\_\_\_\_, Minnesota





**The City That Soars!**

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Consent F4
<b>Attachment</b>	N/A
<b>Submitted By</b>	Michelle Tesser, Assistant to the City Administrator

<b>Item</b>	Acceptance of U of M Good Neighbor Grant Award
<b>Description</b>	In February Staff member, Michelle Tesser submitted three grant applications to the U of M Good Neighbors grant. The City was rewarded two of the grants: Spring Together Event in the amount of \$1,200 and Cleveland Avenue Beautification Project in the amount of \$9,000. Staff received \$4,200 which represents the total payment of the Spring Together grant and 1/3 payment of the Cleveland Avenue Beautification Project. The Cleveland Avenue median trees which were pulled this year because of disease will be replaced with Princeton American Elm. The project should be completed in October of 2013. The final \$6,000 grant award will be sent after completion as per the Good Neighbor Grant procedures.
<b>Budget Impact</b>	None
<b>Attachment(s)</b>	N/A
<b>Action(s) Requested</b>	Staff recommends that the Falcon Heights City Council accept the \$4,200.00 grant award.





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## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Consent F5
<b>Attachment</b>	N/A
<b>Submitted By</b>	Michelle Tesser, Assistant to the City Administrator

<b>Item</b>	Acceptance of Scholarship Funds from Commonwealth Terrace Cooperative (CTC)
<b>Description</b>	For the last two years, the Parks and Recreation Department has focused on expanding recreation programming at Commonwealth Terrace Cooperative (CTC) located in Falcon Heights. This year we have increased programming to offer Tennis, Pee Wee Sampler and Summer Discovery Playground. We continue to offer Soccer. As part of our joint efforts the CTC Board of Directors approved scholarship funding for their residents since CTC residents comprise mostly of student family housing. The City received \$300.00 earlier this year. Staff member Michelle Tesser sent CTC Activities Coordinator, Janet Risinger the full scholarship amount awarded to CTC children which was an additional \$650.00. The check of \$650.00 was received in June. Scholarships offer 50% off of the Falcon Heights' recreation program fee.
<b>Budget Impact</b>	None
<b>Attachment(s)</b>	N/A
<b>Action(s) Requested</b>	Staff recommends that the Falcon Heights City Council accept the \$650.00 donation to the scholarship fund from CTC.





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## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Policy G1
<b>Attachment</b>	Massage License Application
<b>Submitted By</b>	Michelle Tesser, Assistant to the City Administrator

<b>Item</b>	Therapeutic Massage License Application
<b>Description</b>	<p>Staff recently received a Therapeutic Massage License Application. Per our City Code, staff is required to obtain a criminal background check on all applicants who apply for a massage license as well as a criminal background check performed annually. The applicant's background check was completed by St. Anthony Police Department on July 10, 2013. The result of the applicant's background check is a concern to staff. Per City Attorney Roger Knutson, the background check is available to Council and may be discussed during the Council meeting but is not public information so will not be in the agenda packet or minutes. The arrest data is removed per the City Attorney.</p> <p>According to the City Attorney, City Council has two options on how to proceed with the massage license application after discussing it. Council can approve the application or if Council is not willing to approve the application, they can direct staff to bring findings of fact for denial of the application at the next City Council meeting.</p>
<b>Budget Impact</b>	N/A
<b>Attachment(s)</b>	Massage License Application
<b>Action(s) Requested</b>	Staff asks that the Council review the application and background check and provide staff with direction on how to proceed forward.



# CITY OF FALCON HEIGHTS

2077 W Larpenteur Ave  
Falcon Heights MN 55113  
Phone 651-792-7600. Fax 651-792-7610  
[www.falconheights.org](http://www.falconheights.org)

FOR OFFICE USE
License Number:
Approval Date:
Amount Paid: 100.00
Receipt: 031252

## 2013 Therapeutic Massage License Application Form

\$100.00 - Permit Fee

Name of Applicant: Cherilyn Louise Arndt

Home Phone:      Fax:     

Business Name: Hair design unlimited

Owner/Manager Name: Hieu Insixiangmay

Business Address: 1703 Snelling Ave N. Falcon Heights 55113

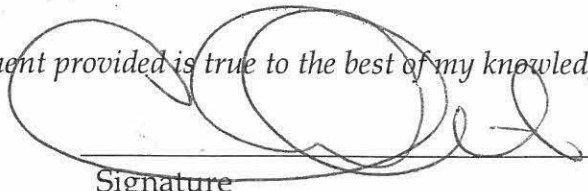
Home Address.

### ITEMS REQUIRED FOR LICENSURE:

- Completed application form
- \$100 fee
- State of Minnesota Tax ID form
- ✓ State of Minnesota Worker's Compensation Form
- Background check signed authorization (only required for new applicants)

I swear that I have a current insurance coverage of \$1,000,000.00 for professional or general liability in the practice of massage; that I am affiliated with, employed by, or own a therapeutic massage enterprise licensed by the city; and that I have completed 400 hours of certified therapeutic massage training from a bona fide school or has one year of experience practicing massage therapy as established by an affidavit and is currently and continually enrolled in a bona fide therapeutic massage school. Compliance with this requirement applies to the license application and license renewal.

*I swear that the above statement provided is true to the best of my knowledge and belief.*

  
Signature

7-2-13  
Date



**The City That Soars!**

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Policy G2
<b>Title</b>	Ordinance amending the Falcon Heights code to allow the keeping of chickens.
<b>Submitted By</b>	Deborah Jones, Zoning and Planning Director

<b>Description</b>	The Falcon Heights Planning Commission conditionally recommends adoption of the proposed chicken ordinance.
<b>Background</b>	<p>In March, 2013, the Environment Commission presented to the City Council a draft ordinance allowing residents to keep chickens by permit under the conditions stated in the ordinance. A majority of the Council directed staff to move forward with the proposed ordinance. As the proposed ordinance amends the zoning code as well as the animal chapter, the Council sent the matter to the Planning Commission for a public hearing and recommendation.</p> <p>In addition, at the request of the Mayor, staff had posted a poll on the website. The poll expired and was reopened several times. The final tally was 149 in favor of chickens. 74 opposed.</p> <p>On May 28, 2013, the Planning Commission held a public hearing on this matter, but the only comment received was a letter from a resident given to staff on the morning of the hearing and attached to this report. Points made in the letter were considered in the Commission discussion.</p> <p>The Planning Commission voted 4 to 1 in favor of recommending adoption of the ordinance, conditional on changing paragraph 10-35 (11) to read as follows:</p> <p style="text-align: center;"><i>Chickens must be kept in the roofed structure or attached pen whenever they are unattended by the keeper; but when attended by the keeper, the chickens are allowed in a mobile pen or in a completely fenced exercise yard.</i></p> <p>As this section is in the proposed new Article IV of Chapter 10, not Chapter 113, the Planning Commission has no direct jurisdiction over that portion of the ordinance, but Commissioners strongly recommend this change.</p> <p>Planning Commissioners were concerned that the proposed ordinance does not place a maximum size on chicken coops and pens and that these structures do not really fit anything in Section 113-240 Accessory Buildings and Structures. Concluding that it would be unlikely this issue would arise in practice, given that the ordinance limits the number of chickens to 4, they declined to make a specific recommendation but asked staff to communicate this concern to the Council.</p>
<b>Budget Impact</b>	N/A

<b>Attachment(s)</b>	<ul style="list-style-type: none"><li>• Ordinance 13-04 allowing and regulating the keeping of chickens in the City of Falcon Heights</li><li>• Letter received from Melissa Weber-Sanders, May 28, 2013</li><li>• Minutes of the May 28, 2013, Planning Commission</li></ul>
<b>Action(s) Requested</b>	Discussion and Vote on the proposed ordinance.



**ORDINANCE NO. 13-04**

**CITY OF FALCON HEIGHTS  
RAMSEY COUNTY, MINNESOTA**

**AN ORDINANCE AMENDING CHAPTERS 10 AND 113  
OF THE FALCON HEIGHTS CITY CODE  
CONCERNING CHICKENS**

THE CITY COUNCIL OF FALCON HEIGHTS ORDAINS:

**SECTION 1.** Chapter 10 of the Falcon Heights City Code is amended by adding Article IV to read as follows:

**ARTICLE IV. CHICKENS**

10-34 *Keeping of chickens.*

A. Any person who keeps chickens in the City must obtain a permit prior to acquiring the chickens. Chickens may only be kept in zoning districts where chickens are an allowed accessory use. The initial permit is valid for up to two (2) years beginning on the date the chickens arrive on the site and ending on December 31 of the following year. Subsequent permits are valid from January 1 of one year to December 31 of the second year. Applications for permits must be made to the Zoning and Planning Director.

- (1) Fees charged for the issuance of a permit to keep chickens will be set by the City Council.
- (2) If the permit applicant is not the fee owner of the premises on which the chickens are sought to be kept and for which the permit would apply, the application shall be signed by all fee owners of the premises.
- (3) The City may refuse to grant or may revoke a permit if the chickens become a nuisance, as evidenced by a second substantiated violation (within 12 months of a first substantiated violation) of this Section of the City Code, or Chapter 22 of the City Code.
- (4) The City may refuse to grant a permit to, or may revoke a permit from, a person convicted of cruelty to animals.

- (5) Permits are non-transferable and do not run with the land.
- (6) A permit is a license granted to the chicken keeper by the City and does not create a vested zoning right.
- (7) Prior to issuance of a permit, the prospective permit holder must acknowledge they have read the chicken run educational material provided by the City.
- (8) Prior to issuance of a permit, the prospective permit holder must provide a detailed sketch plan of the premises on which chickens are sought to be kept, including the location, the dimensions and design of the coop and run, establishing compliance with the chicken coop and run specifications provided in this Article.
- (9) Prior to issuance of a permit, the prospective permit holder must provide a plan for maintaining an adequate temperature in the coop for the safety of the chicken hens. The plan must address both extreme winter and summer temperature conditions.
- (10) The permit application will be processed administratively. It will not be referred to the City Council for consideration.

10-35 Each person holding a permit to keep chickens within the City must comply with the following:

- (1) The principal use of the specific property must be either single-family residential or two-family residential. A permit will not be issued for any property which is used principally for something other than single-family or two-family. If the property's principal use is two-family residential, then the property owner must sign the permit in addition to the chicken keeper;
- (2) No person may keep more than four (4) chickens;
- (3) No person may keep a rooster;
- (4) No person may allow chickens to range freely without fencing or without a mobile pen;
- (5) No person may keep any chickens inside a house or garage;
- (6) No person may slaughter any chickens within the City;

- (7) Chickens must be provided a secure and well ventilated roofed structure ("chicken coop");
- (8) The roofed structure for the chickens may only be located in a rear yard and must meet setback and building separations as established in City zoning and building codes, except that the roofed structure and fencing must maintain a 20-foot separation from dwellings on adjacent properties;
- (9) The roofed structure shall be fully enclosed, wind proof, and have sufficient windows for natural light;
- (10) All premises on which hens are kept or maintained shall be kept clean from filth, garbage, and any substance which attracts rodents. The coop and its surrounding must be cleaned frequently enough to control odor. Manure shall not be allowed to accumulate in a way that causes an unsanitary condition or causes odors to be detected on another property. Failure to comply with these conditions may result in removal of chickens from the premises or revocation of a chicken permit.
- (11) Chickens must be kept in the roofed structure, an attached pen, or a detached mobile pen whenever they are unattended by the keeper; but when attended by the keeper, the chickens are allowed in a completely fenced exercise yard;
- (12) The coop's attached pen must be securely constructed with at least a mesh type material and shall have protective overhead netting to keep the chickens separated from other animals;
- (13) The coop's attached pen must be well drained so there is no accumulation of moisture; and
- (14) The floor area of the roofed structure or a combination of the floor area and attached pen area must equal at least ten (10) square feet of area per chicken.
- (15) All grain and food stored for the use of the hens on a premises with a chicken permit shall be kept in a rodent proof container.
- (16) Leg bandings are required on all chickens. The bands must identify the owner and the owner's address and telephone number.

**SECTION 2.** Section 113-174(d) of the Falcon Heights City Code is amended by adding subsection (13) to read as follows:

(13) Keeping of chickens as regulated by the Code.

**SECTION 3.** Section 113-181(d)(1) of the Falcon Heights City Code is amended to read as follows:

(13) All accessory uses as permitted in the R-1 and R-2 Districts except that the keeping of chickens, as regulated by the Code, is only allowed as accessory to a single-family or two-family home.

**SECTION 4.** This ordinance is effective immediately upon its passage and publication.

**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the City Council of Falcon Heights, Minnesota.

CITY OF FALCON HEIGHTS

BY: \_\_\_\_\_  
Peter Lindstrom, Mayor

ATTEST:

\_\_\_\_\_  
Bart Fischer, City Administrator/Clerk

May 20, 2013

Dear Mayor Lindstrom, Council Members Ms. Pamela Harris, Mr. Chuck Long, Ms. Beth Mercer-Taylor, and Mr. Keith Gosline,

It has recently come to my attention that the City of Falcon Heights is considering bringing an ordinance to vote that would allow urban farming of chickens within city limits.

I have great concerns about a city of our size allowing urban livestock farming of any breed of animal. While I understand the value of healthy, locally grown food, the city must also take into consideration the environmental and fiscal costs associated with approving an ordinance that allows urban chicken farming. I am quite concerned about how the city would be able to manage the implementation and enforcement of an ordinance that would protect the health and safety of the animals, their owners and the residents of Falcon Heights.

Even if the city does not allow roosters, a brood of laying hens can get quite noisy. Proponents of chicken farming argue that a brood of four chickens is no louder than a couple of people talking. However, many urban chicken farmers express concern over the amount of noise their birds make. I have been to friends' houses who have chickens and the animals are not quiet. Despite the arguments, there is no such thing as a quiet breed of chicken. Unlike dogs, who can be brought inside if they are barking and trained not to bark, chickens live outside and cannot be trained. Chickens are early risers and even hens start to make noise if they are out of their coop when the sun rises.

I have heard proponents of chicken farming compare chicken waste to dog waste. I would like you to look at the comparison accurately. Chickens are live animals; they will smell and produce waste. Arguably, a brood of four hens produces a small amount of feces a day (112-320 lb/ year for 4 average sized chickens. On average a large dog produces 670 lbs of waste a year). However, this does not take into account waste produced by the spilled feed (which can be a rodent attractant), nesting hay or shavings and waste that saturates into the wooden coop boards. This waste does produce an odor. Chicken waste tends to be liquidy and hard to contain and clean until after it has dried.

While properly composted chicken waste can be a good garden fertilizer, fecal waste that is not properly composted contains very high levels of nitrogen and can be very harmful to plants and grasses. Unlike composting of plant matter, composting of chicken manure does produce an odor. Furthermore, uncomposted chicken manure contains live salmonella and should not be used to fertilize fruits and vegetables and must be handled properly.

Chicken fecal matter is high in phosphorus (80% in chickens versus 0.25% in dog feces). Minnesota currently has a law that restricts the sale of commercial fertilizers

containing phosphorus (Minnesota Statutes [18C.60](#)). This law was enacted to prevent an overabundance of algae and other aquatic plants in the rivers and lakes. Just like restricted commercial fertilizers, chicken waste from urban farming that is not properly disposed of or over-applied as a garden fertilizer can leach into the water table and negatively impact the Mississippi River and local lakes. I ask if the City and Environmental Commission has looked into the issue?

The city currently has no way to enforce picking up dog waste. How would it enforce the safe and timely removal of chicken waste?

Recently there have been a few coyote spotted in Falcon Heights. Small predatory animals, like coyote, living in large urban settings have a limited food source. Sadly, captive chickens are easy prey. Even chickens that are caged as required in the proposed ordinance are vulnerable to predation. The only consistent method of keeping predators out of a chicken run is electrified wire. I am concerned that bringing captive prey into the city would result in an increasing coyote population. Furthermore, chickens and their waste do attract many other vermin such as mice, moles and rats. These animals and their associated diseases are a concern for the health and safety of the residents of Falcon Heights, especially the younger and older populations.

According to Minnesota Chicken Run Rescue the recent increase in interest in having chickens has overwhelmed animal rescue organizations with inquiries from people wanting to find homes for chickens who are no longer wanted or have been abandoned. How does the city plan to address the issue of surrendering unwanted or abused animals?

Because of these concerns the city does need to consider set back ordinances that prevent chicken coops from being located too close to a neighbor's property. The proposed set back of 20 ft would provide a reasonable distance however the set back distance may not be feasible on the majority of the lots in Falcon Heights and would require significant administrative oversight.

Cities in the metro area that allow urban chickens have codes that require extensive permits, inspections and welfare checks to protect the health and safety of the residents and the animals. The proposed ordinance would require a large amount of additional work for the City. I am concerned about City of Falcon Heights' ability to enforce a safe, healthy, and effective urban livestock ordinance. Implementation, enforcement, and management of a safe and healthy urban livestock ordinance would come at a great cost to the city. Larger cities, such as St Paul (<http://www.stpaul.gov/index.aspx?NID=5019>) Minneapolis (<http://www.minneapolismn.gov/www/groups/public/@citycoordinator/documents/webcontent/wcms1p-099323.pdf>), Maplewood (<http://www.ci.maplewood.mn.us/DocumentCenter/Home/View/2082>) and Roseville have staff that can address ordinance enforcement, concerns, or violations. The City of Falcon Heights has a very limited staff to enforce code violations. Falcon

Heights has a shared police force and the City does not run or employ its own animal control facility to aid in situations where animals are mistreated or needing to be surrendered.

As the City moves forward in this discussion I implore you to consider the following issues. How is the city equipped to respond to citizen concerns about odor, noise, mistreated animals, vaccination requirements, coop permits and maintenance, inspections, and animal health and public health concerns?

At this point in time I think it would be premature to vote on an ordinance allowing urban chickens without investing a lot of time and money into the questions and concerns I have raised above. As a resident of Falcon Heights I would like to see your time and my money utilized in other ways to help the city of Falcon Heights.

Sincerely,  
Melissa Weber-Sanders  
1711 Albert St N  
[mlwsanders@comcast.net](mailto:mlwsanders@comcast.net)  
651-646-9562

[http://www.brittonclouse.com/chickenrunrescue/predators\\_mn.pdf](http://www.brittonclouse.com/chickenrunrescue/predators_mn.pdf)  
<http://www.brittonclouse.com/chickenrunrescue/>

**City of Falcon Heights  
Planning Commission Minutes  
May 28, 2013**

**PRESENT:** Commissioners Black, Brown, Gustafson, Minns, Wartick, Council Member Harris, Staff Liaison Jones, City Attorney Soren Mattick.

**ABSENT:** Commissioner Fite and Council Member Harris (with notice)

The meeting was called to order at 7:02 p.m. by the Chair, Commissioner Black, who noted that a quorum was present.

**Public Hearing on an amendment to the City Code allowing and regulating the keeping of chickens.**

Planning and Zoning Director Deb Jones introduced the subject of tonight's hearing. The proposed ordinance on the keeping of chickens has already been seen by the Council after a recommendation from the Environment Commission, but it has been referred to the Planning Commission for a recommendation because it amends the Zoning Code (Chapter 113) as well as adding a new Article 4 to Chapter 10, Animals. The Chapter 10 portion of the ordinance would regulate the keeping of chickens - setting standards and requiring permits and inspection - if this use is allowed. The zoning portion of the ordinance actually allows the keeping of chickens in R-1 and R-2 zones. The entire ordinance is available online.

Commissioner Wartick asked if the Chapter 10, Article 4, is within the purview of the Planning Commission. Jones said that if the Planning Commission recommends against even allowing the keeping of chickens as a use, and if the Council follows that recommendation, then all the proposed provisions to be added to the Animal Chapter become moot.

Commissioner Black pointed out that some paragraphs in the Chapter 10 section do pertain to setbacks and other zoning type issues. Jones acknowledged that the Planning Commission could weigh in on those items because they are directly related to the rules for accessory structures.

Commissioner Minns asked if, for a duplex, the other tenant had to approve of one tenant keeping chickens. Jones said the owner must approve, but the approval of the other tenant is not required.

Commissioner Black opened the public hearing. Black cited a letter originally sent to the Council and received by the Commission the morning of the hearing from Melissa Weber-Sanders of 1711 Albert Street N stating concerns about the keeping of chickens and expressing opposition to the ordinance. This was the only public comment received before the hearing.

No one came forward to speak, so the hearing was closed.



## **Planning Commission Discussion and Action**

Jones told the Commission that a quick poll was set up on the website at the request of Mayor Lindstrom for a simple yes/no vote on "chickens in the neighborhood." The poll had expired, and the final result was 154 in favor, 59 opposed. The poll was set up to allow only one vote per computer. She added that the Council "narrowly" (3-2) supported the proposal, which is why it has come to the Planning Commission.

Commissioner Gustafson asked about fees and additional costs to the City. Would the fee be set to cover the costs of administration, inspections, enforcement, etc.? Jones said the ordinance provides for the Council to set the fees in the Fee Schedule. They will make their best estimation of what amount will be revenue-neutral and will look at what is charged in other cities. St. Paul charges over \$100 for the first year of a chicken permit. The City would set up an application packet including educational material for permit applicants. She added that the proposed ordinance was the result of a process similar to last year's Planning Commission work on the special event ordinance - researching other cities and crafting an ordinance for Falcon Heights using the elements of other city ordinances that seem to fit our city. The proposed chicken ordinance contains elements from Stillwater, Eagan and Maplewood.

Commissioner Black pointed out that Commission packet included a map of cities in the metro area that allow or prohibit chickens. (The packet is available on the city website.)

Commissioner Minns asked if the letter from Ms. Weber-Sanders was received by the Council prior to their earlier discussion. Jones said that she had only received it that morning attached to an email. She did not have the email and could not remember the original date, but since the Council had discussed chickens in early March, she did not think they had seen it then. Minns cited concerns about complaints and asked how staff would handle them. Jones said it would probably be similar to the way complaints about animals are already handled.

Commissioner Brown asked how much interest has been expressed by residents in having chickens. Jones said she has personal knowledge of at least half a dozen residents that have approached the City over the years, but she would be very surprised if more than a few households applied to keep chickens. Chickens are a lot of work, she said.

Brown asked if a lot of properties would be eliminated from eligibility due to not having space to meet the setback requirements. Jones said most lots would have room for a small accessory structure. There could be some exceptions, for instance, certain homes that have almost no back yard. Answering a follow-up question, she said the ordinance does not set up special zones where chickens would be allowed or not allowed other than the restriction to R-1 and R-2.

Commissioner Black pointed out that the requirement that the chicken coop be a minimum of 20 feet from the house on an adjacent lot might put the chicken owner out of compliance if the neighbors added on to their house. Jones said she would assume it would work like any other nonconformity that becomes nonconforming after it exists, do to some change. State law allows such nonconformities to be kept, but she would have to check that there is not

some difference in this case. Jones acknowledged that it was possible that this situation could arise if a chicken owner built their coop far enough forward of the rear property line.

In response to a question from Commissioner Gustafson, Jones confirmed that the proposed ordinance does not require neighbor approval. He also asked about the prohibition against slaughtering chickens. Jones said she felt this was basically an esthetic choice and that most cities which allow chickens prohibit slaughter. You can't slaughter other animals either. There are probably resources easy to find for those who seek this service.

Wartick pointed out a potential inconsistency between the references to the coop structure itself and the accessory pen. Is the 20 foot separation from the house next door intended to keep all chickens at least 20 feet from the neighboring house (i.e. the pen) or does it just apply to the roofed coop structure? Paragraph 8 does require both the coop and the fenced pen to be 20 feet from the neighboring structure. Evidently this would include any mobile pen the owner uses to move the chickens around the property.

Commissions had further discussion about the interaction of Paragraphs 8 and 11, regarding the confinement of chickens under various circumstances, for instance, attended or unattended. Again, the question came up regarding how much weight the Planning Commission's recommendations might have regarding measures proposed for Chapter 10. Commissioner Black asked for more background, saying that debating Chapter 10 provisions is not of any use unless the use is allowed in the end, so the first priority is coming to a recommendation on the use itself.

Jones said that she had left out much background for the sake of brevity but would be glad to expand on the history of discussion in the Environment Commission, which she also staffs. The Environment Commission took up this subject about a year ago, invited guest speakers and researched other cities. Jones said she felt that Commission's interest is part of a general movement taking place in urban areas all over the country in which people are seeking options to live healthier lives and reduce the consumption of fossil fuel. It is a sustainability movement, in line with the interests of the Environment Commission. They spent months studying the issue and researching chicken ordinances - similar to the Planning Commission's work on the front porch and special event issues in 2011 and 2012.

Commissioner Black enumerated other issues brought up in the letter from Ms. Weber-Sanders - noise, odor, predators, and setbacks. He said he found the letter persuasive and shares those concerns. He feels Stillwater is so different a city from Falcon Heights that something based on their ordinance isn't necessarily good for a city like Falcon Heights with small lots. He does not favor having chickens next door.

Minns pointed out that one household with chickens affects as many as five properties around it, and those neighbors have no say. Brown countered that neighbors have no say about dogs on a neighbor's property either, and dogs can be annoying. There are a lot of things we don't get to weigh in on that happen on our neighbors' property. He said he has some concern about the wording but not ready to disapprove in general. Gustafson pointed out that there is a permit involved and that permits can be revoked if people are "not good neighbors." Black said things can be difficult to manage once they are allowed; the time to anticipate those difficulties is up front. Jones said that though she did not anticipate that many people would apply for permits, she did not know how much staff time each permit

would consume. It is a legitimate concern. Commissioners continued to discuss enforcement, staff time and related issues.

Jones said the Commission has three options: (1) recommend not adopting the ordinance, (2) recommend adopting the ordinance as written, and (3) recommend adopting with certain conditions. Commissioners agreed that it is not useful to consider the language issues that have been brought up without having a consensus to adopt in the first place. The Chair asked for a motion, up or down.

Brown move, Minns seconded, to recommend approval of some ordinance allowing chickens. There was no discussion. The vote was 3 in favor, 2 opposed. When it clear that the motion was not on the ordinance as proposed but for whether or not to recommend some ordinance, one Commissioner changed his vote, and it was 4 in favor, 1 opposed.

The Commission then went on to consider conditions on their recommendation. Jones reviewed the concerns she had heard in the prior discussion. First, there was a need for more clarity in 10-35 (8) regarding the separation from the house on the adjoining property. Second, there was some question about the meaning and intent of 10-35 (11) regarding the amount of free movement chickens could have outside of their pen, with or without the owner's supervision. These are both "zoning-type" provisions. Commissioners took up discussion of these provisions.

The core of the discussion came down to where the chickens should be when the owner is not physically with them and the status of the mobile pen and when it should be used. And does this ordinance allow the chickens to run free in a fenced back yard when the owner is present, or do they need additional confinement - say in a mobile pen - even when the owner is present? Brown said he would be more comfortable requiring unattended chickens to be either in their coop or in their pen (as in paragraph 12), not in a mobile pen. He would leave up to the Council how to restrict attended birds.

Minns felt that the "exercise yard" phrasing was also confusing, and that there should be no additional distinction for an "exercise yard" as separate from the back yard.

Jones apologized for a side comment but she wanted to point out that 10-34 requires sketches and plans from any applicant for a chicken permit, so applicants would have to "jump through some hoops" to get a permit in the first place. She said she didn't want the Commission or the public to skip over those requirements. She said that the Commission's role in the Chapter 10 portion of the ordinance is a little different from conditional recommendations made on other ordinances because that is outside the zoning chapter but she felt the Commission has some valid concerns and that the Council would be glad to have those communicated.

Minns said he felt that whatever the City adopted most residents would behave responsibly and be good neighbors, but there could be residents who would not be serious about doing it right and would cause problems, no matter how it was written. Hopefully enforcement measures would make sure they did not keep chickens long. But it would not be possible to eliminate every such possibility up front. He was not opposed to recommending some form of the ordinance.

After further discussion, Commissioners were satisfied that 10-35 (8) applies to the roofed coop and the permanent pen and does not include any mobile pen, and therefore the paragraph can stand, requiring these structures to be a minimum of 20 feet from a dwelling on an adjacent property. Commissioners had some suggested changes to 10-35(11)

Commissioners returned to a concern raised earlier by Commissioner Minns that there is no limit to the maximum size of a chicken coop. Would residents be able to build a very large structure and would staff have the discretion to limit that size? Jones said that if it were allowed by the code, staff would have to allow it. All other zoning requirements would apply however - lot coverage and the accessory structure restrictions in Section 113-240. She read aloud the 113-240(k), Standards for utility structures. This mostly fits coops except it sets a minimum size of 35 square feet, which would be very large for a chicken coop. The best practices in the educational materials applicants would have to read would recommend a much smaller size, but those best practices are not in our ordinance. Black said we are dealing with a new kind of accessory structure here. Jones said staff would feel more comfortable processing permits without the ambiguity.

Commissioners seemed disinclined to add some amendment to 113-240 and asked if their concerns could be communicated to the Council. Jones said yes, though if they felt the size issue is enough of a concern to imperil the effectiveness of staff in administering the ordinance, they might want to reconsider their earlier motion. No Commissioner felt that level of concern.

The consensus on the recommended change to 10-35(11) is that it should read:

*Chickens must be kept in the roofed structure or attached pen whenever they are unattended by the keeper; but when attended by the keeper, the chickens are allowed in a mobile pen or in a completely fenced exercise yard.*

Minns moved, Brown seconded, that the Commission recommend adoption of the ordinance with the amendment to 10-35(11) as stated above. The vote was 4 in favor, 1 opposed.

Jones said she would let the City Administrator know that the Commission has concerns about the application of Section 113-240. If amendment is required later, this may need another public hearing.

**Approval of Minutes:** The minutes for February 26, which had been tabled, were approved. The minutes for April 23 were approved with minor corrections.

### **Information and Announcements:**

Jones gave an update on the Hermes site. The Council acted on May 22 to approve all three zoning measures. Various approvals are still needed from the Metropolitan Council and Ramsey County. Construction is expected to start later this year. She said a lot of people have heard about this redevelopment and very excited about it, especially those working with related programs at the University.

Movie in the Park is coming up in June, with an opportunity to camp out. This is the third year of the program. Camping space needs to be reserved in advance.

Commissioner Black asked if there are any funding issues that might slow down the Hermes site redevelopment. Jones said that the housing component will be financed by tax credit financing, and that the financial picture had changed to the point that they would have to go 100% affordable, but she had heard there was a lot of interest from funding agencies. The City has been assured that both components of the development will remain on the tax rolls.

The Planning Commission still has a vacancy.

**ADJOURNMENT:** The meeting was adjourned at 9:16 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Deborah Jones". The signature is written in a cursive, flowing style.

Deborah Jones, Staff Liaison



***The City That Soars!***

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	July 24, 2013
<b>Agenda Item</b>	Policy G3 (Addendum)
<b>Attachment</b>	Draft Resolution No. 13-19
<b>Submitted By</b>	Bart Fischer, City Administrator

<b>Item</b>	Approve Bond Bid for 2013 Street Improvement Project
<b>Description</b>	<p>The City's Financial Consultant Ehler's and Associates has received bids back for the bonds relating to the 2013 Street Improvement Project. Due to timing related to the bond sale, they have asked that the Council approve the bond bid at the July 24<sup>th</sup> City Council meeting.</p> <p>Attached is a draft of the resolution provided by the City's bond counsel and Ehlers for Council approval. A representative will be at the meeting to provide more information on the bond bid and resolution. In general, the bid came in favorably for the City and lower than expected.</p> <p>Staff recommends approval of the bond bid relating to the 2013 Street Improvement Project.</p>
<b>Budget Impact</b>	Ehlers representatives will explain the budget impact at the Council meeting. Levying for the bonds will need to start in 2015.
<b>Attachment(s)</b>	Draft Resolution No. 13-19
<b>Action(s) Requested</b>	That Council approve Resolution No. 13-19, approving the bond bid for the 2013 Street Improvement Project and providing for the issuance and sale of \$445,000 general obligation improvement bonds, series 2013a, and pledging special assessments and levying a tax for the payment thereof.

**CITY OF FALCON HEIGHTS  
COUNCIL RESOLUTION**

July 24, 2013

No. 13-19

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**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF  
\$445,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2013A, AND  
PLEDGING SPECIAL ASSESSMENTS AND LEVYING A TAX  
FOR THE PAYMENT THEREOF**

A. WHEREAS, the City Council of the City of Falcon Heights, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue \$445,000 General Obligation Improvement Bonds, Series 2013A (the "Bonds"), pursuant to Minnesota Statutes, Chapters 429 and 475, to finance the construction of various public improvement projects within the City (the "Improvements"); and

B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers pursuant to the Preliminary Offering Memorandum dated July 15, 2013; and

C. WHEREAS, the Improvements and all their components have been ordered prior to the date hereof, after a hearing thereon for which notice was given describing the Improvements or all their components by general nature, estimated cost, and area to be assessed; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota, as follows:

1. Acceptance of Proposal. The proposal of United Bankers' Bank (the "Purchaser"), to purchase the Bonds of the City (or individually, a "Bond"), in accordance with the Terms of Proposal established for the Bonds, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$\_\_\_\_\_, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted, and the Bonds are hereby awarded to the Purchaser. The Administrator is directed to retain the deposit of the Purchaser and to forthwith return to the unsuccessful bidders their good faith checks or drafts.

2. Bond Terms.

(a) Title; Original Issue Date; Denominations; and Maturities. The Bonds shall be titled "General Obligation Improvement Bonds, Series 2013A", shall be dated August 21, 2013,

as the date of original issue and shall be issued forthwith on or after such date as fully registered bonds. The Bonds shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"). The Bonds shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$
2016	
2017	
2018	
2019	
2020	
2021	

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however,



rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10 hereof, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 5 hereof, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10 hereof. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10 hereof, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10 hereof.

(d) Letter of Representations. The provisions in the Letter of Representation are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representation shall control.

3. Purpose; Cost. The Bonds shall provide funds to finance the Improvements in the City. The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Improvements proceeds with due diligence to completion and that any and all permits and studies required under law for the Improvements are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2014 calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Year</u>	<u>Amount</u>
2015	\$
2016	
2017	
2018	
2019	
2020	
2021	

5. No Optional Redemption. The Bonds shall not be subject to redemption and prepayment prior to their stated maturity dates.

6. Bond Registrar. Bond Trust Services Corporation, in Roseville, Minnesota is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12 of this resolution.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
RAMSEY COUNTY  
CITY OF FALCON HEIGHTS

R-\_\_\_\_\_

\$\_\_\_\_\_

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2013A

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>DATE OF</u> <u>ORIGINAL ISSUE</u>	<u>CUSIP</u>
_____%	FEBRUARY 1, ____	AUGUST 21, 2013	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2014, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the office of Bond Trust Services Corporation, Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of

the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

No Optional Redemption. The Bonds of this issue (the "Bonds") are not subject to redemption and prepayment prior to their stated maturity dates.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$445,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, which Bond has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council of the Issuer on July 24, 2013 (the "Resolution"), for the purpose of providing money to finance the construction of various public improvement projects within the jurisdiction of the Issuer. This Bond is payable out of the General Obligation Improvement Bonds, Series 2013A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely as fully registered bonds in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by his, her or its attorney duly authorized in writing at the office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided on the reverse side hereof with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Falcon Heights, Ramsey County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: BOND TRUST SERVICES CORPORATION

\_\_\_\_\_

Payable at: BOND TRUST SERVICES CORPORATION

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION  
This Bond is one of the  
Bonds described in the  
Resolution mentioned  
within.

CITY OF FALCON HEIGHTS,  
RAMSEY COUNTY, MINNESOTA

/s/ Facsimile  
Mayor

/s/ Facsimile  
Administrator

BOND TRUST SERVICES  
CORPORATION  
Roseville, Minnesota  
Bond Registrar

By \_\_\_\_\_  
Authorized Signature

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common
- UTMA - \_\_\_\_\_ as custodian for \_\_\_\_\_  
 (Cust) \_\_\_\_\_ (Minor)  
 under the \_\_\_\_\_ Uniform  
 (State)  
 Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

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

Notice: \_\_\_\_\_  
 The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
 Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Include information for all joint owners if the Bond is held by joint account.)





8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by the Bond Registrar. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is August 21, 2013. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Administrator is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12 above) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Administrator to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Funds and Accounts. There is hereby created a special fund to be designated the "General Obligation Improvement Bonds, Series 2013A Fund" (the "Fund"), to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other accounts maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Construction Account" and "Debt Service Account", respectively.

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest, plus any special assessments levied with respect to the Improvements and collected prior to completion of the Improvements and payment of the costs thereof. From the Construction Account there shall be paid all costs and expenses of making the Improvements, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes or special assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance may be transferred by the City Council to the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, or transferred to the Debt Service Account; and provided further that any special assessments credited to the Construction Account shall only be applied towards payment of the costs of the Improvements upon adoption of a resolution by the City Council determining that the application of the special assessments for such purpose will not cause the City to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) Debt Service Account. There are hereby pledged and there shall be credited to the Debt Service Account: (i) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal and interest due on the Bonds or collected subsequent to the completion of the Improvements and payment of the costs thereof; (ii) any collections of all taxes herein or hereafter levied for the payment of the Bonds and interest thereon; (iii) capitalized interest in the amount of \$\_\_\_\_\_ (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Bonds on or before February 1, 2014; (iv) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof, not so transferred to the account of another improvement; (v) all investment earnings on moneys held in the Debt Service Account; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from the Debt Service Account as provided by law.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above in an amount not greater than five percent (5%) of the proceeds of the Bonds. To this effect, any sums from time to time held in the Construction Account or Debt Service Account (or any other City fund or account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after

taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, the proceeds of the Bonds and money in the Construction Account or Debt Service Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

16. Assessments. It is hereby determined that no less than twenty percent (20%) of the cost to the City of each Improvement financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefitted by the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Improvement financed hereunder unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform, as soon as they may be done, all acts and things necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or this Council or any of the City officers or employees, either in the making of the assessments or in the performance of any condition precedent thereto, the City and this Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property.

The special assessments have heretofore been authorized. Subject to such adjustments as are required by conditions in existence at the time the assessments are levied, it is hereby determined that the assessments shall be payable in equal, consecutive, annual installments, including both principal and interest, with interest at a rate per annum set forth below:

<u>Improvement Designation</u>	<u>Amount</u>	<u>Levy Years</u>	<u>Collection Years</u>	<u>Rate</u>
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SEE ATTACHED SCHEDULE

At the time the assessments are in fact levied the City Council shall, based on the then-current estimated collections of the assessments, make any adjustments in any ad valorem taxes required to be levied in order to assure that the City continues to be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

17. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax</u> <u>Levy</u>	<u>Year of Tax</u> <u>Collection</u>	<u>Amount</u>
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SEE ATTACHED SCHEDULE

The tax levies are such that if collected in full they, together with estimated collections of special assessments and other revenues herein pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

18. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

19. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than 60 days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional

description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds and in all events within the period ending on the date which is the later of 18 months after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service, but not more than three years after the date of the Reimbursement Expenditure.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

20. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described:

(a) to provide or cause to be provided to the Municipal Securities Rulemaking Board, by filing at [www.emma.msrb.org](http://www.emma.msrb.org), (i) at least annually, its audited financial statements for the most recent fiscal year, and (ii) notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of such event, in accordance with the Undertaking; and

(b) its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Administrator of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

21. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Debt Service Account when a sufficient balance is available therein.

22. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Ramsey County, Minnesota, together with such other information as the County Auditor shall require, and there shall be obtained from the County Auditor a certificate that the Bonds have been entered in the County Auditor's Bond Register and the tax levy required by law has been made.

23. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

24. Negative Covenant as to Use of Proceeds and Improvements. The City hereby covenants not to use the proceeds of the Bonds or to use the Improvements, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Improvements, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

25. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the Bonds, and (c) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (a) the Bonds are issued by a governmental unit with general taxing powers, (b) no

Bond is a private activity bond, (c) ninety-five percent (95%) or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (d) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

26. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2013 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2013 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

27. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota on the closing date for further distribution as directed by the City's financial advisor, Ehlers.

28. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

29. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.



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Moved by:

Approved by: \_\_\_\_\_

Peter Lindstrom  
Mayor  
July 24, 2013

LINDSTROM        \_\_\_\_\_    In Favor  
GOSLINE  
HARRIS            \_\_\_\_\_    Against  
LONG  
MERCER-TAYLOR

Attested by: \_\_\_\_\_

Bart Fischer  
City Administrator  
July 24, 2013

EXHIBIT A

PROPOSALS

[To be supplied by Ehlers & Associates, Inc.]